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02

# **Message from Chairman**

Corporate Social Responsibility is a crucial indicator for evaluating a company's long-term sustainability. Only by actively embracing social responsibility can we become a truly competitive and resilient company. In 2024, we will make further explorations in ESG (Environmental, Social, and Governance) endeavors as part of our commitment to corporate social responsibility.



Over the past year, the consumer electronics industry has grappled with periodic demand fluctuations and heightened competition amidst the sluggish global economy, numerous trade barriers, and slowing inflation. Faced with rapidly changing internal and external environments, TPV has made every effort to seize opportunities and overcome challenges. While forging ahead, we remain steadfast in fulfilling our commitment to international organizations and initiatives such as the UN Global Compact (UNGC), Responsible Business Alliance (RBA), and Science Based Targets initiative (SBTi). We deeply embed ESG into our corporate sustainability efforts. The road ahead is long and challenging, and TPV must continue to press forward with determination.

### We are determined to transform our ESG ambitions into concrete actions and opportunities for advancement

By integrating stakeholder expectations with corporate development, we have launched the "TPV ESG Roadmap to 2030" to capture emerging sustainability prospects. Since 2023, we have been comprehensively promoting an ESG goal management system for closed-loop improvement. With our blueprint in place, we are ready to embark on a voyage toward a brighter future.

In order to enhance our corporate governance, we have linked ESG performance to executive compensation. We organize workshops for directors, supervisors, and senior executives and hold ESG Taskforce meetings to establish a top-down, all-inclusive ESG governance structure. In 2023, we were awarded the Gold Medal for EcoVadis sustainability rating for two consecutive years and were selected for the "Central SOE of China • ESG Pioneer Index" for three consecutive years.

### We are confident that we can bring more innovative green display products and solutions for net-zero transition

TPV is committed to taking proactive actions to mitigate and adapt to climate change, and contributing to nature protection and the green transformation of society by providing eco-friendly products and solutions. We pledge to achieve science-based emission reduction targets and incorporate climate-related risks into our daily risk management. Moving forward, we will strive to conceive TPV Net Zero by 2050 in the near future. In 2023, the Company achieved a B rating in CDP Climate Change, demonstrating managerial excellence.

We are dedicated to minimizing our environmental footprint. Following the principles of the circular economy, we strive to reduce product carbon footprints through the innovation of energy-efficient technologies and the application of more recycled and sustainable materials in products and packaging. We are also advancing digital and intelligent transformation while promoting green manufacturing and the use of renewable energy sources. Compared to the base year of 2020, we reduced carbon emissions at the operational level by 34%.

### We are committed to promoting ESG development throughout the value chain as an industry leader

Upholding the principle of "Creating Unique Values for Our Customers", TPV deeply integrates into the new landscape of global digital transformation. Focusing on diverse application scenarios including smart office, retail, healthcare, education, transportation, and household environments, we continuously launch high-quality, reliable products and solutions that align with ESG principles.

We are fully aware that our sustainable development is closely related to supply chain ESG management. Therefore, we have integrated ESG criteria into our product and supplier evaluation systems, and established sustainable supply chain strategy and supplier ESG assessment frameworks. In the future, we will continue to promote supply chain ESG management and collaborate with upstream and downstream value chain partners to reduce carbon emissions, thus building a more resilient and sustainable supply chain.

### We will adhere to our original intention to continuously spread love and goodness to employees and society

TPV values the happiness and sense of belonging of all employees and strives to build a resilient organization that fosters sustainable prosperity. Embracing equality, diversity, and inclusivity, we have established a safe and healthy workplace and converted our strategic talent advantage into a catalyst for high-quality development.

Over the years, we have consistently given back to the local communities. Leveraging the distinctive features of products and our professional advantages, we have invested constantly in areas such as environmental protection, educational development, community building, and social welfare. We have also created social value together with our partners. In 2023, TPV's donations for public welfare totaled over RMB4 million.

Looking back on the long journey, we remain true to our original aspiration. TPV is deeply convinced that every small action and every joint effort will contribute to achieving our ambitious goal of the "TPV ESG Roadmap to 2030". On behalf of all TPV colleagues, I am eager to join hands with all stakeholders to jointly create a more sustainable and better future! Together, let's forge ahead towards new horizons!

Dr. Jason Hsuan Chairman of the Board & CEO of TPV Technology Leader of the Risk Management and ESG Committee Chairma

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# **2023 ESG Highlights TPV's ESG Milestones**

Gradual inclusion 2016-2019 Conducted ESG disclosure in compliance with the requirements of the exchanges	All-round construction 2020 Established the ESG Committee and ESG Taskforce at the Board level Joined the UN Global Compact (UNGC)	<ul> <li>2021</li> <li>Developed the ESG data management platform</li> <li>Implemented ESG data assurance for the first time</li> <li>Released the ESG report</li> </ul>	<ul> <li>Approved for carbon reduction targets by the Science Based Targets initiative (SBTi)</li> <li>Joined the Responsible Business Alliance (RBA)</li> <li>Awarded the EcoVadis Gold Medal</li> </ul>	<ul> <li>Anchoring on the goal</li> <li>2023</li> <li>Released the ESG Mission and Vision and TPV ESG Roadmap to 2030 for the first time</li> <li>Held ESG Taskforce meeting</li> <li>Regranted the EcoVadis Gold Medal</li> </ul>	• Towards net zero for sustainability 2030-2050
					•

### **2023 ESG Highlights**



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

(RMI)

### 

### **Organization and Initiative Memberships**

Chairman



We support the United Nations Sustainable **Development Goals** (SDGs)

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We support

in 2022

the Science Based

Targets initiative<sup>2</sup>

(SBTi). Our carbon

reduction targets were validated by the SBTi



WE SUPPORT

We support the UN Global Compact<sup>3</sup> (UNGC)

Responsible Business Alliance Affiliato Mombo

We support the Responsible **Business Alliance** (RBA)



We support the Responsible **Minerals Initiative** 

We support

IPC BUILD ELECTRONICS

We support

Industries

(IPC)

the Association



We support and joined the **Connecting Electronics** China ESG Alliance in 2024

### **Awards and Recognition**



Awarded EcoVadis Sustainability rating for two consecutive years Gold Medal



**Carbon Disclosure Project** (CDP) Climate Change: B

Water Security: A-



"Central SOE of China • ESG Pioneer 100 Index"

Department of Social Responsibility. State-owned Assets Supervision and Administration Commission (SASAC). State Council of China 28th



Wind ESG Rating А

the International **Tin Supply Chain** Initiative (ITSCI)

> • Top 50 of the "Outstanding ESG Cases of Chinese Enterprises" China Enterprise Reform and Development Society and China Comment of Xinhua News Agency

The First Guoxin Cup • ESG Golden Bull Award for "Top 50 Central Enterprises" China Securities Journal

"China's ESG Pioneer 100 Listed Companies" list (43rd) Jointly awarded by China Media Group, State-owned Assets Supervision and Administration Commission of the State Council (SASAC), All-China Federation of Industry and Commerce, and Chinese Academy of Social Sciences

"2023 Top 100 Chinese Companies for Sustainable Development" China Business Council for Sustainable Development (CBCSD)

<sup>2</sup> Please refer to the official website of SBTi.

<sup>3</sup> Please refer to the official website of UNGC



# **TPV Technology** at a **Glance**

- About TPV
- Products and Solutions

As the world's leading intelligent manufacturer of monitors and LCD TVs, TPV's products connect millions of families and different industries, and our operational footprint spreads all over the world. We uphold the principle of responsible business, committed to providing more sustainable display products and solutions for whole society, and innovate for people's aspirations for better technology.



Message from Chairman 2023 ESG Highlights TPV Technology

Strengthen ESG Drive the Future of Governance Green Displays

# **About TPV**

### **Overview**

Founded in Taiwan and represented worldwide, TPV Technology has 12 manufacturing bases in 7 countries across Asia, Europe, and America. As a leading provider of Liquid Crystal Display (LCD) monitors and TVs, TPV Technology distributes products under our own brands AOC, AGON, and Envision and under a long-term exclusive license agreement with Philips for global monitors, TVs, audio-visual products, and mobile phones<sup>4</sup>. Renowned for excellent quality, reliability, and popularity, our products have received various international design prizes such as Red Dot Design Awards, iF Design Award, and the CES Innovation Awards, TPV Technology has long been the world's largest manufacturer and provider of LCD monitors and ranked among top 10 for TV sales, with an annual shipment of over 50 million units, accounting for over 28% of the global market.

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



To become the global leader in display

# Our Values

Our Mission

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

### **Global Presence and Market Standing**

Foster a Healthy and

Upright Society



<sup>4</sup> TPV possesses an exclusive license to manufacture and distribute Phillips monitors (displays), TVs (except for the United States, Canada, Mexico, and some South American countries), and sound products worldwide.

<sup>5</sup> Correction: "For 4 consecutive years, AOC has been the second top-selling gaming monitor brand worldwide" in the 2022 ESG Report should be "For 4 consecutive years, AOC has been the top-selling gaming monitor brand worldwide".

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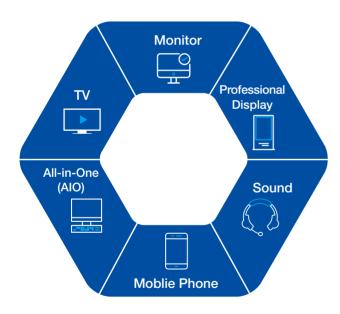
Strengthen ESG Governance Drive the Future of

Green Displays

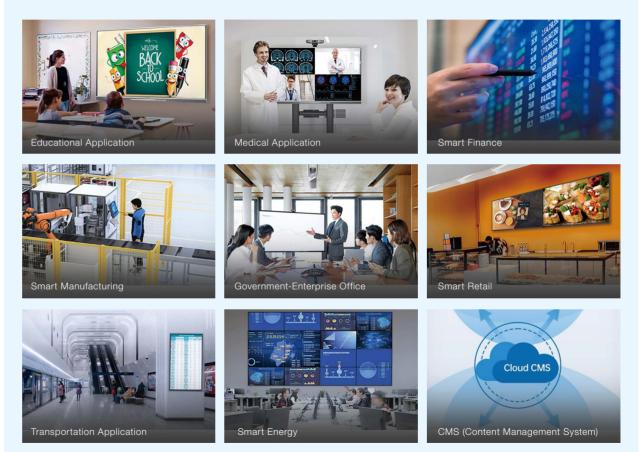
Appendix

# **Main Products and Solutions**

Our products mainly include monitors, TVs, and audio products. Driven by an ongoing commitment to meeting the needs of customers, we are constantly expanding our product range to cover education, healthcare, e-sports, new retail, transportation, office, and other fields for different customer groups including individual consumers and enterprise customers under various consumption scenarios. Consistent quality excellence and leading technology have earned TPV products recognition from clients, customers and the industry as well as a number of international industrial design awards.



### **Diverse Application Scenarios**



Message from Chairman 2023 ESG Highlights

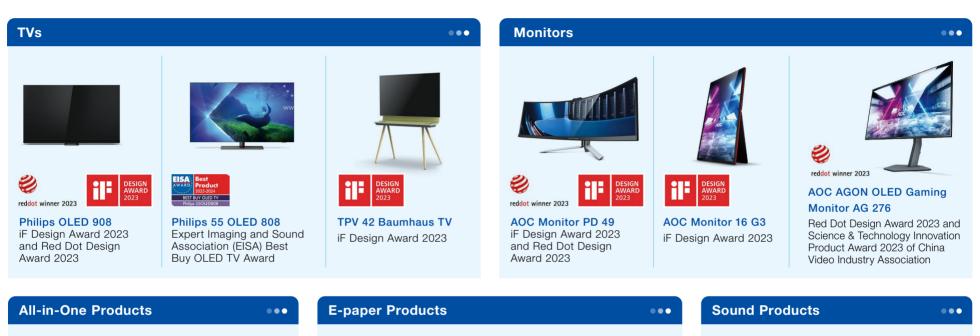
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Upright Society

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Appendix

### **2023 Featured Products**





AOC All-in-One Master E99 and Master 926 Plus IT168 "Product of the Year Award 2023"

### Philips Tableaux E-paper series

the Best of Show at Integrated Systems Europe (ISE) 2023, rAVe's Best of ISE Award 2023 and Best of InfoComm Award 2023, the Installation Product Award 2023 of the Systems Contractor News (SCN), the Retail Systems' Sustainable Retail 2023, and the Green Signage Award of the Digital Signage Summit Europe (DSSE)



### Best Product 2023/024 Best BUY OLED TV Prime 55 OLED 808 Philips Fidelio

Philips Fidelio L4 Headphones Award of the Expert Imaging and Sound Association (EISA), iF Design Award 2023, and Red Dot Design Award







# Strengthen ESG Governance

### Issues addressed

• ESG Governance

Efficient ESG governance underpins the path of sustainable development. At TPV, we regard ESG as a crucial priority for green transformation and high-quality development. We aim to achieve a new paradigm for sustainable business and create long-term value by continuously improving our ESG governance mechanisms and sharing development outcomes with all stakeholders.

### SDGs addressed





Create a Safe and

Happy Workplace

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# **Road to Sustainability**

TPV's pursuit of sustainable development is guided by the corporate blueprint and underpinned by the four pillars. In 2022, TPV released its inaugural ESG vision and mission and formulated the TPV ESG Roadmap to 2030 aligned with its development strategy. We also systematically outlined the Company's long-term sustainability targets and paths. In 2023, we proactively advanced the realization of the ESG targets outlined in the TPV ESG Roadmap to 2030. We actively managed and addressed the challenges and risks identified and integrated the concept of sustainability deeply into our decision-making processes. This approach has propelled us towards a new journey of high-quality development and green transformation.

Global sustainability context

### Challenges

- Intensified global climate crisis, deterioration of ecological environment, and shortage of energy and resource
- Geopolitical instability, increased supply chain risks, and growing inequality

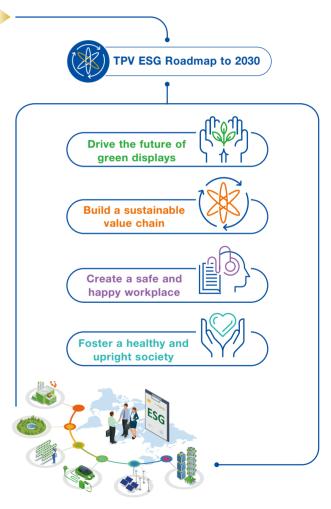
### **Opportunities**

- United Nations 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs)
- New market opportunities presented by new energy and AI
- Green and low-carbon transition of the manufacturing industry
- Customer demand for more diverse products
- Global ESG investment strategy drives continuous improvement in the corporates' ESG performance

- Our advantages
- Global innovation and R&D network
- Green product design
- Leading manufacturing technology, quality management system and after-sales service capability
- Supply chain stability
- Global talent resources
- Solid corporate governance and ESG management

### Our solutions

- Deliver smarter, greener and diverse displays products to meet customers' expectations for a better life through technology
- Low-carbon and clean manufacturing mechanisms
   throughout product lifecycle
- Contribute to intelligent manufacturing in China and promote high-quality industrial development
- Promote decent employment and local socioeconomic development
- Promote a higher level of global cooperation in the industry value chain



ESG Drive the Future of Green Displays

Create a Safe and

Happy Workplace

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### **TPV ESG Roadmap to 2030**

Vision Better Display, Better life

Mission Lead in sustainability and become a

Lead in sustainability and become a green partner trusted by employees, customers, and the earth



### **Four Pillars**

Drive the future of green displays Create a safe and happy workplace Build a sustainable value chain Foster a healthy and upright society



36 hours of training per employee

Commit to zero human rights incidents



**Improve customer experience** 98% customer satisfaction

Protect data security and customer privacy

• Sustainable supply chain 90% of buyers trained Key supplier ESG and GHG inventory survey



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

### **TPV ESG Roadmap to 2030 Progress**

Drive the Future of Green Displays



▶ In active progress 1 In slow progress 🔂 Off track



ESG Issue	Direction	Target	Progress in 2023
	Science Based Targets (Scope 1 & 2)	By 2030, reduce carbon emissions of Scope 1 & 2 at operational level by 42% from 2020	$\mathbf{O}$
Climate & Energy	Save energy consumption	By 2025, reduce annual electricity consumption (at global manufacturing bases, main offices and operation sites) by 2.4% from 2021	٥
	Optimize energy structure	By 2025, ensure that renewable electricity accounts for at least 13% of total electricity consumption (at global manufacturing bases, main offices and operation sites)	٥
Water Management	Address water challenge	By 2025, maintain annual water withdrawal level at 2021	$\mathbf{\bigcirc}$
	Science Based Targets (Scope 3)	By 2030, reduce carbon emissions of Scope 3 – use of sold products <sup>6</sup> by 42% from 2020	$\mathbf{\Diamond}$
	Reduce energy consumption in product use	By 2025, reduce product energy use of own brand monitors and TVs by 25% from 2020	٥
	Reduce environmental impact of raw	By 2030, use at least 50% of recycled plastic or ocean-bound plastic in own brand products	$\mathbf{O}$
Green Product &	materials	By 2030, use at least 25% of recycled aluminum in aluminum parts of own brand products	$\mathbf{\bigcirc}$
Packaging	Reduce environmental impact of packaging	By 2030, use at least 95% of recycled packaging materials in own brand products	$\mathbf{O}$
		By 2030, use at least 90% of recycled or FSC <sup>7</sup> -certified materials or bio-based materials in packaging of own brand products	٥
		By 2030, reduce carbon emissions from packaging by 25% for own brands from 2020	$\mathbf{\Diamond}$
	Promote green logistics	Select low-carbon transportation routes and modes wherever possible, including electrified railroads, cargo ships using low-sulfur fuels, etc.	٥
Product Quality & Safety	Ensure product quality and safety	Pursuing superior, be the industry leader in quality	٥
	Improve automation and efficiency	By 2026, increase the automation rate in monitors and TVs by 3% each year	0
Innovative	Support and promote innovative development	By 2025, adopt at least 300 innovation proposals each year	$\mathbf{\Diamond}$
Development		By 2025, maintain 1,000 valid patents worldwide	٥
		By 2025, have at least 22% of R&D staff with master's or doctor's degrees	$\mathbf{O}$

<sup>&</sup>lt;sup>6</sup> The product lifetime in the Report is calculated based on industry and product certification standards. <sup>7</sup> FSC: Forest Stewardship Council.

Appendix

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😥 In active progress \, () In slow progress 😽 Off track



ESG Issue	Direction	Target	Progress in 2023
Customer	l	By 2025, ensure customer satisfaction with after-sales service no less than 98% in China	$\mathbf{O}$
Relationship Management	Improve customer experience	By 2025, ensure that at least 94% Turn Around Time (TAT) worldwide	$\mathbf{\mathfrak{O}}$
	Strengthen information security management	By 2025, have 5 manufacturing bases worldwide with ISO 27001 Information Security Management System certification	٥
		Conduct regular vulnerability management and penetration testing of servers and systems each year	$\mathbf{O}$
Data Security & Customer Privacy Protection		Conduct regular information security drills at global manufacturing bases, main offices and operation sites each year	٥
Protection	Raise information security awareness	Conduct one quarterly information security awareness session at global manufacturing bases, main offices and operation sites each year	٥
		Ensure that all employees participate in at least 1 phishing drill each year, and achieve a <15% click-through rate	
	100% of q Conduct c Manage supply chain risks	100% of qualified suppliers sign the TPV CSR Supplier Code of Conduct	0
		100% of qualified suppliers sign the Warranty on the Non-Use of Conflict Minerals	٥
		Conduct conflict minerals survey of 100% of qualified suppliers using metal in production	$\mathbf{O}$
		100% of newly introduced suppliers are ISO 14001 and ISO 9001 certified	٥
Sustainable		By 2025, require 80% of key suppliers to complete a written ESG survey	$\mathbf{O}$
Supply Chain		Gradually promote the third-party on-site RBA audit of monitors and TV suppliers: accumulate 200 suppliers in 2025 and 300 suppliers in 2030	٥
	Promote green supply chain	By 2025, require key suppliers to provide greenhouse gas (GHG) inventory information	٥
	Strengthen internal and external	By 2025, ensure that at least 90% of buyer receive training on sustainable procurement and environmental protection	Ø
	empowerment	By 2025, ensure that at least 200 suppliers have participated in TPV-organized training	$\mathbf{O}$

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Create a Safe and Happy Workplace



😥 In active progress \, 🕦 In slow progress 😽 Off track



ESG issue	Direction	Target	Progress in 2023
Occupational	Ensure a healthy and safe workplace	By 2025, have 9 manufacturing bases worldwide certified with ISO 45001 Occupational Health and Safety System	٥
Health & Safety		Commit to zero work-related fatalities at global manufacturing bases	٥
Human Rights &	Commit to zero human rights incidents	Zero human rights violations of child and forced labor at global manufacturing bases	٥
Labor Rights	Increase employee satisfaction	By 2025, ensure that employee satisfaction in China is no less than 75%	٥
		By 2025, conduct at least 40 6Sigma training sessions with no less than 900 participants each year	٥
Talent Training & Development	Enhance organizational strengths	By 2025, achieve no less than 36 training hours per employee each year	٥
		By 2025, increase training hours per employee on ESG topics <sup>8</sup> by 5% each year	٥





D In active progress 🕦 In slow progress 😴 Off track



ESG issue	Direction	Target	Progress in 2023
	Achieve linkage between executive compensation and ESG performance	Link executive compensation to ESG performance	٥
ESG Governance	Promote diversity in management	By 2025, ensure female account for at least 26% of senior management and management	٥
	Organize regular ESG meetings	Organize at least 2 ESG meetings each year	D
Supporting Local	0	Complete more than 5 charitable donations each year	D
Communities	Strengthen community engagement	Engage at least 300 employees in community service each year globally	D
Business Ethics & Compliance	Handle whistleblowing and complaint	Handle 100% of fraud complaints submitted through official channels	٥
Risk Management	Conduct internal audit	By 2025, achieve 88% or higher internal audit coverage rate (global manufacturing bases, main offices and operation sites)	٥

<sup>&</sup>lt;sup>8</sup> ESG topics include business ethics, occupational health and safety, climate change mitigation, etc.

# **Foundation of Sustainability**

The TPV ESG Roadmap to 2030 sets higher demands for TPV's sustainable governance. We continuously enhance our ESG governance framework and management mechanisms. We have established a target management system focused on the "TPV ESG Roadmap to 2030", advanced closed-loop improvements in ESG management and performance, as well as enhanced internal recognition and executive capabilities of ESG principles. By doing so, we collaborate with all stakeholders to create sustainable value together.

### **ESG Governance Structure**

TPV has established a three-level governance structure consisting of the "Board of Directors, the Risk Management and ESG Committee, and the ESG Taskforce". Each level has clear responsibilities to ensure that TPV fully considers the potential impacts, risks, and opportunities of environmental, social, and corporate governance factors in its business decision-making processes.

ESG governance structure	Role	Member	Responsibility
Board of Directors	Oversee ESG matters	Board members	<ul> <li>Review key ESG strategies and discuss governance policies</li> <li>Review the identification and management of ESG risks</li> <li>Review and approve the company's annual ESG report</li> <li>Review the annual ESG KPIs and progress towards targets, including reviewing GHG reduction targets and roadmap and approving climate change related budgets</li> </ul>
Risk Management and ESG Committee	Manage ESG matters	The Committee comprises top management of the Company. Dr. Jason Hsuan, Chairman of the Board & CEO of TPV, serves as leader of the Committee. Other members include the Company's Vice Presidents and executive officers	<ul> <li>Review the development of the company's ESG vision, mission, and medium and long-term strategy</li> <li>Monitor progress of ESG targets and the effectiveness of actions taken</li> <li>Assess and manage ESG risks on a quarterly basis, including climate change, circular economy, sustainable supply chain, labor and human rights risks, etc.</li> <li>Review the Company's annual ESG report</li> </ul>
ESG Taskforce	Execute and implement ESG matters	Representatives from functional departments of the Company	<ul> <li>Implement ESG targets, plan, projects, and material issues in accordance with the company's ESG strategy</li> <li>Communicate with stakeholders on ESG issues</li> <li>Participate in the preparation of the Company's annual ESG reports</li> </ul>

# Holding the first ESG workshop for directors, supervisors, and senior executives to strengthen ESG governance

TPV has made multiple efforts to advance sustainable transformation. These efforts include fulfilling the key responsibilities of the directors, supervisors, and senior executives in corporate ESG governance, enhancing capacity building and knowledge reserves, as well as boosting business operations and management.

Create a Safe and

Happy Workplace

In September 2023, TPV organized its first ESG workshop for directors, supervisors, and senior executives. The workshop invited seasoned ESG industry experts to share views on key topics such as ESG concepts and development, ESG investment and financing markets, the role of the Board of Directors in ESG governance, as well as TPV's key ESG issues. Dr. Jason Hsuan, Chairman of the Board, CEO, and the Leader of the Risk Management and ESG Committee, attended the workshop with the presence of the directors, supervisors, and senior executives. During the event, all participants delved deep into each topic and engaged in lively and extensive discussions.



ESG Workshop for Directors, Supervisors, and Senior Executives

# Linking Executive Compensation to ESG Performance

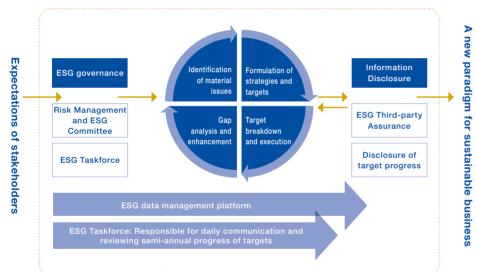
To effectively implement the Company's ESG strategy, TPV has been actively exploring the linkage between ESG performance and compensation. We started by linking executive compensation to ESG performance. Material ESG issues involved include violations of human rights in the Company and its supply chain (including but not limited to child labor and forced labor), as well as carbon emissions at operational and value chain levels. These critical ESG performance factors may affect up to 15% of the performance bonuses for senior executives. In the future, we will consider optimizing relevant systems based on actual conditions and improving the ESG performance assessment for both the Board of Directors and junior management.

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### **ESG Target Management System**

With the TPV ESG Roadmap to 2030 as the benchmark and core, we have established an ESG target management mechanism involving multiple stakeholders. This is a comprehensive and practical ESG framework that is tailor-made and ahead of our peers. By virtue of the framework, we have transformed the expectations of various stakeholders into requirements for self-improvement in management. Driven by management improvements in pursuit of our goals, we aim to steer the Company towards high-quality development and green transformation.

### ESG Target Management System Involving Multiple Stakeholders



In August 2023, the Risk Management and ESG Committee held the ESG Taskforce Meeting to review and discuss the semiannual progress of each target outlined in the TPV ESG Roadmap to 2030. During this meeting, the ESG team presented the purposes and latest requirements of ESG disclosure to all participants. They also answered colleagues' questions regarding material ESG issues and further elaborated on the potential corporate risks of neglecting ESG through negative cases. Additionally, they highlighted the possibilities of exploring new business opportunities through ESG initiatives, as well as clarified shared targets and directions.



### **Investigations Before and After the Meeting**

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Dimensions of investigation	Changes in the level of understanding
Responsibilities of the three-level ESG governance structure	45.89%↑
ESG vision and mission	45.89%↑
ESG Roadmap to 2030	39.79%↑
Objectives and requirements of ESG disclosure	23.61%↑



In 2023, we held 2 ESG management meetings

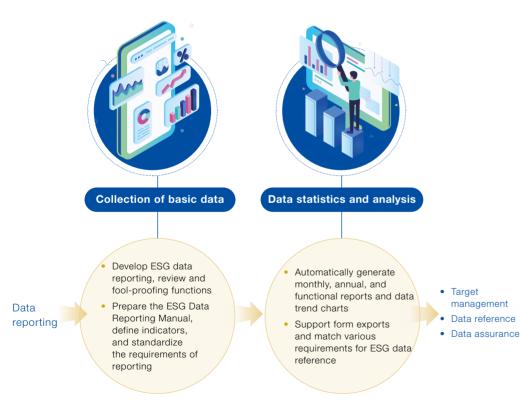
with over **150** attendees



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### **ESG Data Management**

TPV insists on empowering ESG management through digital tools. We have achieved online management and traceability of ESG data through the self-developed ESG Platform, thus significantly enhancing efficiency and decision-making support in ESG management. Since the launch of the ESG Platform in 2022, we have been updating the platform annually based on company needs, user feedback, and standard updates to continuously improve ESG data management. In 2023, we launched ESG Platform 2.0. The upgrade aims to further enhance data coverage and visualization, facilitate ESG disclosure, and complement the ESG target management system in a closed-loop manner.



### New features of ESG Platform 2.0

- Add 28 new ESG report indicators to increase indicator coverage;
- Add monthly and annual trend tracking functions for each indicator;
- Add a Management Portal covering key ESG indicators such as SBTi target, electricity consumption reduction, use of renewable energy, and water withdrawal, to display progress of each target in real-time;
- Add the generation of department monthly report, etc.



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# **Stakeholder Engagement**

Effective stakeholder engagement forms a cornerstone for effective target management and the creation of shared value. TPV proactively establishes diverse and open channels for communication with various stakeholders. Through these channels, we not only deliver the company's lastest development strategy but also actively listen to their concerns and expectations. Moreover, we dynamically incorporate stakeholder feedback into our sustainability strategy and management mechanisms.

### 2023 TPV Stakeholder Engagement

Stakeholders	Issues o	f Interest	Communication Channels and Frequency				
Employees	<ul> <li>Human Rights &amp; Labor Rights</li> <li>Occupational Health &amp; Safety</li> <li>Talent Training &amp; Development</li> <li>Talent Attraction &amp; Retention</li> </ul>	<ul> <li>Diversity, Equality and Inclusion</li> <li>Product Quality &amp; Safety</li> <li>Sustainable Supply Chain</li> </ul>	<ul> <li>Employee satisfaction survey (annual)</li> <li>Comment box (real-time)</li> <li>Communication sessions at all levels (irregular)</li> </ul>	<ul> <li>Employee activities and training (irregular)</li> <li>ESG questionnaire (annual)</li> <li>ESG conference (semi-annual/ annual)</li> </ul>			
Clients or customers	<ul> <li>Product Quality &amp; Safety</li> <li>Customer Relationship Management</li> <li>Data Security &amp; Customer Privacy Protection</li> </ul>	<ul> <li>Corporate Emergencies/Public Crisis Management</li> <li>Green Product &amp; Packaging</li> <li>Circular Economy</li> <li>Use of Renewable Energy</li> </ul>	<ul> <li>Employee satisfaction survey (annual)</li> <li>Call Center (real-time)</li> </ul>	<ul> <li>Executive visits and Quarterly Business Review (QBR) (quarterly)</li> <li>Routine customer communication and meetings (irregular)</li> </ul>			
Shareholders or potential investors	<ul> <li>Risk Management</li> <li>Business Ethics &amp; Compliance</li> <li>ESG Governance</li> <li>Innovative Development &amp; Intellectual Property Protection</li> <li>Corporate Emergencies/Public Crisis Management</li> </ul>	<ul> <li>Investor Relations &amp; Shareholder Rights</li> <li>Communications &amp; Transparency</li> <li>Product Quality &amp; Safety</li> <li>Human Rights &amp; Labor Rights</li> <li>Collaboration with Business Partners</li> </ul>	<ul> <li>General meeting of shareholders (annual)</li> <li>Investor conference and roadshows (annual)</li> <li>Hotline (real-time)</li> <li>Interactive transaction on Shenzhen Stock Exchange (real-time)</li> <li>WeChat official account (irregular)</li> </ul>	<ul> <li>Exchange of minority shareholders (irregular)</li> <li>TPV website (real-time)</li> <li>Annual financial report (annual)</li> <li>Annual ESG report (annual)</li> </ul>			
Suppliers or business partners	<ul> <li>Sustainable Supply Chain</li> <li>Climate &amp; Energy</li> <li>Collaboration with Business Partners</li> <li>Conflict Minerals Management</li> </ul>	<ul> <li>Product Quality &amp; Safety</li> <li>Green Products &amp; Packaging</li> <li>Innovative Development &amp; Intellectual Property Protection</li> </ul>	<ul> <li>Supplier meeting (irregular)</li> <li>On-site audit (annual)</li> <li>Supplier training (annual)</li> </ul>	<ul> <li>Supplier conference (annual)</li> <li>Industry exchanges (irregular)</li> <li>Routine communication and visits (irregular)</li> </ul>			
Community and the public	<ul> <li>Community Engagement &amp; Contribution</li> <li>Communication &amp; Transparency</li> <li>Climate &amp; Energy</li> <li>Emissions Management</li> </ul>	<ul> <li>Biodiversity</li> <li>Product Quality &amp; Safety</li> <li>Data Security &amp; Customer Privacy Protection</li> </ul>	<ul> <li>Government engagement (irregular)</li> <li>Charitable activities (irregular)</li> <li>Volunteering service (irregular)</li> </ul>	<ul> <li>TPV Cares<sup>9</sup> (irregular)</li> <li>Rural revitalization projects (irregular)</li> </ul>			

<sup>9</sup> TPV's Overseas Community Care Program. For more information, please refer to the TPV Cares website.

then ESG Drive the Future of Green Displays

Appendix

### **☆** 目 Q

TPV expects to spread the values and impact of ESG through communication between internal and external stakeholders. Through involving our employees and industry partners, we strive to contribute to the construction of a sustainable development ecosystem in China.

# Sharing ESG experience to facilitate the sustainable development of the industry

In recent years, China has stepped up efforts to establish ESG systems. In June 2023, TPV was invited to participate in a training and exchange meeting on the preparation of ESG reports for central state-owned listed companies (Shenzhen session) by the Shenzhen Stock Exchange. As a representative of outstanding enterprises, TPV shared its cutting-edge practices in ESG information disclosure, integrating the ESG concept into the top-level design, and establishing a top-down ESG management structure. The aim was to provide experience and reference for improving ESG management and performance of central state – owned listed companies.

In November 2023, TPV was invited to participate in the "2023 Corporate ESG Hot Topic Forum and IPC-1401 CSR Management System Standard Technical Committee Conference". During the event, TPV shared its experience and practices in responding to multiple ESG requirements in the international market and its own ESG management.

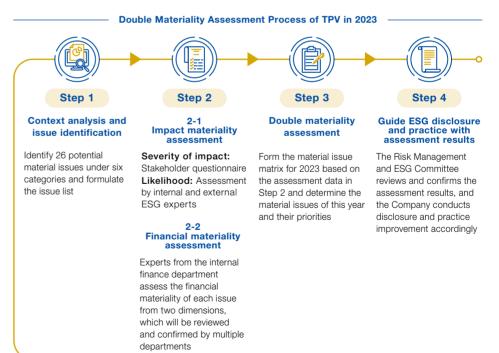


Sharing leading ESG Experience

## **Materiality Assessment**

TPV prioritizes regular materiality assessment as the foundation and core of its ESG strategic planning, risk and opportunity management, and information disclosure. In 2023, we conducted a double-materiality assessment for the first time by integrating financial perspectives into the existing impact materiality assessment in accordance with the latest international disclosure standards such as the *GRI 3: Material Topics*, the *European Sustainability Reporting Standards* (ESRS), and the *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1). This assessment involved the viewpoints of multiple departments and 1,060 stakeholders, thoroughly analyzing the impact of ESG issues on the corporate finance, as well as its economic, environmental, and social aspects. A total of 22 identified material issues are addressed in detail in this Report.

### **Double Materiality Assessment Method**



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### Step 1: Context analysis and issue identification

In the process of identifying the material issues in 2023 and forming the issue list, TPV fully considers the following six types of factors:

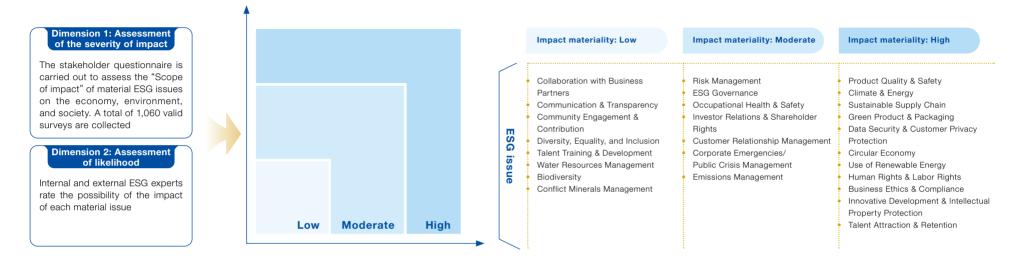


			Issue List of 2	023	
Scope of Issue		Name of Issu	le	Change Compared with the Previous Year	
Environmental issues (7)	<ul> <li>Climate &amp; Energy</li> <li>Circular Economy</li> <li>Use of Renewable Energy</li> </ul>	<ul> <li>Water Resources Management</li> <li>Emissions Management</li> <li>Biodiversity</li> </ul>	Green Product & Packagir	ığ	<ul> <li>"Sewage and Waste Management" is changed to "Emissions Management" to broaden the scope of the issue</li> </ul>
Social issues (12)	<ul> <li>Product Quality &amp; Safety</li> <li>Sustainable Supply Chain</li> <li>Customer Relationship Management</li> </ul>	<ul> <li>Collaboration with Business Partners</li> <li>Talent Attraction &amp; Retention</li> <li>Occupational Health &amp; Safety</li> </ul>	<ul> <li>Human Rights &amp; Labor Rights</li> <li>Diversity, Equality, and Inclusion</li> <li>Talent Training &amp; Development</li> </ul>	<ul> <li>Conflict Minerals Management</li> <li>Community Engagement &amp; Contribution</li> <li>Communication &amp; Transparency</li> </ul>	<ul> <li>"Diversity &amp; Inclusion" is changed to "Diversity, Equality, and Inclusion" to align closely with the widely recognized principles in the international community</li> <li>"Supporting Local Communities" is changed to "Community Engagement &amp; Contribution" to broaden the scope of the issue</li> </ul>
Governance issues (7)	ESG Governance     Business Ethics &     Compliance     Risk Management	<ul> <li>Data Security &amp; Customer Privacy Protection</li> <li>Innovative Development &amp; Intellectual Property Protection</li> <li>Corporate Emergencies/Public Crisis Management</li> </ul>	Investor Relations & Share	holder Rights	<ul> <li>"Innovative Development" is changed to "Innovative Development &amp; Intellectual Property Protection" to emphasize the importance of intellectual property management to corporate innovation and thus broaden the scope of the issue</li> <li>"Investor Relations &amp; Shareholder Rights" is added as a new issue. Managing investor relations is a critical factor affecting the long-term development of a company. TPV also places great importance on protecting the rights of investors and shareholders</li> </ul>

In this Report, "risks" are categorized as broad risks and narrow risks. Broad risks refer to the double materiality assessment of potential sustainability-related risks that the Company faces in its value chain, including but not limited to climate change, biodiversity, human rights & labor rights, and sustainable supply chain. Please refer to the corresponding section for details. Narrow risks pertain to the risks managed internally by the Company. They are defined as key business risks identified and controlled by the Enterprise Risk Management (ERM) system and procedures. This category of risks consists of business/strategic risk, operational risk, financial and reporting risk, as well as compliance and regulatory risk. Please refer to Section 6.2 "Risk Management" for details.

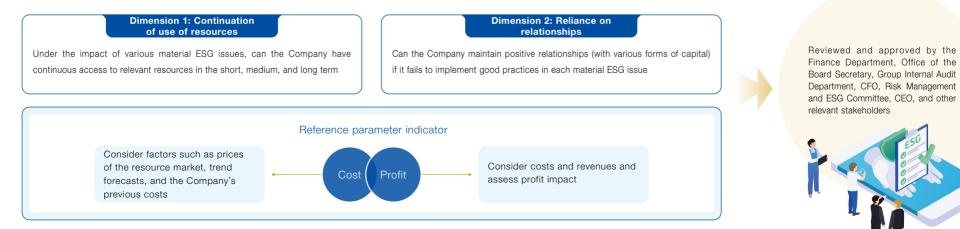
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### Step 2-1: Impact materiality assessment



### Step 2-2: Financial materiality assessment

Internal financial experts evaluate the financial materiality of each topic based on two dimensions, namely "Continuation of use of resources" and "Reliance on relationships".



2023 Environmental, Social and Governance Report	Message from Chairman	2023 ESG Highlights	TPV Technology at a Glance	Strengthen ESG Governance	Drive the Future of Green Displays	Build a Sustainable Value Chain	Create a Safe and Happy Workplace	Foster a Healthy and Upright Society	Appendix	22

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### Step 3: Double materiality assessment

TPV conducts quantitative analysis based on the assessment results of impact materiality and financial materiality. We also prioritize the materiality of each issue in the form of matrix. We have identified a total of 22 material issues, including 8 issues with a higher level of double materiality.

### 2023 TPV Materiality Matrix

<ul> <li>Climate &amp; Energy</li> <li>Use of Benewable Energy</li> <li>Occupational Health &amp; Safety</li> <li>Esd Governance</li> <li>Circular Economy</li> <li>Esd Governance</li> <li>Circular Economy</li> <li>Esd Governance</li> <li>Corporate Energencies/ Public Crisis Management</li> <li>Corporate Energencies/ Public Crisis Management</li> <li>Consumity Engagement &amp; Customer Plations &amp; Shareholder Rights</li> <li>Biodiversity</li> <li>Consumity Engagement &amp; Contribution</li> <li>Diversity, Equality, and Inclusion</li> <li>Taient Training &amp; Development</li> <li>Conflict Minerals Management</li> <li>Conflict Minerals Management<th></th><th></th><th>Double Materiality</th><th>ESG I</th><th>lssue</th></li></ul>			Double Materiality	ESG I	lssue
<ul> <li>ESG Governance</li> <li>Emissions</li> <li>Emissions</li> <li>Emissions</li> <li>Emissions</li> <li>Corporate Emergencies/ Public Crisis Management</li> <li>Corporate Emergencies/ Public Crisis Management</li> <li>Coustomer Relationship Management</li> <li>Coustomer Relationship Management</li> <li>Collaboration with Business Partners</li> <li>Community Engagement &amp; Contribution</li> <li>Diversity, Equality, and Inclusion</li> <li>Talent Training &amp; Development</li> <li>Conflict Minerals Management</li> <li>Conflict Minerals Management</li></ul>	Use of Renewable Energy Occupational Tal	<ul> <li>Oly Chain</li> <li>Climate &amp; Energy</li> <li>Data Security &amp; Customer Privacy Protection         <ul> <li>Innovative Development &amp; Intellectual Property Protection</li> <li>Business Ethics &amp; Compliance</li> </ul> </li> </ul>	High	<ul> <li>Climate &amp; Energy</li> <li>Data Security &amp; Customer Privacy Protection</li> <li>Innovative Development &amp;</li> </ul>	
Water Resources Management     Diversity, Equality and Inclus	<ul> <li>Emissions Management</li> <li>Corpor Public</li> <li>Water Resources Management</li> <li>Biodiversity</li> </ul>	<ul> <li>Risk Management ate Emergencies/ Crisis Management</li> <li>Customer Relationship Management</li> <li>Collaboration with Business Partners</li> <li>Communication &amp; Transparency</li> <li>Community Engagement &amp; Contribution</li> </ul>	Moderate	<ul> <li>Use of Renewable Energy</li> <li>Talent Attraction &amp; Retention</li> <li>Occupational Health &amp; Safety</li> <li>Risk Management</li> <li>Investor Relations &amp; Shareholder Rights</li> <li>Customer Relationship</li> </ul>	<ul> <li>Corporate Emergencies/Public Crisis Management</li> <li>ESG Governance</li> <li>Collaboration with Business Partners</li> <li>Community Engagement &amp;</li> </ul>
	Conflict Minerals Management		Low		<ul><li>Diversity, Equality and Inclusion</li><li>Conflict Minerals Management</li></ul>



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### Step 4: Guide disclosure and practices with assessment results

The TPV Risk Management and ESG Committee has reviewed and approved the materiality matrix for 2023. For issues of high and moderate materiality, we comprehensively summarized their scope of impact, risks and opportunities, and the affected stakeholders. Relevant management and actions were disclosed in the Report. At the practice level, TPV has also strengthened overall management of each issue. Leveraging our risk management and internal control systems, we have rigorously controlled associated risks while actively seizing opportunities to achieve long-term development.

Materiality Issues <sup>10</sup>		Scope o	of Impact		Stakeholder Affected	Risks	Opportunities	Impact Duration	GRI Standards Alignment	Corresponding SDGs	Location in the Report
	Upstream Value Chair	Enterprise Operations	Downstream Value Chain								
Climate & Energy	⊘	⊘	⊘	⊘	<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> <li>Communities and the public</li> </ul>	<ul> <li>The trends such as natural disasters caused by climate change, instability of energy supply, policy updates, and changes in market preferences bring physical and transition risks to TPV. These risks may increase expenditure, affect profits, and cause loss to fixed assets</li> </ul>	<ul> <li>Enhance the corporate resilience to environmental risks and reduce its carbon footprint</li> <li>Innovate sustainable business development models, enhance corporate reputation and image, and improve market competitiveness</li> </ul>	Medium to long term	• Energy • Emissions	13 cone Acros	Addressing Climate Change
Circular Economy	⊘	<	<	<b></b>	<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Communities and the public</li> </ul>	<ul> <li>The innovation or application of circular technologies may entail additional financial and human resource costs</li> </ul>	<ul> <li>Reduce the cost of resource use in the long term</li> <li>Innovate sustainable business development models, enhance corporate reputation and image, and improve market competitiveness</li> </ul>	Medium to long term	• Waste	12 Attornation And Production COO	Circular Economy
Green Product & Packaging	•	⊘	⊘		<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>The development of eco-friendly products or adoption of green packaging may incur additional financial costs</li> </ul>	<ul> <li>Create a product system that complies with domestic and international green product design standards and certifications, better overcome global green barriers, and develop potential new markets</li> <li>Meet the growing demand for green products from consumers and enhance the market competitiveness</li> </ul>	Medium to long term	• Materials • Water & Effluents	12 transmit an processor and p	Green Product & Packaging Circular Economy
Use of Renewable Energy	<b></b>	<b>&gt;</b>			<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>The procurement of renewable energy and construction of photovoltaic facilities may incur additional financial costs</li> </ul>	<ul> <li>Reduce reliance on fossil fuels and mitigate the risk of energy supply instability</li> <li>Enhance the corporate resilience to environmental risks and reduce its carbon footprint</li> </ul>	Medium to long term	Non-double materiality issues	7 diala inde	Addressing Climate Change Energy Management
Emissions Management		<b></b>	<b></b>	0	<ul> <li>Customers or consumers</li> <li>Communities and the public</li> </ul>	<ul> <li>Violations of emissions management related laws and regulations may result in compliance risks, and financial losses such as penalties, and affecting corporate reputation and image</li> </ul>	<ul> <li>Improve environmental management, reduce environmental impact, comply with relevant laws and regulations, and enhance corporate reputation and image</li> </ul>	Short term	Non-double materiality issues		Emissions Management

<sup>&</sup>lt;sup>10</sup> The high-level double materiality issues in this row are highlighted.

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Materiality Issues	Scope of Impact				Stakeholder Affected	Risks	Opportunities	Impact Duration	GRI Standards Alignment	Corresponding SDGs	Location in the Report
	Upstream Value Chair		Downstream Value Chain	Communities							
Product Quality & Safety	⊘	<	⊘	<b>Ø</b>	<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>Enhanced product testing and inspection may result in additional financial and human resource costs</li> </ul>	<ul> <li>Deliver better experience to customers, enhance the corporate reputation and image, and better develop potential markets</li> </ul>	Long term	Customer Health & Safety	12 RESPONSIBLE CORSUMPTION AND PRODUCTION	Product Quality & Safety
Innovative Development & Intellectual Property Protection	♦	⊘	•		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>Technological innovation and intellectual property protection may entail higher financial and human resource costs</li> </ul>	<ul> <li>Enhance the corporate competitiveness and industrial leadership in the long term</li> <li>Consumer-oriented technological innovation helps the Company adapt more flexibly to trends in consumer market development and improve market performance</li> </ul>	Long term	/	B AUGUST MENNUM ARB MENNUMATIN ARB MENNUMATIN	Innovative Development & Intellectual Property Protection
Data Security & Customer Privacy Protection	♦	♦	•	♦	<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>Data and customer privacy breaches will violate related laws and regulations, leading to compliance risks and financial losses such as penalties. Additionally, it would have a negative impact on customer rights and decrease their trust in the Company, thereby affecting the corporate reputation and image</li> </ul>	<ul> <li>Stay in compliance with relevant laws and regulations, safeguard customers rights, and maintain trust between the Company and its customers</li> </ul>	Medium to long term	Customer Privacy		Data Security & Customer Privacy Protection
Customer Relationship Management		♦			<ul> <li>Customers or consumers</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>Deterioration of customer relationship may lead to customer churn, thereby impacting the Company's market performance</li> </ul>	<ul> <li>Positive customer relationship facilitates business growth, foster new business opportunities, and enhances the Company's market performance</li> </ul>	Long term	Non-double materiality issues	8 Inconsuce constraints 1000 Automatics and Automatics 107 Automatics and Automatics Automatics and Automatics Autom	Customer Relationship Management
Sustainable Supply Chain	⊘	⊘	•		<ul> <li>Suppliers or other business partners</li> <li>Customers or consumers</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>ESG risks in the supply chain, such as environmental violations, corruption, and human rights, may result in supply instability, thereby affecting the Company's business operations</li> <li>Providing sustainable empowerment for the supply chain, such as training, may incur additional financial and human resource costs</li> </ul>	<ul> <li>Building a sustainable supply chain helps to enhance the stability of product and service supply, promoting the healthy development of supply chain enterprises</li> </ul>	Medium to long term	Non-double materiality issues	12 topenet an induction Constraints 17 networks cast Constraints 17 networks cast	Sustainable Supply Chain
Collaboration with Business Partners	: •	<b></b>	<b>&gt;</b>		<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	Deterioration of relationship with business partners may result in the loss of collaboration opportunities	<ul> <li>Positive business partnerships facilitate the creation of new business opportunities, enhance the corporate influence in the industry, and shape a leading corporate image</li> </ul>	Medium to long term	Non-double materiality issues	17 PARTIESSIPS POINTIC COLLS	Collaboration in Value Chain

TPV Technology at a Glance Create a Safe and Happy Workplace

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Materiality Issues		Scope o	of Impact		Stakeholder Affected	Risks	Opportunities	Impact Duration	GRI Standards Alignment	Corresponding SDGs	Location in the Report
	Upstream Value Chair		Downstream Value Chain	Communities							
Human Rights & Labor Rights	♦	♦	⊘		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>Violations of human rights and labor rights may result in compliance risks and damage to the corporate reputation and image</li> <li>The lack of protection for employee rights may lead to the risk of employee turnover, thereby reducing corporate productivity</li> </ul>	<ul> <li>Ensuring human rights and labor rights helps to enhance employee satisfaction, maintain relations with employees, and boost corporate productivity</li> <li>Reduce risks related to the supply chain and shape a responsible corporate image</li> </ul>	Medium to long term	<ul> <li>Employment</li> <li>Diversity and Equal Opportunity</li> <li>Non- discrimination</li> <li>Freedom of Association and Collective Bargaining</li> <li>Child Force</li> <li>Forced or Compulsory Labor</li> </ul>	5 EXAMPLE TO ECOMON CAMPAN 10 MICRONIC TO MICRONICS	Human Rights & Labor Rights
Talent Attraction & Retention		♦			Employees		<ul> <li>Introducing diverse talents and maintaining team stability contribute to promoting the Company's steady</li> </ul>	Medium to long term	Non-double materiality issues	8 BECENT HIDEX AND ECONOMIC CROWTH CONTR	Talent Training & Development
Talent Training & Development		•			Employees	<ul> <li>Ineffective talent recruitment, talent attrition, and insufficient skill growth among employees will all lead to reduce corporate productivity.</li> </ul>	t recruitment, talent sufficient skill growth es will all lead to better adapt to repidly changing		Non-double materiality issues	4 INALITY B IECENT HOR AG IECONTRO AND IECONTRO AND IE	Talent Training & Development
Occupational Health & Safety	♦	⊘	⊘		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> </ul>	<ul> <li>Occupational health and safety accidents directly affect employees, thereby undermining the Company's relationship with them</li> <li>Violations of relevant laws and regulations may result in financial penalties and affect corporate reputation and image</li> <li>Ensuring occupational health and safety may entail additional financial costs</li> </ul>	<ul> <li>A healthy and safe workplace contributes to enhancing employees' sense of well-being, belonging, and productivity within the Company</li> </ul>	Medium to long term	Non-double materiality issues	3 converter 	Ocupatonal Health & Safety
Community Engagement & Contribution		<b>&gt;</b>		<b>Ø</b>	<ul> <li>Employees</li> <li>Communities and the public</li> </ul>	<ul> <li>The lack of community engagement may affect corporate e reputation and image</li> <li>Organizing community engagement activities or community donations may entail additional financial and human resource costs</li> </ul>	<ul> <li>Harnessing the power of businesses helps to reduce operational costs of society, promote high-quality social development, and indirectly shape a healthier and more efficient business development environment</li> </ul>	Long term	Non-double materiality issues		Supporting Local Communities

TPV Technology at a Glance Drive the Future of Green Displays Build a Sustainable Value Chain Create a Safe and Foster a Healthy and Happy Workplace Upright Society

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Appendix

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Materiality Issues		Scope o	of Impact		Stakeholder Affected	Risks	Opportunities	Impact Duration	GRI Standards Alignment	Corresponding SDGs	Location in the Report
	Upstream Value Chair	Enterprise Operations	Downstream Value Chain	Communities							
Business Ethics & Compliance	⊘	⊘	0		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>Violations of business ethics and compliance requirements may result in legal issues, sanctions, financial losses, reputation damage, as well as the loss of customers and investors</li> </ul>	<ul> <li>Maintaining high-level business ethics and compliance can increase trust among customers and investors, enhance reputation, and reduce legal and financial risks</li> </ul>	Long term	Anti-corruption	16 FAACL AUSTINE NOTIFICTOR NOTIFICTOR SC	Business Ethics and Compliance
ESG Governance	♦	ぐ	•		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>The limitations in ESG governance may affect the overall sustainable development of the Company, such as ESG compliance, maintenance of investor relations, and response to climate change</li> </ul>	<ul> <li>Strengthening ESG governance contributes to enhancing the overall corporate governance, fostering internal cohesion, maintaining positive relationships with external stakeholders, reducing ESG risks, and promoting the sustainable development of the Company</li> </ul>	Medium to long term	Non-double materiality issues		Road to Sustainability Foundation of Sustainability
Communication & Transparency	♦	♦	<b></b>	⊘	<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> <li>Communities and the public</li> </ul>	<ul> <li>Lack of transparency and effective communication may reduce stakeholders' understanding and trust in the Company, hindering relationship maintenance</li> </ul>	<ul> <li>Improving communication and transparency helps to build trust, attract potential business opportunities, and enhance corporate reputation and influence.</li> </ul>	Long term	Non-double materiality issues		Stakeholder Engagement
Risk Management	⊘	♦	⊘		<ul> <li>Employees</li> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> </ul>	<ul> <li>Incomplete risk management may reduce the Company's overall ability for risk response, resulting in financial losses, legal issues, and reputation risks</li> </ul>	<ul> <li>A robust risk management system can effectively enhance the corporate resilience in the risk environment</li> </ul>	Medium to long term	Non-double materiality issues		Risk Management
Corporate Emergencies/ Public Crisis Management	⊘	♦	<b></b>	⊘	<ul> <li>Customers or consumers</li> <li>Suppliers or other business partners</li> <li>Shareholders or potential investors</li> <li>Communities and the public</li> </ul>	<ul> <li>The lack of an emergency management plan may lead to failure in crisis response, resulting in serious damage to business development and reputation</li> </ul>	<ul> <li>A robust emergency management plan enables promptly responding to crises, mitigating losses, and safeguarding reputation</li> </ul>	Short term	Non-double materiality issues		Risk Management
Investor Relations & Shareholder Rights		♦			<ul> <li>Shareholders or potential investors</li> </ul>	<ul> <li>Neglecting investor relations may result in information asymmetry, stock price volatility, and shareholder dissatisfaction, potentially affecting the Company's ability to attract investments and its profitability</li> </ul>	<ul> <li>Positive investor relations can improve transparency, enhance investor trust, stabilize stock prices, and promote profit growth</li> </ul>	Medium to long term	Non-double materiality issues	16 FMCL ATTICE AND STRONG ANTIPACTOR ANTIPACTOR	Sound Governance

Strengthen ESG Governance



# Drive the Future of Green Displays

### Issues addressed

- Climate & Energy
- Green Product & Packaging
- Product Quality & Safety
- Use of Renewable EnergyCircular Economy
- Biodiversity Protection
- Emissions Management
  - Innovative Development & Intellectual Property Protection

The degradation of the global environment, exacerbation of the climate crisis, and other related issues have led to sustained damage to economic development and the overall well-being of humanity. TPV Technology proactively responds to international and governmental strategies and action plans aimed at addressing climate change. We are dedicated to reducing our carbon footprint across our global operations and value chain, innovating high-quality sustainable products for society, and fostering harmonious coexistence between technology and nature.

### SDGs addressed





Create a Safe and

Happy Workplace

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# **Addressing Climate Change**

TPV has always regarded addressing climate change as an undeniable responsibility. We have prioritized climate issues at the governance level, made public commitment to ambitious carbon reduction goals, and gradually improved our climate risk management mechanisms. Since 2022, we have been identifying climate risks and opportunities with reference to the TCFD framework, based on which we provide detailed disclosures and review targets. Our aim is to address climate risks more efficiently. In 2023, we received a B rating in the CDP Climate Change Questionnaire and maintained excellence at the management level.

### Governance

TPV Technology integrates climate-related functions into its ESG governance structure. We have clearly defined the responsibilities of the Board of Directors and the management and also established a top-down management system. We have instituted carbon reduction incentive mechanisms. By linking carbon emission reduction efforts at the operation and value chain levels to executive compensation, we further motivate the management to address climate change and promote carbon reduction practices.

Main participants of climate change governance Control of Directors	Highest decision- making body	<ul> <li>Reviewing and approving the climate-related mechanism, and assessing the effectiveness of climate-related risk management and internal control systems</li> <li>Reviewing ESG strategies and plans, annual key performance indicators, and progress towards targets, including reviewing carbon emission reduction targets and roadmap and approving climate-related budgets</li> <li>Integrating ESG factors, including climate change, into the following decision-making processes:</li> <li>Formulate the overall plan</li> <li>Develop business plans</li> <li>Establish annual budgets</li> <li>Prepare capital expenditure, acquisition, and divestiture plans</li> <li>Review and guide corporate strategy</li> </ul>	Annual	The highest decision-making body's qualifications related to climate change Some Board members have extensive experience in green finance and climate-related management, including but not limited to daily management of climate-related issues and green investment and financing. Additionally, all Board members receive climate-related training and consultation to enrich their knowledge and management capabilities.
Risk Management and ESG Committee	Management	<ul> <li>Guiding the design and implementation of strategies, goals, and initiatives related to climate change</li> <li>Assessing and managing climate-related risks and opportunities</li> <li>Handling the entry, statistics, and tracking of climate-related data through the ESG Platform</li> <li>Monitoring and supervising the progress towards key risk indicators for carbon emission reduction</li> <li>Tracking and managing the progress towards the TPV ESG Roadmap to 2030, including carbon emission reduction targets</li> <li>Engaging in communication with relevant stakeholders regarding climate-related issues, and conducting promotion and capacity-building activities</li> <li>Regularly reporting to the Board of Directors to ensure oversight</li> </ul>	Semi- annual/ quarterly/ monthly/ daily	Conducting employee survey on climate change broadly In 2023, we conducted a questionnaire on employees' awareness of climate-related issues and their familiarity with TPV's climate targets and actions. As shown by 1,392 valid responses, approximately 78% of our employees were familiar with TPV's carbon
ESG Taskforce	Execution	<ul> <li>Developing and implementing each target outlined in the TPV ESG Roadmap to 2030, including carbon emission reduction targets</li> <li>The Energy Conservation &amp; Emission Reduction Team is responsible for implementing energy use and carbon emission reduction targets at the operation level</li> <li>The procurement, quality management, and R&amp;D teams are responsible for implementing carbon emission reduction targets at the product level</li> <li>The HR Team is responsible for executing climate-related incentive policies and internal capacity-building activities</li> </ul>	Semi- annual/ quarterly/ Monthly/ Daily	reduction emission targets, specific strategies, measures, indicators, and relevant targets. About 93% of employees recognized the importance of TPV's climate actions. The survey results will better guide the Company in raising the awareness and capacity building related to climate-related issues.

Scenario

Description **Reference Model** 

Scenario Assumption<sup>12</sup>

Key

Scenario

Application

Energy

Use and

Structure

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Low-emission Scenario (the rise of global temperature below 1.5°C)

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### **Strategy**

We are fully aware of the complex systemic correlation between climate-related risks and opportunities. For instance, while climate-related policy shifts and extreme weather may increase pressure on our production and operations, they also present new opportunities for technological innovation and green transformation. With reference to various data models, we have built highemission and low-emission scenarios. We also analyze the challenges and opportunities brought by climate under each scenario. Besides, we have identified the period and duration of impact in the short, medium, and long term. We conduct a comprehensive assessment of the impact of climate on our business and financial planning. Based on the analysis results, we have formulated our climate change strategies and countermeasures and made timely adjustment if necessary.

<sup>11</sup> Pre-industrial levels, global average temperature between 1850 and 1900.

- 12 International Energy Agency (IEA) World Energy Outlook 2023 (WEO-2023).
- <sup>13</sup> Including all the Organisation for Economic Co-operation and Development (OECD) countries except Mexico.
- 14 Including China, India, Indonesia, Brazil, and South Africa.

Net Zero Emissions (NZE) by 2050 of the International Energy Agency (IEA)
It is assumed that global net zero emissions will be achieved by 2050 and that the average temperature will stabilize at or below 1.5°C above pre-industrial levels".

~		Global CO <sub>2</sub> Emission Trends (Mt)							
Scenario Description		Year	2010	2021	2022	2030	2035	2040	2050
		Total CO <sub>2</sub> Emissions 32,877 36		36,589	36,930	24,030	13,375	6,471	-
	Climate Policy	the Asia-Pacific region Chinese mainland: 7 Peaking Before 203 Carbon Dioxide Pea and Faithful Implem Philosophy	0 1	ica, and South America arbon Dioxide Guidance for utrality in Full Development • Th	0	e ckage, Carbon Borde (CBAM), <i>Eco-design fo</i> <i>Jlation (ESPR), Europea</i> <i>Climate Law</i>	North Am The US: Path Zero in the Un 2050, Methar Reduction Act	North America • The US: Pathways to Net Zero in the United States by 2050, Methane Emissions Reduction Action Plan, and Clean Competition Act	
- 11011	Macro Economy	projected to live in url		022 and 2050, the glob	to slow over time, but pal economy is assumed	• • •		-	

The remaining technical recoverable resources can still meet the global potential energy demand. However, the demand for fossil fuel production is relatively low under this scenario.

		CO <sub>2</sub> Prices for Electricity, Industry and	Energy Production			
	Under this scenario, carbon dioxide prices cover all regions and show a	Indicator	(USD, 2	CO <sub>2</sub> price per ton 2022 Market exchange rate)		
Carbon	rapidly upward trend in all developed and emerging economies that have	Year	2030	2040	2050	
Price	committed to achieving net-zero emissions. In other emerging economies,	Advanced economies <sup>13</sup> with net zero emissions pledges 1	140	205	250	
	carbon dioxide prices are relatively low	Emerging market and developing economies with net zero emissions pledges (including China) <sup>14</sup>	90	160	150	
	but are also experiencing an upward trend.	Selected emerging markets and developing economies (without net zero emissions pledges)	25	85	180	
		Other emerging market and developing economies	15	35	55	

Advancement clean energy technologies.

Under this scenario, relevant policies are most stringent and the international community is committed to jointly promoting policy development, reducing the costs of clean energy technologies, diversifying critical minerals and clean energy technologies, and building a resilient global supply chain. The impact of transition risks on enterprises is



Appendix

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### 1.5) High-emission Scenario (the rise of global temperature above 2°C)

**Reference Model** 

Scenario

Description

Representative Concentration Pathway (RCP) SSP5-8.5 of the Intergovernmental Panel on Climate Change (IPCC)



It is assumed that greenhouse gas (GHG) emissions will continue to increase throughout the 21st century and the global average temperature will rise by 3.2-4.5°C by 2100.

Scenario Assumption <sup>15</sup>	Surface emperature	In the short, medium and long term, the rise of global sur temperature will be relatively high. Optimal Predicted Value of Global Surface Temperature CP (Celsius, °C) Near term (2021-2040) SSP5-8.5 1.6 2.4 4.4 Asia-Pacific region, Europe, North America, South America other regions where TPV operates have all experienced near-surface temperature changes. The number of ho with maximum temperatures exceeding 35°C is project increase significantly in East Asia, South Asia, North Ar and South America, while the number of cold days with m temperatures below 0°C is expected to increase obviously Asia, Europe, and North America.	hange term 2100) 4 ca, and annual annual tot days nea merica, inimum	( <i>IPCC, 2021</i> ) nual average changes in ar-surface temperature alobal warming of 4°C ove pre-industrial levels)	(IPCC, 2021) Annual average change in days with maximum temperature above 35°C (Global warming of 4°C above pre-industrial levels)	( <i>IPCC, 2021</i> ) Annual average change in days with minimum temperature below 0°C (Global warming of 4°C above pre-industrial levels)
Key	recipitation	Image: constraint of the scenario, relevant policies are the most relaxed	Sea Level Temperature ed. However, with	The sea level temperativaters near the area TPV operates has a obviously upward trenthis scenario, the globa sea level will continue to there may be ice-sheet and other situations.	as where relatively nd. Under al average o rise, and instability ( <i>IF</i> Global mean sea	SSP5-8.5 SSP5-8.5 SSP3-3 SS

<sup>15</sup> IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. In Press.

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Sce	nario Analysis		Low-emission Sce	nario		
Risk Category	Risk Description	Risks	Opportunities	Countermeasures	Impact Duration <sup>16</sup>	Financial Impact
	Climate disclosure obligations: With the issuance of climate disclosure standards by the European Commission and the International Financial Reporting Standards Foundation, climate change disclosure requirements have been increased and deepened	<ul> <li>Increase the cost of routine carbon data collection and maintenance and third-party carbon inventory</li> <li>Increase the human resource cost of tracking and interpreting relevant policies and standards</li> </ul>	<ul> <li>Precisely monitor emissions, properly control the energy use, and reduce costs</li> </ul>	<ul> <li>Establish a mechanism to manage carbon emissions data regularly</li> <li>Continuously disclose the progress towards addressing climate change and achieving carbon emission reduction targets according to the Task Force on Climate-Related Financial Disclosure (TCFD), Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standard (ESRS), Global Reporting Initiative (GRI) and other frameworks in the annual ESG report</li> </ul>	Short- term	Low
ulatory	Carbon pricing: Impose carbon taxes, fees, etc. on emission-intensive products such as CBAM; set corporate carbon emission quota, etc.	<ul> <li>Increase carbon compliance costs</li> <li>Emission-intensive products incur additional costs, resulting in higher prices, which affect the market share and the revenue</li> <li>Increased operating costs from carbon credit once the quota is exceeded</li> </ul>	<ul> <li>Strengthen competence to manage carbon costs throughout the carbon time the start for the start of the start</li></ul>	<ul> <li>Set carbon reduction targets and measures</li> <li>Promote energy conservation initiatives and technology development</li> <li>Adopt renewable energy to improve energy efficiency and reduce operational carbon emissions</li> <li>Manage carbon emissions throughout product lifecycle and reduce carbon footprint with partners in the value chain</li> <li>Track carbon credit prices and create robust plans for carbon assets</li> </ul>		Low
Policy and regulatory	Product carbon footprint: The European Commission has proposed the <i>Eco-</i> <i>design for Sustainable Products Regulation</i> , (ESPR), which aims to ensure that products launched into the EU market meet the requirements of sustainable development and reduce the environmental impact of products throughout their life cycle (including product carbon footprint, etc.).	<ul> <li>Increase carbon compliance costs</li> <li>Face green barriers in the international market due to failure to effectively control and reduce the carbon footprint of products</li> </ul>				Low
	Renewable energy: Require complete transition to renewable energy	<ul> <li>Increased costs of building infrastructure and purchasing renewable energy</li> <li>Unstable energy supply</li> </ul>	<ul> <li>Adopt renewable energy and explore preferential policies or incentives</li> </ul>	<ul> <li>Plan ahead for future energy consumption and implement low-carbon operation and management practices</li> <li>Expand solar power projects, adopt renewable electricity and increase the percentage of renewable energy use</li> <li>Manufacturing bases and offices in locations such as Beijing, Qingdao, Brazil, Mexico, Shanghai, and Amsterdam adopt hydropower, solar photovoltaic and other renewable energy</li> </ul>	Medium to long- term	Medium
Technological	Innovation in low-carbon technology: Require technological upgrading or innovation to transition to a low-carbon, energy-efficient economic system	<ul> <li>Increased R&amp;D costs for low-carbon technologies</li> <li>Loss of investment due to R&amp;D failure</li> <li>Loss of market share to competitors' leadership in low-carbon technologies</li> </ul>	<ul> <li>Acquire innovative talent and enhance company-wide innovation capability</li> <li>Develop low-carbon technologies and increase low-carbon market share</li> </ul>	<ul> <li>Increase R&amp;D investment and increase innovation incentives</li> <li>Recruit R&amp;D talent, enhance employees' ability to innovate, and conduct industry- university research collaborations</li> <li>Apply low-carbon innovative capabilities, actively apply for patents, and expand and diversify patent portfolio</li> </ul>	Medium to long- term	Medium
Market	Increased raw material costs: Increased raw material costs due to climate change	<ul> <li>Increased raw material prices and supplier operating costs due to carbon reduction policies or supply chain disruptions</li> <li>Increased raw material prices lead to increased product prices, which may result in loss of customers and reduced turnover</li> </ul>	<ul> <li>Explore multiple sources of low-carbon raw materials, strengthen supply chain resilience and encourage supply chain collaboration to reduce carbon emissions</li> </ul>	<ul> <li>Increase the percentage of low-carbon raw materials</li> <li>Collaborate with suppliers to develop innovative low-carbon raw materials</li> </ul>	Medium to long- term	Medium
	Changes in the needs of customers and consumers: Customers shift to green consumption	<ul> <li>Failure to meet customer expectations for low-carbon manufacturing and management, resulting in loss of orders</li> <li>Loss of market share due to failure to keep pace with changing customer preferences and timely introduction of green products</li> </ul>	<ul> <li>Develop green products and explore new market opportunities</li> </ul>	<ul> <li>Advocate green product R&amp;D and further expand the green product portfolio</li> <li>Raise awareness of green products and sustainable consumption</li> </ul>	Medium to long- term	Medium
Reputational	Negative evaluation from stakeholders: Stakeholders disappointed with the Company's progress and actions to mitigate climate change	<ul> <li>Failure to communicate the Company's progress on climate change results in negative stakeholder feedback, reputational damage and potential financial loss</li> </ul>	<ul> <li>Build a green brand image through proactive communication</li> </ul>	<ul> <li>Report the progress on climate change mitigation and carbon emission reduction targets through annual the ESG report</li> <li>Maintain accessible stakeholder communication channels and engage in regular dialogue</li> </ul>	Long- term	Low
Reputs	Negative supply chain events: Negative events resulting from Suppliers' failure to effectively manage GHG emissions	<ul> <li>Suppliers provide emission-intensive materials that increase the carbon emissions of TPV products</li> <li>Suppliers are penalized by regulators or trigger negative publicity due to inactive carbon reduction actions, leading to reputational damage to TPV</li> </ul>	<ul> <li>Support suppliers' carbon reduction efforts and promote the low-carbon development of the industry</li> </ul>	<ul> <li>Strengthen supplier carbon management</li> <li>Sign <i>Procurement Contract</i> with suppliers that include GHG emissions-related requirements</li> <li>Integrate GHG emissions-related supplier requirements into supplier approval and supply chain risk assessment criteria</li> </ul>	Medium- term	Low

<sup>&</sup>lt;sup>16</sup> This report defines the time horizons as follows: the short term extends until 2025, the medium term until 2030, and the long term refers to the period after 2030. This framework takes into account TPV ESG roadmap to 2030 and aligns with external macroeconomic policy goals.

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Sce	nario Analysis	High-emission Scenario						
Risk Category	Risk Description	Risks	Opportunities	Countermeasures	Impact Duration	Financial Impact <sup>17</sup>		
Acute physical risk	Typhoons, storms, etc.: Increased frequency and severity of extreme weather, such as typhoons and storms	<ul> <li>Offices and manufacturing bases in coastal and low-lying areas are vulnerable to flooding, local power outages, and facilities damage, resulting in loss of staff and assets</li> <li>Local road closures may hamper the timely delivery of materials or products to the company or from the company to its customers, undermining supply chain stability</li> </ul>	<ul> <li>Improve resilience to extreme weather and natural disasters</li> <li>Enhance risk management capabilities to address the climate crisis and ensure business continuity</li> </ul>	<ul> <li>Develop management and emergency preparedness measures, such as the Administrative Measures for the Prevention of Typhoon and Flood Prevention for Factories on the Mainland, and the Emergency Measures for Major Floods, and conduct emergency drills the supply chain</li> <li>Improve the resilience of buildings and manufacturing facilities to extreme weather by upgrading infrastructure and equipment</li> <li>Enrich the supplier base, regularly supervise suppliers<sup>17</sup> to improve change response ability, and strengthen environmental risk management in the supply chain</li> </ul>	Short to medium- term			
cal risk	Abnormal temperature changes: Excessive GHG emissions lead to global temperature anomalies, resulting in hot droughts or cold spells	<ul> <li>The Company will need to use air conditioning more frequently to maintain the optimal temperature and ensure the health of employees, consuming more electricity and natural gas and resulting in higher operating costs</li> </ul>		<ul> <li>Strengthen the energy management system</li> <li>Optimize energy efficiency at manufacturing bases, upgrade to energy- efficient equipment, and increase the percentage of renewable energy</li> <li>TPV Brazil develops Business Continuity Plan (BCP) for drought risk around Amazon River</li> </ul>	Long- term	Low		
onic physi	Sea level rise: Global warming accelerates melting ice and sea level rise	<ul> <li>Affect the safety and stability of coastal manufacturing bases, potentially increasing the cost of relocation or causing property damage</li> </ul>		<ul> <li>Monitor climate changes and risk warnings in areas of operation, optimize the geographical distribution of manufacturing bases and warehouses, improve flood resilience of infrastructure</li> </ul>	Long- term	Low		
Chr	Increased water pressure: Climate change causes changes in rainfall patterns and water scarcity, etc.	Bring potential impact of water resources		<ul> <li>Establish water management action targets in the short, medium and long term</li> <li>Actively adopt water recycling technology</li> <li>Track and disclose information related to water management, and participate in CDP "Water Security"</li> </ul>	Medium to long- term			

### Based on the above analysis, we have defined our climate change strategy and countermeasures from three perspectives.

Strategy 1: Low-carbon operations

We expect to further strengthen our energy management capabilities, improve resource and energy efficiency, and increase the percentage of renewable energy.

### Countermeasure

We incorporate the concept of sustainable development into corporate governance and operations and also improve our organizational structure. In addition to routine operations, our annual financial plan sets aside additional budget for addressing climate risks, which is used for employee training, capacity building, and energysaving projects.

\* Please refer to the section "low-carbon operations" for details.

Strategy 2: Low-carbon products

We will integrate green and low-carbon concepts into the product lifecycle to further expand our green product portfolio, thus minimizing the environmental impact of our products.

### Countermeasure

Product & Service: Throughout the product lifecycle including design, packaging materials, and product testing, we are committed to providing greener electronic products with lower carbon footprint in line with the sustainable principle.

R&D Investment: We calculate the R&D investment in low-carbon products, construction cost of energy-saving projects, ESG management costs, carbon credit costs, and incentives provided for energy-saving proposals. We also continuously increase the R&D investment.

\* Please refer to the section "Green Product & Packaging" for details.

### Strategy 3: Sustainable supply chain

We will encourage suppliers to actively pursue carbon reduction rather than passively follow our requirements, thereby jointly promoting a low-carbon supply chain.

### Countermeasure

We strengthen relationships with suppliers and all partners across the value chain and work together to build sustainable relationships and networks.

\* Please refer to the section "Sustainable Supply Chain" for details.





<sup>17</sup> Financial Impact: With the impact of various risks on finance and strategy considered, "low" represents a potential impact of less than 5% of profit before tax; "medium" represents a potential impact of greater than 5% and less than 10% of profit before tax; "high" represents a potential impact of greater than 10% of profit before tax.

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### Investment



**R&D** Investment



Investment in Green Product Certification



Investment in Renewable Energy



Investment in the Construction of Green Manufacturing Bases (Energy-Saving Projects, Management System Certification, etc.)



Incentive Expenses for Energy-Saving And Emission-Reducing Proposals



ESG Management Expenses (Setting Climate Change Goals, Managing Carbon Emissions Data, etc.)

### **Scenario Case**

# Case for transition opportunity: Developing new markets with low-carbon products

TPV keeps a close eye on global regulatory trends and market preferences. The Risk Management and ESG Committee, along with business and R&D teams, regularly track the latest laws and regulations. We also review trend monitoring results as well as analyze and discuss potential risks and opportunities on a quarterly manner.

In recent years, energy consumption and carbon footprint of products have become important indicators in the international market, especially in the European market. In April 2023, the European Commission issued the *Eco-design for Sustainable Products Regulation* (ESPR), under which products that do not meet its requirements cannot be sold in the EU market. This approach will meet consumer demand for sustainable products. In this context, failure to effectively monitor and respond to the latest regulations and regulatory requirements may lead to potential market losses. However, effective creation of green and low-carbon products can help to develop new markets and deliver high-quality product experience to more consumers. Therefore, TPV continuously increases R&D investment in low-carbon products and develops related product certification plans. Every year, we plan to verify the carbon footprint of over 200 types of products and obtain green product certificates. Such products will earn us a positive market reputation and directly contribute to revenue growth. We meet the requirements of environmental policies in the region by launching green certified products such as EPEAT and Nordic Swan. By doing so, we enhance the core competitiveness and market recognition of our products, and provide highquality product services for more consumers with lowcarbon preferences.



### Case for physical risk: Responding to super typhoon "Haikui"

Many of TPV's projects are located in coastal and inland basin areas of China. In recent years, increasingly severe climate disasters and abnormal weather events have posed potential risks to our buildings, production facilities, and employee safety. Extreme weather may result in production disruptions and the subsequent financial losses.

To address such risks, we have formulated management policies such as the Administrative Measures for the Prevention of Typhoon and Flood Prevention for Factories on the Mainland and the Emergency Measures for Major Floods to prevent and respond to natural disasters as well as resume work and production. Additionally, we conduct emergency drills and actively monitor weather changes during the typhoon season each year. We also continuously increase financial investment and take preventive measures to mitigate the impact of climate risks.

In September 2023, the super typhoon "Haikui" caused severe damage to the economy and infrastructure of Fuqing City. TPV Fuqing suffered

from problems such as submerged offices and power outages. According to emergency plans and safeguard mechanisms, we efficiently organized personnel evacuation and material relief. Through these efforts, we protected the safety of employees and delivered material relief efficiently. After the typhoon ended, we established a post-disaster recovery team to promptly resume normal production. The losses from this disaster were fully covered by hazard insurance, without causing financial losses.



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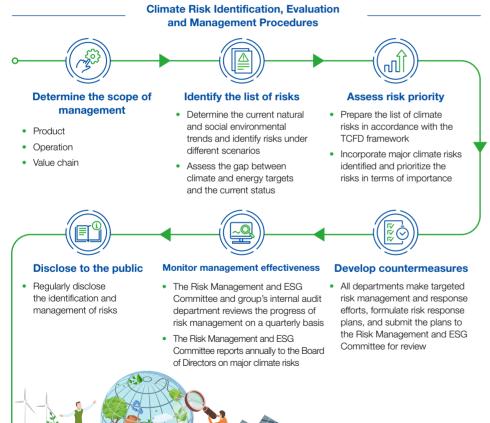
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### **Risk Management**

We have developed standardized processes for climate-related risk identification, assessment and management, and the Risk Management and ESG Committee is responsible for regularly reviewing climate-related risks, and aligning with internal and external environmental changes and lastest business strategy, so as to continuously improve climate-related risk management. In 2023, we have integrated our operational SBTi targets as the company's Key Risk Indicator (KRI) into the ERM (Enterprise Risk Management) system, and track the progress every quarter.





In this Report, we have analyzed the priority of climate-related risks confronted by the Company for the first time, taking into account scope of impact, likelihood, vulnerability and speed of onset. We also continuously track the risks with relatively high priority.



	Risk	Category
1	Mandatory and complicated obligations for climate disclosure	
2	Impose an additional charge on carbon emissions from related corporate operations	
3	Continuously reduce carbon footprint of products	_
4	Complete transition to renewable energy	rans
5	Investment in low-carbon technological innovation and rapid response	Transition risk
6	Increased cost of raw materials	n ris
7	Shift of customers and consumers to low-carbon consumption	$\mathbf{x}$
8	Negative evaluation of stakeholders on failure to respond to climate change in time	
9	Negative events resulting from suppliers' failure to effectively manage GHG emissions	
10	Increased frequency and severity of extreme weather, such as typhoons and storms	P
D	Negative impact on the operating costs and employees' health from drought or cold wave	nysic
12	Global warming accelerates melting ice and sea level rise, affecting the operation sites around the waters	Physical risk
13	Climate change causes changes in rainfall patterns, water scarcity, etc.	sk

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### **Metrics & Targets**

TPV has set GHG emission reduction targets in line with SBTi 1.5°C senarios and got validated by SBTi since 2022. We have established quantitative indicators for three strategies. We conduct carbon inventory at least once a year to effectively track and review the progress toward our targets and implement targeted measures.

Science Based Targets initiative	Strategy	Measures	Metrics and Targets	Progress in 2023	GHG Emissions (2020 as the base year)	GHG Emissions (2023)
By 2030,	Low-carbon	<ul> <li>Optimize energy utilization structure, purchase renewable electricity, deploy distributed solar projects and promote clean energy; explore carbon offsetting through green electricity certificates and other methods</li> </ul>	<ul> <li>By 2025, ensure that renewable electricity accounts for at least 13% of total electricity consumption (at global manufacturing bases, main offices and operation sites)</li> </ul>	<ul> <li>Conduct overall planning of renewable energy use and deploy photovoltaic power generation plans</li> <li>Increase the proportion of renewable energy by 2.22% at global manufacturing bases and main offices and operation sites</li> </ul>	178,305	117,915 tons of CO₂e reduced by 34% compared to base year
reduce Scope 1 & 2 emissions by 42% from 2020	operations	<ul> <li>Improve the energy management system, promote energy conservation and emissions reduction at manufacturing bases, and reduce energy consumption per unit of product</li> </ul>	<ul> <li>By 2025, reduce annual electricity consumption (at global manufacturing bases, main offices and operation sites) by 2.4% from 2021</li> <li>Improve energy management capabilities, obtaine 3 new ISO 50001 energy management system certification</li> </ul>	6, 6 <u>,</u>	tons of CO₂e	
		<ul> <li>Develop innovative energy- efficient products to reduce energy consumption and improve the environmental performance of products</li> </ul>	<ul> <li>By 2025, reduce product energy use of own brand monitors and TVs by 25% from 2020</li> </ul>	<ul> <li>Develop energy-efficiency technologies, introduce the highest product energy efficiency standards, and diversify the green product portfolio such as e-ink displays</li> </ul>		7,597,951
By 2030, reduce Scope 3	Green and low-carbon products	<ul> <li>Increase the percentage of recyclable materials and broaden the range of recyclable materials and their applications, contributing to a circular</li> </ul>	<ul> <li>By 2030, use at least 50% of recycled plastic or ocean-bound plastic in own brand products</li> <li>By 2030, use at least 25% of recycled aluminum in aluminum parts of own brand products</li> <li>By 2030, use at least 90% of recycled or FSC-certified materials or bio-based materials in own packaging of own</li> </ul>	<ul> <li>Adopt lightweight packaging materials, introduce paper-plastic packaging, and reduce packaging materials by 28,400 tons</li> </ul>	14,875,005 <sup>18</sup> tons of CO₂e	tons of CO₂e reduced by 49% compared to base year
emissions – use of sold products by 42% from 2020	economy brand products <ul> <li>By 2030, reduce carbon emissions from packaging by 25% for own brands from 2020</li> </ul>		Since 2020, TPV has conducted various emission reduction actions and carbon offset projects around the world, combined with multiple interna and external factors such as market environment and emission factors. We have initially achieved			
	Sustainable supply chain	<ul> <li>Cooperate with business partners to enhance material circularity and reduce carbon emissions in the industry</li> </ul>	<ul> <li>Select low-carbon transportation routes and modes wherever possible, including electrified railways, cargo ships using low-sulfur fuels, etc.</li> <li>By 2025, require key suppliers to provide GHG inventory information</li> </ul>	<ul> <li>Promote TPV's SBTi targets and supplier carbon emission reduction plans to all suppliers at supplier conferences</li> <li>Conduct one-on-one interviews with key suppliers on net zero to understand carbon emissions</li> <li>Engage 5 suppliers to participate in CDP Climate Change Questionnaire</li> </ul>	targets of Scope 3 – use o we will keep monitoring to effectiveness of emission n	ensure the long-term

<sup>&</sup>lt;sup>18</sup> Base year (2020) emission submitted to the SBTi: Scope 1 & 2 is 178,305 tons CO<sub>2</sub>e; Scope 3 - use of sold products is 15,774,130 tons CO<sub>2</sub>e. As there are extrapolate calculations in scope 3, 14,875,005 tons CO<sub>2</sub>e of the actual product in 2020 is used to calculate the achievement rate of the actual data, in order to ensure accurate measurement of the energy consumption reduction during the product use.



# **Low-carbon Operations**

Low-carbon operations and green development are key to achieving TPV's targets for environmental sustainability. We continuously improve the efficiency of energy and resource use and promote the transformation of energy structure. We also adhere to clean production practices and efficiently handle all types of emissions in compliance with relevant regulations. Our goal is to minimize environmental impact while promoting coordinated growth between the economy and the environment.

# **Environmental Management**

TPV strictly abides by the applicable laws and regulations in the locations where it operates, including the *Environmental Protection Law of the People's Republic of China* and the *Law on Environmental Impact Assessment for the People's Republic of China*. At the group level, we have formulated the *Environmental Protection Policy* and established comprehensive environmental management systems and mechanisms at all manufacturing bases. Led by the General Manager of each manufacturing base, these environmental management mechanisms aim to regularly identify, assess, and control environmental impact throughout the production and operation processes.

The Company has formulated an environmental emergency incident response plan and categorized potential emergency incidents. We also clearly define the responsibilities of emergency rescue teams and equip them with necessary facilities. Additionally, we regularly organize drills and training sessions on earthquake relief, fire evacuation, and other emergency incidents in accordance with the emergency plan. These measures effectively ensure the emergency response and handling of emergency environmental incidents.

In 2023, TPV Xiamen received the Green Factory Certification of Fujian Province



# **Energy Management**

We continuously optimize our energy management system to improve energy efficiency and reduce reliance on exhaustible resources. TPV has established regulations such as the *Control and Management Procedures for Energy Consumption* and the *Control Procedures for Energy Conservation and Emissions Reduction*. We have implemented an energy management mechanism led by the energy conservation leading team. The mechanism is led by the General Managers of each manufacturing base as well as coordinated by equipment and facility departments. Relevant departments involved will also hold regular management meetings. They will discuss and decide on energy-saving proposals, track fluctuations of energy prices, and ensure the smooth implementation of energy-saving measures. TPV is committed to promoting the standardization of energy management across its global operation sites, with six manufacturing bases already obtaining the ISO 50001 Energy Management System certification.

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All manufacturing bases have established energy-saving targets for the total amount or unit value based on their own energy consumption. They regularly track and inspect energy use during production and operations, analyze energy-saving potential, and promote energy-saving and emission-reducing campaigns. Main energy-saving measures include replacing energy-saving equipment and lighting, optimizing equipment and facility usage, and implementing smart energy management systems. Energy cost control assessment objectives are established for the management, and incentive for energy conservation and consumption reduction are also offered in some areas. The well-developed system of rewards and penalties facilitates the realization of energy-saving targets.

	Energy-saving Projects	Energy-saving Performances		Energy-saving Projects	Energy-saving Performances	In 2023, •
TPV	Adjust the operating time of ice machines in winter	Save an average of 1.17 million kWh of electricity per year, equivalent to 823.1 tons of $\rm CO_2$ reduced	TPV Argentina	Replace 80% of lights with energy-saving LED light	Save an average of <b>21,600</b> kWh of electricity per year, equivalent to <b>6.9</b> tons of CO <sub>2</sub> reduced	TPV's manufacturing bases in Chinese mainland saved a total of <b>2.41</b> million
Xiamen	Introduce the smart energy management platform	Save an average of $150,000$ kWh of electricity per year, equivalent to $105.5$ tons of $\mbox{CO}_2$ reduced	TPV Brazil	Replace inverters to improve the energy consumption efficiency of traditional air conditioners	Save an average of 159,000 kWh of electricity per year, equivalent to 15.8 tons of $CO_2$ reduced	kWh of electricity through means such as upgrade of energy-saving equipment, technological innovation,
TPV Fuqing	Use plate heat exchangers in the central air conditioning system based on production needs to reduce electricity consumption for production cooling	Save an average of <b>330,000</b> kWh of electricity per year, equivalent to <b>232.2</b> tons of $CO_2$ reduced	TPV Mexico	Replace 75% of lights with energy-saving LED lights	Save an average of <b>5,622</b> kWh of electricity per year, equivalent to <b>2.6</b> tons of $CO_2$ reduced	and improvement in equipment efficiency
TPV Xianyang	Implement energy-saving transformation for equipment and lighting systems	Save an average of <b>313,000</b> kWh of electricity per year, equivalent to <b>208.9</b> tons of CO <sub>2</sub> reduced	TPV Russia	Replace 80% of lights with energy-saving LED lights	Save an average of <b>25,000</b> kWh of electricity per year, equivalent to <b>8.7</b> tons of CO <sub>2</sub> reduced	decrease in total electricity consumption compared to the
Manyang	Implement energy-saving transformation for boilers	Save an average of ${\rm 2,750~m^3}$ of natural gas per year, equivalent to 6 tons of ${\rm CO_2}$ reduced	Tussia	Install fan control systems for heat exchangers to control operating time	Save 832 GJ of heat, equivalent to 91.5 tons of $\rm CO_2$ reduced	previous year
TPV Poland	Switch to air compressors with higher energy efficiency	Save an average of 196,000 kWh of electricity per year, equivalent to 138.4 tons of $\text{CO}_2$ reduced	TPV Thailand	Replace the high energy efficiency inverter air compressor and introduce the cooling water tower	Save an average of <b>552,000</b> kWh of electricity per year, equivalent to <b>264.8</b> tons of $CO_2$ reduced	

We closely monitor the execution and progress of energysaving and emission-reducing targets and measures. In 2023, the PUE<sup>19</sup> value of our data centers decreased by 2.8% compared to the previous year through cold aisle design and virtualization. We continuously improve the management system for company vehicles and standardize procedures for company vehicle usage. We also adhere to the principle of "making applications in advance and scientifically planning routes". In this way, we reduce the number of repeated trips, save fuel consumption, and minimize exhaust emissions. Additionally, we actively adopt electric commuting bus, install charging piles, and encourage employees to commute in more sustainable ways.



TPV organizes environmental education and training every year. We carry out a variety of "Energy-saving Publicity Month/Week" activities to promote environmental and energy management policies and concepts to all employees. We actively also participate in industrial seminars on energy-saving technology to enhance employees' awareness and capabilities in environmental protection and energy conservation.





<sup>19</sup> Power Usage Effectiveness is a key index to demonstrate the energy efficiency of data centers

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# **Renewable Energy Use**

Continuously optimizing our energy structure and increasing the proportion of renewable energy are important pathways for reducing carbon emissions at the operation level. In 2023, we thoroughly evaluated the Group's plan for the use of renewable energy and explored possibilities of further increasing the use of renewable energy. First, we increased the use of green electricity in our production and operation processes through the direct purchase of green electricity and the construction of photovoltaic power generation facilities at manufacturing bases. Second, we actively participated in the trading of the green electricity market and offset energy-related carbon emissions through the purchase of green electricity certificates and other means.



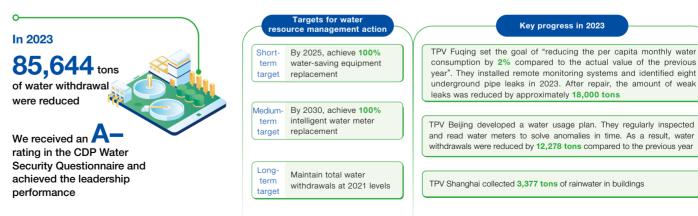


International-Renewable Energy Certificate (I-REC) of TPV Fuqing In 2023 11,812 MWh of renewable electricity was consumed at our manufacturing bases and operation sites

6.28% of total electricity consumption

# Water Management

Water resources are crucial for sustaining social development and human well-being. Our production processes and manufacturing techniques do not involve large-scale industrial water usage. All water withdrawal is fresh water and does not involve areas with water stress. We strictly abide by relevant applicable laws and standards, including the *Law on Water Pollution Prevention and Control of the People's Republic of China*, the *Law on Marine Environmental Protection of the People's Republic of China*, and the *Water Pollution Prevention and Control Action Plan*. We focus on controlling the use and discharge of domestic water. We have established a wide range of water management systems and measures and set relevant targets in the short, medium, and long term.



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# **Emissions Management**

TPV maintains a highly responsible approach to the safe and proper disposal of emissions from production. We strictly abide by the relevant laws and regulations in the locations where we operate. We have developed a wide range of management systems and waste reduction targets, regularly monitored various emission indicators, and promoted the recycling of waste materials, to ensure clean production.

# **Solid Waste**

TPV always observes the regulations regarding the disposal of different types of waste in the locations where it operates. We have developed various waste management systems to standardize waste classification as well as disposal processes and methods, including the *Solid Waste Control Procedure*, the *Hazardous and Harmful Substance Control Procedure*, and the *Hazardous Waste Control Plan*. TPV focuses on waste reduction and recycling by exploring ways to reduce the generation of solid waste and improve the efficiency of waste disposal.

	Meth	nods of Waste Classification and Disposal			
Cate	gory	Disposal			
Genera	al waste	General waste shall be collected in a centralized manner, classified, and recycled by qualified third-party service providers			
Hazardo	us waste	Hazardous waste shall be transferred and disposed in strict accordance with the <i>Standards for Pollution Control of Hazardous Waste Storage</i> and the <i>Directive on Manifest Management for Transferring Hazardous</i> <i>Waste</i> . Hazardous waste shall be collected and stored in dedicated containers and packaging materials. According to their attributes, hazardous waste shall be stored in designated warehouses. TPV ensures proper collection, storage, and labelling of hazardous waste and entrusts qualified third-party service providers to handle the transfer, safe disposal, and centralized recycling of hazardous waste			
	Recyclables	Recyclable waste shall be sorted and collected in a centralized manner for proper disposal			
Domestic	Unrecyclable	Unrecyclable waste shall be sorted and collected in a centralized manner for disposal by the local municipal service provider			
waste	Kitchen waste	Food waste shall be transferred to qualified third-party service providers for disposal by the local municipal service provider			
	Hazardous waste	Used batteries and electronic waste discarded will be collected and transferred according to standard procedures to qualified third-party service providers for exchange			

In 2023, we focused on optimizing and innovating production processes, refining consumables management, and improving operational workflows to reduce the use of raw materials and minimize waste generated in all links of manufacturing.

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# • Reduce waste from the source

- Replace laser marking labels instead of traditional attached labels, reducing the use of paper and plastic labels by 20% Optimize the packaging of film products to reduce the amount of packaging materials generated
- Reuse residual glue inside UV glue tubes and reduce glue waste
- Optimize the processing technology for special board welding, reduce solder flux usage by 80% and decrease tin slag by 90%
- Use heat-dissipating oil and boardinserted heat-dissipating fins to reduce the use of thermal conductive glue by over 90% and the generation of waste packaging materials
- Replace wet stations with spray bottles and reduce waste by 10% due to cleaner wastage



- TPV Thailand: Recycle 50% of polyethylene bag, 100% of paperboard, 85% of plastic materials, and 100% of tray for some product lines
- TPV Argentina: Recycle 95% of paperboard, 95% of expandable polystyrene (EPS), and 95% of tin slag for some product lines



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#### **TPV Fuging receives the Platinum Rating for** Zero Waste to Landfill

In 2023. TPV Fuging traced the data and disposal methods for 22 types of solid waste. In October, TPV Fuging obtained the UL2799<sup>20</sup> Platinum Rating for Zero Waste to Landfill. This certification means that the company has achieved a waste conversion rate of over 90% and established an eco-friendly paradigm for waste disposal in the industry.



UL2799 Platinum Rating for Zero Waste to Landfill Validation

#### Measures for reducing packaging materials during turnover

#### { Parts Packaging

Without compromising quality, anti-tamper labels on the outer packaging of film products can be removed, thus reducing label usage by 40%. The quantity of single packages can be adjusted based on the thickness of film, thus reducing the use of packaging materials by 40%. The number of internal transfers can be adjusted, thus reducing the use of packaging materials by 80%



Adopt reusable turnover boxes for panel transportation in China to reduce transportation damage and decrease the usage of packaging materials



# **Air Pollution**

TPV strictly complies with applicable laws and standards in the locations where it operates, such as the Law on the Prevention and Control of Air Pollution for the People's Republic of China and the Comprehensive Emission Standards of Air Pollutants for the People's Republic of China. We have established the Exhaust Emission Control Procedure to monitor and control exhaust emissions throughout the process.

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#### We take the following measures to reduce air emissions from the beginning to the terminals:

- Standardize the development and recognition of chemicals and adopt the characteristics of chemicals as the basis for qualitative and quantitative risk assessment
- · Collect organic air emission generated during the production process in a sealed manner and discharge it through exhaust pipes for high-altitude emission in compliance with relevant regulations
- Conduct monthly inspections of gas collection facilities and pipelines, promptly solve any problems, and ensure the effective collection of air emission
- Regularly clean and maintain exhaust pipes and vents to reduce the impact of equipment aging or malfunctions on air emissions
- · Entrust gualified third parties to conduct annual inspections to ensure that all air emission monitoring indicators are below the limit for emission compliance
- Install online monitoring equipment for air emission at the outlet, connect to the platform of the local environmental authority, install real-time monitoring screens outside the factory, disclose real-time air emission, as well as enable indicator control and public supervision



# Wastewater

At TPV, our production processes and manufacturing techniques do not involve large-scale industrial water usage or industrial wastewater discharge. It only involves the treatment and discharge of domestic wastewater. In strict accordance with the applicable laws and standards in the locations where it operates, TPV has established management systems and measures such as the Wastewater Treatment Management *Rules.* We also ensure that domestic wastewater is discharged in compliance with relevant regulations. We will dispose of domestic wastewater and canteen wastewater generated in daily life before discharging it into the local municipal sewage network for further treatment at the municipal sewage treatment plant.



Poster for Waste Management and Classification

<sup>&</sup>lt;sup>20</sup> UL2799 is one of the highest standards for Zero Waste to Landfill certification. It is a standard for certifying zero waste to landfill and is issued by Underwriters Laboratories Inc., a standard development organization.

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Eco-design objectives for Philips under TPV

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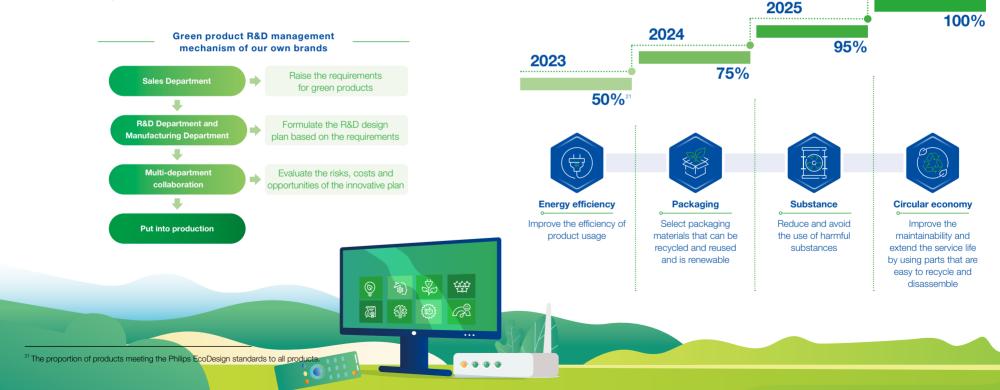
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# **Green Product & Packaging**

TPV strives to reduce the impact and dependency of production on the environment and generate positive environmental benefits through the R&D and application of green products and sustainable packaging materials. It is also crucial for TPV to achieve its carbon emission reduction targets. We are committed to integrating the concept of sustainability into the entire lifecycle of product design and production. Through technological improvements, the application of sustainable packaging materials, product recycling, and optimization of logistics and transportation methods, we aim to comprehensively reduce the carbon footprint of our products and provide consumers with more eco-friendly and sustainable products and solutions.

# **Green Products**

The R&D of green products is a critical step for TPV in delivering low-carbon products. We have established an efficient cross-department cooperation mechanism for green product R&D. Our focus is on developing products with environmental and economic benefits that comply with the latest laws, regulations, and standards, and reducing environmental and social risks throughout the product life-cycle.



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We strictly comply with the latest product energy efficiency regulations and standards in the regions where we operate, including the *Energy-related Products (ErP) Directive* of the EU, the *Appliance and Equipment Standards Program of the U.S. Department of Energy (DOE)*, the *Appliance Efficiency Regulations* of California, the *Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Computer Monitors* (GB 21520-2015), and the *Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Flat Panel Televisions and Set-top Boxes* (GB 24850-2020). We focus on improving product energy efficiency by developing energy-saving technologies, enhancing product performance, and updating product components which enables us to create more sustainable display products.

#### Energy-saving Technologies & Services

The Super-Efficient Power backlight technology reduces power consumption



The adoption of the latest LED backlight technology can greatly reduce energy consumption without compromising the performance, brightness, and color. PowerSensor balances product performance with energy consumption cost



The built-in "PowerSensor" functions as a "human sensor", which can automatically reduce the brightness of the display with infrared signals when the user steps away. This innovation reduces energy cost by 70%.

LightSensor balances optimal brightness with minimal power consumption



The built-in "LightSensor" utilizes smart sensors to adjust image brightness based on the lighting conditions in the room, achieving perfect picture quality with minimal power consumption. Green button on TV remote controls



A "green bottom" provides users with various energy-saving options. The remote control is 85% made of postconsumer recycled plastic (PCR), reducing the product's carbon footprint. The ZeroWatts with zero-power switch



The independent power switch enables complete power cutoff, thus achieving zero power consumption.

#### High-efficiency power components

The high-efficiency and energy-saving semiconductor material gallium nitride (GaN) is used as a power component, thus improving overall power efficiency by 2%.

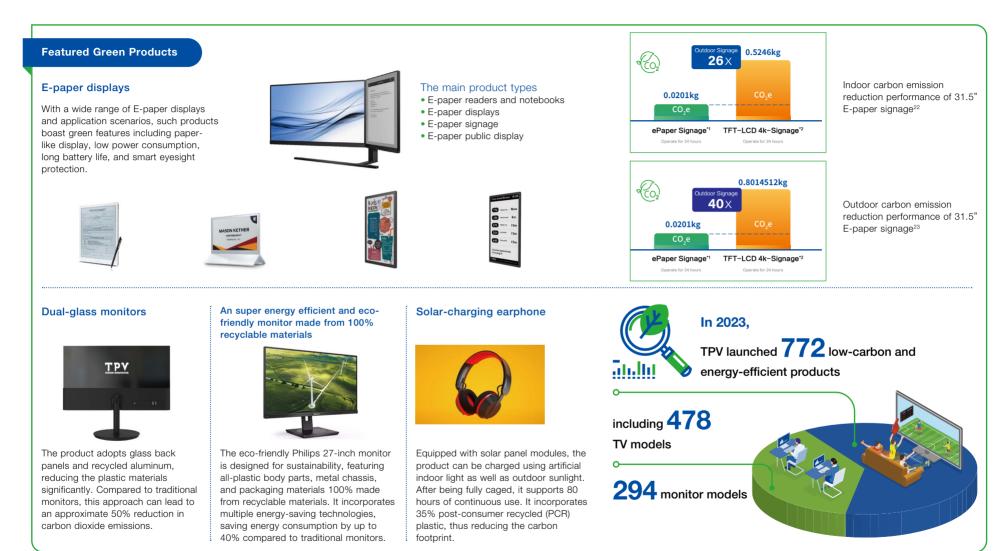
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<sup>&</sup>lt;sup>22</sup> We estimate the energy savings and carbon emissions reduction achieved by a single 31.5" indoor electronic display compared to a 32" LCD indoor display with reference to the German carbon emission co-efficient (0.30358). <sup>23</sup> We estimate the energy savings and carbon emissions reduction achieved by a single 31.5" outdoor electronic display compared to a 32" LCD indoor display with reference to the German carbon emission co-efficient (0.30358).

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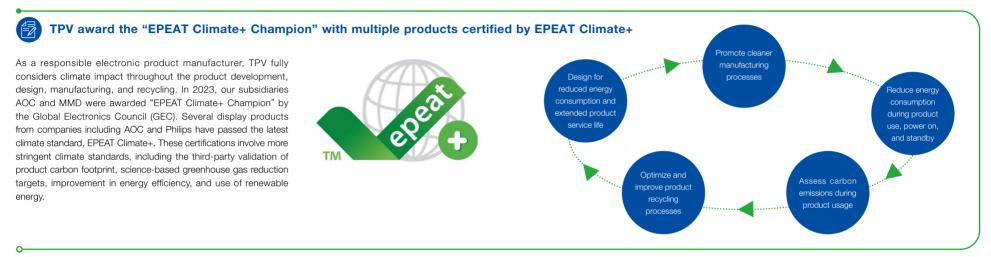
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We remain committed to reducing the carbon footprint of our products and gathering carbon footprint data. Through decreased energy and resource consumption, we advance the development of lowcarbon products. Our remarkable endeavors in reducing carbon emissions of products have garnered high recognition from both the market and consumers, along with numerous green certifications.



Green Product Certificates	Certificates obtained in 2023
EPEAT Climate+	120
Electronic Product	60 gold medals
Environmental Assessment Tool (EPEAT)	101 silver medals
ENERGY STAR®	161
TCO Certified	151
China Energy Conservation Program (CECP)	330
China Environmental Labelling Certification (Ten-Ring)	250

#### **TPV** participates in formulating the Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Displays

In May 2023, the national standard Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Displays (GB 21520-2023) was released. It will be implemented on June 1, 2024, with energy efficiency requirements increasing by 50%. TPV Technology, as an industry participant, contributed to the drafting of this standard. We formed a cross-department collaboration team consisting of experts from different areas of China. The team conducted extensive work, including data investigation, analysis, and discussions. Five suggestions proposed by TPV were adopted, enhancing the standard's feasibility and promoting the green and high-quality development of the industry.

In the end-user market, we continuously enhance the transparency of product sustainability and actively advocate for sustainable consumption. Our operating systems and product manuals provide consumers with energy-saving guidance. We disclose product energy efficiency and sustainable material information on our official website and third-party retail platforms. Available details include the use and proportion of sustainable materials in our products. By providing consumers with information on the environmental impact throughout the product lifecycle, we aim to facilitate the development of sustainable consumption.

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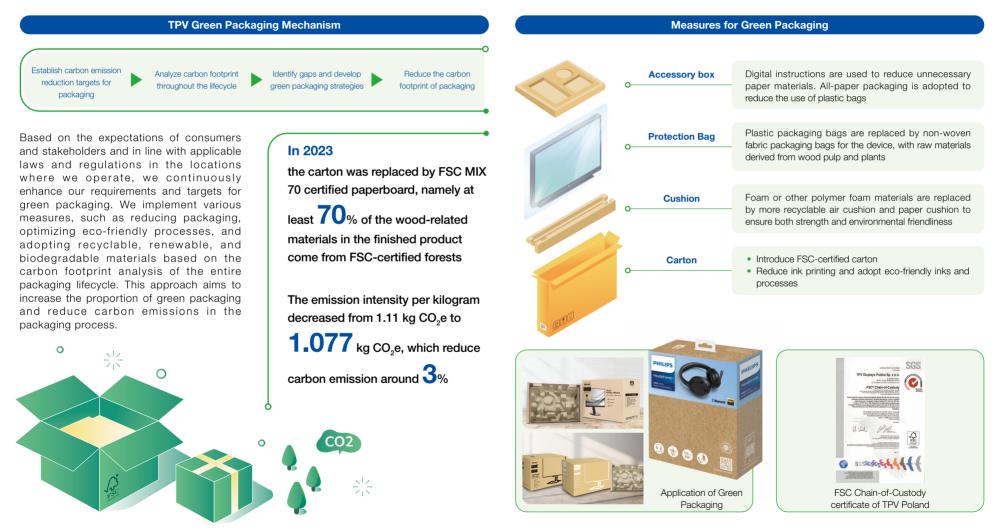
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# **Green Packagings**

TPV maximizes the use of eco-friendly and recyclable packaging materials that pose no harm to the environment or human health. We continuously innovate our packaging processes to ensure that our packaging products align with ecological and environmental protection standards throughout their lifecycle, from raw material selection and manufacturing to usage and end-of-life treatment.



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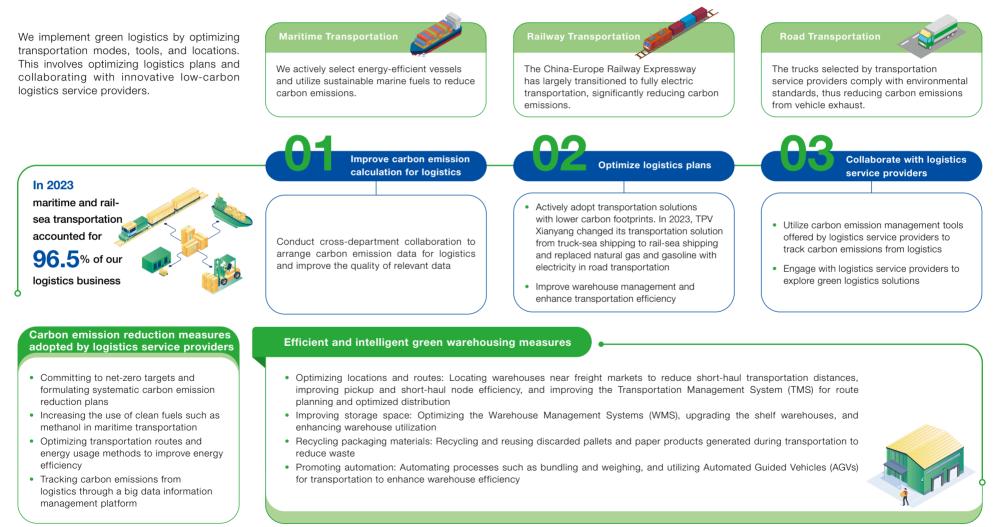
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# **Green Logistics**

Green and sustainable transportation is a crucial link of our product lifecycle and a key initiative in collaborating with partners for sustainable development. TPV is dedicated to exploring green and intelligent management models for logistics and warehousing. We aim to reduce energy consumption in storage and logistics processes through initiatives such as material recycling, system optimization, and the adoption of clean energy. These efforts contribute to greening the end-of-life stage of the product lifecycle.



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# **Circular Economy**

Characterized by resource conservation and recycling, circular economy advocates a economic model which harmonize with nature. Its goal is to replace the linear economic model by eliminating waste and pollution. TPV consistently pioneers circular design, embraces sustainable raw materials, and implements closed-loop resource management across the product lifecycle. Through these efforts, we contribute to the transition of society towards a more resilient economic system.

# Circular Economy Management

The Risk Management and ESG Committee coordinates the strategic analysis and target setting for circular economy initiatives. It involves a cross-functional team from various departments such as business, procurement, R&D, manufacturing, and customer service under the ESG Taskforce. Together, they implement specific measures across the stages of "raw materials – manufacturing – transportation – use – disposal" to reduce waste and pollution during operations and promote the circularity and regeneration of materials and resources.



			$\frown$		
	Circular Design	Low-carbon Manufacturing	Green Packaging & Transportation	Product Use	Disposal & Reuse
Main Measures	<ul> <li>Conducting Life Cycle Assessments (LCAs) for products</li> <li>Expanding procurement and use of recyclable and renewable materials</li> <li>Designing products that are durable, easy to repair, disassemble, and reuse</li> <li>Reducing the use of non- renewable materials and resources</li> </ul>	<ul> <li>Increasing the use of renewable energy in the manufacturing process</li> <li>Minimizing the generation of solid waste and chemicals during the manufacturing process</li> <li>Improving waste sorting and management and promoting zero waste to landfill</li> </ul>	<ul> <li>Utilizing renewable and biodegradable packaging materials</li> <li>Reducing the use of non- renewable materials and adopting eco-friendly inks</li> <li>Simplifying packaging design and using eco- friendly inks</li> <li>Increasing the reuse of turnover materials</li> <li>Promoting the use of sustainable fuels in logistics</li> </ul>	<ul> <li>Developing energy-saving technologies to reduce energy consumption of products</li> <li>Educating consumers on energy conservation and sustainable consumption</li> <li>Offering comprehensive and accessible after-sales services, extending the service life of components and software updates, and encouraging consumers to extend product service life through repair and refurbishment</li> </ul>	<ul> <li>Establishing a global network of repair service centers</li> <li>Encouraging consumers to participate in cash-back offers</li> <li>Paying disposal fees to ensure proper end-of-life treatment</li> <li>Collaborating with NGOs on the recycling of e-waste and providing training on dismantlement and disposal techniques</li> </ul>
	<ul> <li>By 2030, use at least 50% of recycled plastic or ocean-bound plastic in own brand products</li> <li>By 2030, use at least 25% of recycled aluminum in aluminum parts of own brand products</li> </ul>	<ul> <li>By 2025, ensure that renewable electricity accounts for at least 13% of total electricity consumption (at global manufacturing bases, main offices and operation sites)</li> </ul>	<ul> <li>By 2030, use at least 95% of recycled packaging materials in own brand products</li> <li>By 2030, use at least 90% of recycled or FSC-certified materials or bio-based materials in</li> </ul>	By 2025, reduce product energy use of own brand monitors and TVs by 25% from 2020	
Main Targets			<ul> <li>packaging of own brand products</li> <li>Select low-carbon transportation routes and modes wherever possible, including electrified railroads, cargo ships using low-sulfur fuels, etc.</li> </ul>	own brand monitors	d plastic in the plastic used by
Use of Main	Product raw materials <ul> <li>Post-consumer recycled</li> </ul>	Packaging materials <ul> <li>Recycled paper</li> </ul>	Resources <ul> <li>Renewable electricity</li> </ul>	packaging of own bra	d plastic in the plastic used by nds monitors
Renewable Materials/ Resources	<ul> <li>plastic (PCR)</li> <li>Ocean-bound plastic (OBP)</li> <li>Recyclable aluminum</li> <li>Bio-based materials</li> </ul>	<ul><li>FSC certified paper materials</li><li>Bio-based materials</li></ul>	<ul><li>Sustainable fuels</li><li>Biomass fuels</li></ul>	95% Proportion of fsc-cert of own brand TVs	ified materials in the packaging

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# **Use & Innovation of Sustainable Raw Materials**

We continuously increase the proportion of sustainable raw materials, explore innovative processes for sustainable materials, and actively collaborate with suppliers and other partners to promote the use and innovation of eco-friendly materials. By doing so, we aim to strike a balance between low-carbon practices and company benefits.

#### Three Principles For Designing and Selecting Materials



TPV has developed a sustainable materials utilization plan aimed at increasing the proportion of sustainable materials in both plastic and non-plastic raw materials. Our sustainable materials include but are not limited to post-consumer recycled (PCR) plastics, bio-based plastics, and compostable bio-based materials. In 2023, we actively used PCR plastics in the monitors of our own brands, with 85% of the recycled plastic (ITE-dreived) from electronics manufacturing and 5% of certified ocean-bound plastic (OBP).



Philips Audio with Eco-friendly Yarns



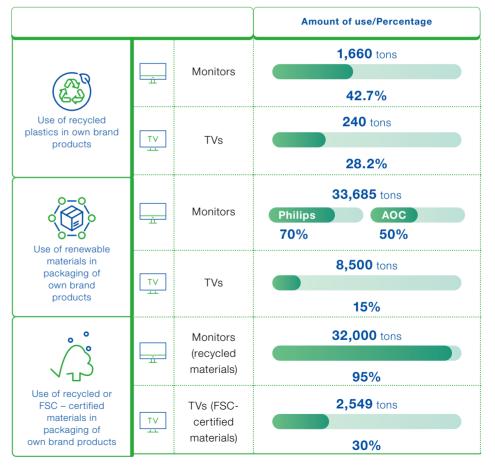
Partner with Low Carbon Leather Suppliers Muirhead to Innovate Sustainable Products

Furthermore, we focus on promoting the application and innovation of sustainable materials across the industry chain and working together with upstream partners to develop ecofriendly products. In 2023, we deepened our cooperation with Muirhead, a low-carbon leather supplier, to explore compostable bio-based materials. We plan to develop high-strength polylactic acid (PLA) materials by 2025.

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#### Use of Sustainable Materials in 2023



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# **End-of-life Treatment**

The rapid development and iteration of high-tech products have led to a surge in e-waste worldwide, imposing burdens and pressures on ecological environments such as soil and water bodies. To minimize the environmental impact of e-waste, we adhere to relevant laws and regulations such as the *Waste Electrical and Electronic Equipment Directive II* (WEEE)<sup>24</sup> in the locations where we operate. We fully consider convenient and effective end-of-life treatment, diversify recycling and disposal channels at the end-of-life stage, and actively fulfill the extended producer responsibility for end-of-life treatment.

#### Main End-of-life Treatment Modes

Improve product	Enhance maintenance	Establish product recycling system	Launch cash-back	Pay WEEE
durability	service quality		offers	compliance fees
Incorporate Sustainable Design Principles Into Product Design And Manufacturing To Ensure That Products Are Designed For Easy And Safe Disassembly And Disposal; Strictly Adhere To Quality Control Systems And Safety Certifications; Extend The Service Life Of Products	<ul> <li>Free Software Upgrades: Offer free functionality and security patch updates and software upgrades for products, such as the Philips MediaSuite TV series</li> <li>Extended Parts Warranty: Launch an Online Spare Parts Web Shop in Europe; extend the warranty period for replacement consumables and parts to 10 years; make warranty services available for customers through the Online Spare Parts Web Shop</li> <li>Consumer Repair Guidance: Provide product repair regulations and procedures in product manuals; encourage consumers to repair products and extend the service life of products</li> </ul>	Establish comprehensive product recycling systems in Europe, North America, and Brazil, cooperate with certified recyclers, offer smooth channels for recycling scrapped products and end-of-life treatment	Launch cash-back or repurchase programs in specific regions. In 2023, a cash-back program was launched for the Philips MediaSuite TV series. Depending on the size and age of the TV, hotel customers received a cash-back of up to USD65 for repurchase	In accordance with the relevant regulations and requirements for e-waste disposal, we regularly pay the WEEE compliance fee <sup>25</sup> , thus contributing to the establishment of a comprehensive end-of-life e-waste recycling system by ensuring the standardized and safe disposal of e-waste generated in daily production



<sup>&</sup>lt;sup>24</sup> In 2023, the total weight of the company's products on the market is estimated to be 309,013 tons, and this data includes the estimated weight of some products. 42,328 tons of waste electronic equipment were collected on TPV's behalf to comply with producer responsibility requirements of the EU WEEE Directive. Data includes the recycling volume complying with the legislation of EU countries allocated to TPV.

<sup>&</sup>lt;sup>25</sup> Equipment (WEEE) Fund is a government fund established in China to promote the recycling and disposal of waste electrical and electronic products. It plays a significant role establishing China's extended producer responsibility system, standardizing waste electrical and electronic products, implementing eco-friendly treatment, and reducing environmental pollution. So far, the fund has delivered tangible results in terms of resource and environment. The collection of fees ceased in January 2024 according to the lastest regulation.

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# **Biodiversity Protection**

Biodiversity is essential for the well-being of humanity and lays the foundation for building a shared future for all life on earth. As a response to the call of the 14th Conference of the Parties to the *Convention on Wetlands* to "cherish wetlands and live in harmony with nature", TPV has formulated a biodiversity policy (refer to TPV Technology's *Environmental Protection Policy* for details). We commit to minimizing the direct and indirect impacts of our production activities on nature and the biosphere as much as possible. In 2023, we have identified and assessed dependencies, impacts, risks, and opportunities related to nature for the first time with reference to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We have also outlined relevant management processes and performance indicators, thus laying the foundation for the development of a long-term nature strategy.

# Governance

As the highest decision-making body for the management of nature-related risks and opportunities, the Board of Directors is responsible for reviewing and deciding on ESG matters, including biodiversity. In 2023, the Board of Director has established a Risk Management and ESG Committee to assess the importance of biodiversity to corporate operations. The Board of Boards also reviews and confirms the identified nature-related dependencies, impacts, risks, and opportunities, as well as supervises the implementation of relevant management strategies. The Risk Management and ESG Committee assists in the supervision and coordinates the ESG indicators related to resource conservation and biodiversity.

In 2023, our internal financial experts assessed and scored the financial impact of biodiversity based on "Continuation of use of resource" and "Reliance on relationships". This program aims to assess the dependency and impact of the issue on corporate business.

# **Strategy**

As recommended by TNFD, we have adopted the Locate, Evaluate, Assess, and Prepare (LEAP) approach to conduct a detailed assessment of the interaction between our manufacturing bases worldwide and natural ecosystems. Through this process, we identify nature-related dependencies, impacts, risks, and opportunities.



# Locate: Determine locations with ecological priority

In 2023, TPV conducted questionnaires at manufacturing bases worldwide to better understand the interaction between corporate operations and natural ecosystems. We assessed environmental sensitive areas within a radius of 50 kilometers. These areas include nature reserves, water resource protection areas, wetlands, wildlife sanctuaries, species protection areas, bird habitats, marine protected areas, national parks, and indigenous reserves.

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As shown by survey results, all our manufacturing bases are located in industrial zones approved by local governments and are not listed as environmentally sensitive areas by local authorities. However, eight manufacturing bases are within 10 kilometers of one or more environmental sensitive areas. We have defined them as locations with ecological priority, as shown in the figure below.



TPV's locations with ecological priority

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# Evaluate: Identify the dependency and impact

For the eight identified locations with ecological priority, we first evaluate the primary dependency and impact of our business on nature using the Encore<sup>26</sup> database. Subsequently, we evaluate the levels of dependency and impact through guestionnaire and the analysis of relevant environmental indicators via professional databases.

Evaluation Process of Dependency and Impact Level						
1. Identification of dependency and impact		2. Evaluation of dependency and impact level				
Sort out the driving factors of dependency and impact based on the company's actualities and with reference to the encore database	<b>Questionnaire</b> Distribute questionnaires to manufacturing sites with ecological priority, and initially evaluate the dependency and impact of each location on various natural factors.	<b>Database survey</b> Utilize the WWF Risk Filter <sup>27</sup> and IBAT <sup>28</sup> recommended by TNFD for comprehensive analysis. Relevant databases include the IUCN Red List of Threatened Species <sup>29</sup> , World Database on Protected Areas (WDPA) <sup>30</sup> , and Key Biodiversity Areas (KBA) <sup>31</sup> database.	Environmental data analysis Analyze environmental indicators for each location with ecological priority site, including water withdrawal, use of packaging materials, solid waste landfill, and incineration.			

TPV is mainly engaged in the assembly and manufacturing of electronic components and products. As shown by the results of guestionnaire, database research, and comprehensive analysis of environmental data, most of our manufacturing sites have a low level of dependency and impact on natural factors. In terms of dependency, our manufacturing processes do not consume water resources and water is primarily used for daily office operations and greening of manufacturing sites. Therefore, our business has a low dependency on surface water. TPV Brazil may withdraw a small amount of groundwater and is evaluated as having a moderate level of dependency. TPV Fuging is involved in purchasing paper, wood, and other packaging materials, which is associated with forest resources, resulting in a moderate level of dependency. In terms of impact, the manufacturing sites of TPV Poland and TPV Russia are identified by the database research as having a moderate impact on biodiversity. Additionally, TPV Poland and TPV Argentina employ compliant landfilling and incineration methods to dispose of solid waste, resulting in a moderate impact.

		Evaluation of Dependency			Evaluation of Impact				
Manufacturing Base	Biodiversity	Surface Water	Groundwater	Forest	Biodiversity	Water Pollution	Soil Pollution	Solid Waste	Disturbances
Overseas manufacturing bases									
Poland Gorzów									
Brazil Manaus									
Argentina Tierra del Fuego									
Russia Saint Petersburg									
Thailand Prachin Buri									
Manufacturing bases in Chinese mainlan	d								
Fuqing									
Beijing									
Qingdao									

<sup>26</sup> Exploring Natural Capital Opportunities, Risks and Exposure (Encore): https://www.encorenature.org/

27 WWF Risk Filter: https://riskfilter.org/

<sup>28</sup> Integrated Biodiversity Assessment Tool (IBAT): https://www.ibat-alliance.org/

<sup>29</sup> IUCN Red List of Threatened Species: https://www.iucnredlist.org/ <sup>30</sup> World Database on Protected Areas (WDPA): https://www.protectedplanet.net/en

<sup>31</sup> Key Biodiversity Areas (KBA): https://www.keybiodiversityareas.org/

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# Assess: Analyze nature-related risks and opportunities

Nature-related risks and opportunities are attributed to the Company's dependency and impact on nature. During the assessment, we further identified nature-related risks and opportunities by focusing on the most dependency and impact factors most relevant to our business, as recommended by TNFD.

		portunity egory	Risk/Opportunity Description	Impact Duration	Dependency/ Impact
	Scarcity of water Physical risk		The global water scarcity may potentially affect corporate production, supply chain stability, and employees' health Prolonged water scarcity may lead to river droughts, thus affecting water levels, hindering transportation, and even causing supply chain disruptions	Medium to long-term	Dependency
Nature-related Risks	risk	Forest degradation	Human activities and climate change may lead to forest degradation and affect the availability and service of forestry products and supplies, thus increasing the procurement costs of packaging materials	Long- term	Dependency
Nature -	Transition risk	Policy and law	Stringent nature-related policies and laws such as the <i>Convention on Biological Diversity</i> and the EU's <i>Nature Restoration Law</i> may increase the compliance cost	Short to medium- term	Impact
		Market	Customers and consumers are increasingly concerned about the conservation of natural resources and biodiversity. Failure to promptly adapt to changes in customer and consumer preferences could result in loss of market share	Short, medium to long-term	Dependency & impact
		Reputation	If our operations significantly affect ecosystems and other stakeholders, it could potentially damage our reputation	Long- term	Impact
Nature-related Opportunities	Resource efficiency		<ul> <li>Efforts are mad to develop energy-saving and water-saving technologies as well as improve the efficiency of resource use. It helps to reduce dependency on natural resources while lowering the cost of resource use</li> <li>The recycling of scrapped products contribute to reducing e-waste and promoting a circular economy</li> </ul>	Short to medium- term	Dependency & impact
ture-relate	Market		Nature-friendly products and services, such as green packaging, are favored by customers and consumers. It may create new business growth points and enhance corporate competitiveness	Medium to long-term	Dependency & impact
Na	Repu	tation	The conservation efforts for nature and biodiversity contribute to building a positive brand image and gaining support and trust from stakeholders	Long- term	Impact

# **Prepare: Formulate management strategies**

To better address nature-related risks and seize opportunities, TPV actively formulates strategies for the conservation of natural resources and biodiversity. We develop management actions from the perspectives of Avoid, Reduce, Restore & Regenerate, and Transform.

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Nature education

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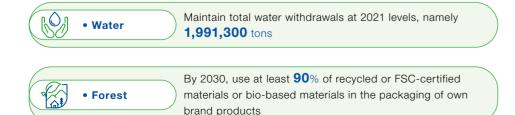
# **Natural Risk & Impact Management**

In the face of the various challenges brought by ecological degradation and biodiversity loss, TPV actively carries out risk identification, assessment, control, and disclosure to continuously enhance its resilience to natural risk. During the risk identification, TPV has carried out questionnaire for all manufacturing sites for the first time to identify potential risk factors around the locations where they operate. Through questionnaire analysis, with reference to the latest trends and relevant literature, we summarized a list of natural-related risks, formulated management strategies, and submitted them to the Risk Management and ESG Committee for review. Looking ahead, we will continue to monitor risk management practices and regularly report progress on disclosure activities. Meanwhile, we will gradually explore the integration of natural-related risks into overall risk management process, thus further extending to value chain risk management.



# **Metrics & targets**

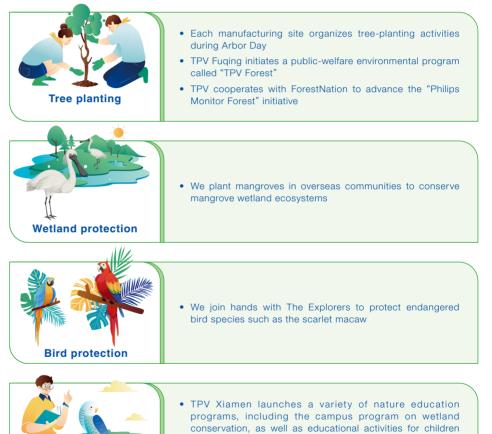
To promote the conservation of biodiversity and natural resources, we have established management targets for natural resources most relevant to the Company, namely water and forest. Measures and related indicators for the protection of water and forest (including water withdrawals and packaging materials used) can be seen in the section "Low-carbon Operations".



Over the years, TPV has been committed to tree planting, bird conservation, and other environmental initiatives. Through training, public-welfare education, and other methods, we actively promote green environmental concepts to employees and the community. These efforts demonstrate our commitment to ecological conservation through practical actions.

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on protecting migratory birds

• TPV Fuqing organizes cycling events for wetland conservation to encourage public participation in wildlife protection efforts

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## Protecting biodiversity – "Philips Monitor Forest" Project

In the village of Kwai, located in the Usambara Mountains of Tanzania, illegal logging and forest fires have significantly hurt the local community, leading to food insecurity and low incomes for many residents. Since 2020, TPV has been cooperating with ForestNation on the "Philips Monitor Forest" Project. With

every purchase of an eco-friendly Philips monitor, TPV will donate trees to the "Philips Monitor Forest".

- Environmental benefits<sup>32</sup>: The project adopts a multi-species mixed planting model to enhance soil fertility, restore vegetation coverage, and enhance the climate-regulating role of the forest. As of 2023, the project covered an area of 58.5 hectares and planted a total of 58,699 trees, absorbing 4,546 tons of carbon dioxide and producing 18,183 tons of oxygen.
- Social benefits<sup>33</sup>: The project has created 2,592 hours of employment and is expected to generate a
  total income of USD57,179.84 for local villagers. Approximately 80% of the job opportunities are taken
  up by women, significantly contributing to local employment.



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Philips Monitor Forest

<sup>32</sup> Please refer to the 2023 Philips Monitors Forest Report <sup>33</sup> Please refer to the 2023 Philips Monitors Forest Report

# Protecting species diversity – TPV supports the conservation of the endangered Scarlet Macaw

The Scarlet Macaw, the national bird of Honduras, holds significant cultural importance as a symbol of ancient Mayan civilization. TPV cooperates with The Explorers, a partner of UNESCO, to launch a conservation project for the Scarlet Macaw in Honduras. This initiative aims to support the conservation and breeding of Scarlet Macaws as well as popularize knowledge on bird conservation. In 2023, the project raised a total of 32 Scarlet Macaw chicks and reintroduced 10 of them into the wild.

# Caring for Ecology – TPV's brings biodiversity education to the school

TPV has, together with some non-profit organizations, launched the "Caring for Ecology: TPV Leads the Way" program for schools in Xiamen for two consecutive years. This program aims to raise awareness of biodiversity conservation among community youth by holding biodiversity lectures and field trips on wetland and bird conservation. Featuring classroom lectures and outdoor field trips, the project covered six schools in 2023. There were six classroom sessions and four outdoor field trips. Over 100 parent-child pairs participated, totaling 472 participants, with a total duration of 880 minutes.



#### Green cycling for wetland protection

In October 2023, TPV Cycling Club organized a team of 12 employees to participate in the "2023 Minjiang River Estuary Wetland Wildlife Protection Campaign and the 8th Changle Cycling Challenge". During the 85-kilometer green cycling event, TPV's cyclists learned about the laws and regulations related to the conservation of wildlife and plants as well as promoted biodiversity conservation.



Scarlet Macaw



TPV Xiamen Organizes An Employee and Family Visit to the Xiamen Xiatanwei Mangrove Park



TPV Cycling Club Contributes to Wetland Protection

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limits, thus achieving digital management of quality

improvement

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# **Product Quality & Safety**

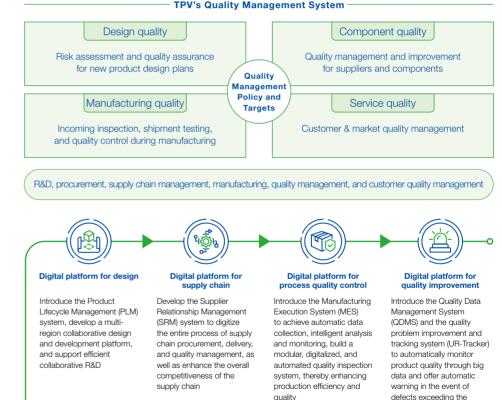
TPV is in relentless pursuit of providing customers with exceptional products and services. We adhere to strict product quality management throughout the entire product lifecycle. Anchoring on the long-term goal of "pursuing superior and being the industry leader in quality", we uphold the spirit of craftsmanship and provide the best services with uncompromising quality.

# **Product Quality Management**

TPV strictly abides by the applicable laws and regulations of the countries and regions where it operates throughout the product lifecycle. To standardize management processes, we have established various management systems related to product guality, including the Quality Manual, the Raw Material Inspection Procedures, the Process Control Procedures, the Product Labelling and Traceability Procedures, the Substandard Product Control Procedures, and the Finished Product Shipment Management Procedures. Adhering to superior guality, we have established a comprehensive quality management, organizational support, and digital platform support system covering the entire process of design, R&D, procurement, production, deliver, and after-sales service. In terms of organizational structure, TPV has long been committed to improving and innovating standards and management processes in practice. We have established a quality management system organization led by the General Manager of each manufacturing base and coordinated by various functional departments. The management regularly holds meetings to coordinate guality management work. For example, the product guality improvement team has been set up to regularly organize activities to improve product guality as well as promptly respond to product guality requirements from internal and external stakeholders with targeted solutions.

In addition, TPV extends its strict quality standards and requirements to its value chain partners. We have formulated the Supplier Assessment and Management Procedures to rigorously oversee product quality management across the entire supply chain, including procurement of raw material and audits of the supply chain. We also communicate product quality standards and requirements to our distributor partners through annual meetings and regular communication channels.

To implement standardized product quality control procedures, our manufacturing bases have been certified by ISO 9001, ISO 13485, IATF 16949, and other product quality management systems, alongside ISO 14001, ISO 45001, ISO 27001, and other management systems<sup>34</sup>.



<sup>&</sup>lt;sup>34</sup> The coverage data of ISO 14001, ISO 27001, ISO 45001, and ISO 50001 in the table have been assured by third-party providers. See the "ESG Performance Summary" and "Independent Assurance Reports" for details.

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We also strengthen training and empowerment for our employees by organizing a variety of activities such as the Quality Control Circle (QCC) team, the "Quality Month" activity, and the "Quality Culture Month" activity. These activities aim to effectively enhance the independent quality assurance capabilities of our manufacturing sites, promote continuous improvement in product quality, and foster a culture of quality involving all employees. In 2023, 96% of TPV Xiamen's customers were satisfied with the product quality of TV products upon delivery and the first-pass yield rate of TPV Fuging's monitors reached 98.3%.

# Focusing on superior quality – TPV Fuqing organizes a 7-month QCC activity

In 2023, TPV Fuqing organized a QCC<sup>35</sup> quality management activity. It involved 26 quality management circles including the Quality Management Department, the R&D Department, and the Manufacturing Department. Featuring quality control concepts and techniques, the QCC activity aimed to enhance the quality knowledge and problem-solving abilities of all employees. The 7-month event consisted of three training phases, with a total of 120 trainees and over 100 training hours.



#### "I am Responsible for What I Make" – TPV fosters a quality culture through the "Quality Month" campaign

TPV launched a three-month "Quality Month" campaign under the theme "Making the Display World More Beautiful with Superior Quality". The campaign featured a series of diverse activities, both online and offline, and covered a wide range of topics. Our employees actively participated in these activities, enriched their knowledge through quality training sessions, and offered suggestions and insights during the "Quality Month" themed meetings.



TPV Shares Quality Management Experience with Industry Partners

TPV actively participates in quality exchange activities within the industry while strengthening its own quality management practices. In 2023, we shared our quality management experience at the "Chief Quality Officer September Dialogue" forum and contributed insights into highquality development at the "China Quality (Chengdu) Conference".



<sup>&</sup>lt;sup>35</sup> Quality Control Circle (QCC), also known as "Quality Circles", refers to quality management groups formed by employees. Through regularly held team-based improvement activities, QCC aims to identify, investigate, analyze, and address quality management issues.

Strengthen ESG Governance Green Displays Build a Sustainable Value Chain Foster a Healthy and Appendix Upright Society

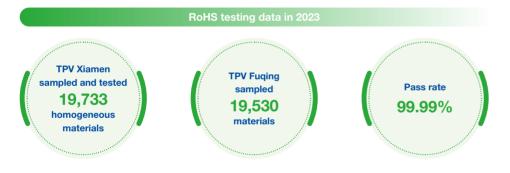
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# **Customer Health & Safety**

We strictly adhere to the requirements of IECQ. We have also incorporated the requirements of IECQ QC 080000 Hazardous Substance Process Management into our product lifecycle. Products from all manufacturing bases worldwide comply with the *Restriction of Hazardous Substances (RoHS) Directive* and other waste management regulations such as the *Waste Electrical and Electronic Equipment Directive II (WEEE)* in the regions where they are sold. This approach ensures that the material usage of electronic products and components and the disposal of e-waste are human and environmentally friendly. In 2023, TPV had zero confirmed customer health and safety incidents.

TPV has established a RoHS testing team and laboratory at our manufacturing bases for design and production, which are primarily responsible for examining ten RoHS prohibited substances. We develop test plans based on material and supplier risks and perform sample testing as planned. If suspected non-compliance is detected during testing, the team sends the product for third-party retesting to confirm the risk.





RoHS Testing Lab

TPV has been dedicated to creating highquality products that integrate practicality, technological innovation, and health-conscious features for consumers. To better protect the health and safety of our customers, we have made consistent investments in the R&D of relevant technologies and obtained patents and certifications. We have also applied these technologies to more products. Monitors of our own brands are designed with a keen concern for visual wellness. Some of the models come with our patented SoftBlue technology. This



Philips Evnia Gaming Monitor with Low Bluelight Mode and Flicker-free Technology

technology effectively reduces the damage caused by short-wave blue light to the eyes. Additionally, some products incorporate flicker-free technology to help alleviate eye fatigue caused by prolonged exposure to the display. We also focus on developing health features, such as headphones equipped with sensors, to monitor users' sleep quality, heart rate variability, and neck protection.

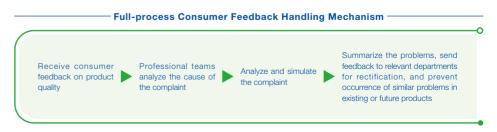
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In addition, we also increase investments in accessible design. We focus on meeting the needs of various minority groups such as the elderly and people with disabilities. For example, we have developed a series of assistive listening headphones designed specifically for people with hearing impairments. Through these efforts, we provide society with high-tech products that are inclusive and caring.

## **Product recall management**

TPV continuously improves its internal procedures and closed-loop processes for product recalls, ensuring the full protection of customer rights and user experience. Leveraging a full-process consumer feedback handling mechanism, we analyze issues occurring during product usage to optimize product quality and minimize the likelihood of product recall incidents. Meanwhile, we provide global logistics support and ensure timely delivery of products to designated warehouses as per customer requirements, thereby ensuring smooth returns and exchanges. Over the past five years, TPV has had zero product recall incidents.



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# **Innovative Development**

Innovation is a critical driver for the sustainability of enterprises. TPV has established an innovation network worldwide to accelerate smart development, drive efficient management, and promote product innovation. Moreover, we strengthen intellectual property protection, striving to innovate and deliver superior, smarter display products for consumers. By doing so, we aim to create more valuable digital achievements for the industry and society.

# Intelligent Manufacturing & Digital Innovation

In response to the national policy of "Made in China 2025", we have set the goal of "TPV Intelligent Manufacturing 2025" with the aim to achieve the construction of digital factories and the transformation of intelligent factories. We apply new technologies such as big data, artificial intelligence, 5G networks, and blockchain throughout the process of R&D, production, and service. By optimizing production management and operation processes, we strive to enhance automated and intelligent production.

# **Digital Manufacturing**

In 2023, TPV actively promoted the "Industry 4.0" strategy by empowering various scenarios and demands through digital systems. To further improve process guality control, we developed a Manufacturing Execution System (MES) which integrates multiple systems for quality process inspection, automatic data collection from inspection devices, intelligent analysis and monitoring of quality data, as well as the management of forward and reverse traceability. This pioneering endeavor enables us to achieve end-to-end quality monitoring of products as well as establish a modular, digital, and automated guality inspection system. In this way, we ensure the reliability and transparency of data, effectively improve production efficiency, and enhance intelligent manufacturing.



In 2023, we actively developed the MFG Portal platform with the goal of achieving online management of manufacturing management data, including capital, assets, capacity, efficiency, and quality. This initiative is geared towards facilitating the visualization of various management indicators and effectively improving the efficiency of manufacturing production process management. We are also promoting the application of Great Wall iMOS (Intelligent Operation Management System) to facilitate digitization and data visualization of manufacturing sites.

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# **Automated Manufacturing**

Automated Production

We pioneered the industry's first "lights-out" testing line, which achieves automated operation through automated loading, laser engraving, automatic In-Circuit Test (ICT), as well as automated separation and stacking

#### **Automated** Logistics and Packaging

Leveraging the "5G + Finished Goods Warehouse Intelligent Logistics System Project", we achieve goods handling, wrapping, strapping, as well as logistics and finished product packaging by connecting the Warehouse Control System (WCS), Manufacturing Management System (WMS), and Automated Guided Vehicles (AGV)







Finished Product Automated Packaging Line

Intelligent Cabin

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#### Automated manufacturing achievements in 2023 •

Introduce intelligent cabins and reduce manual operations by

**47**<sub>0/-</sub>

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automated transportation and sorting projects introduced at manufacturing bases both domestically and internationally

Reduces operating procedures that cause employee fatigue effectively

> The China Grand Awards for Industry, approved by the State Council, is the highest award for the industrial circle in China and is dubbed as the "Oscar" of Chinese industry



TPV Won the 7th China Grand Awards for Industry



# **Innovative Talent & Intellectual Property** Protection

Technological innovation capability is the core competitiveness of patent and talent-oriented high-tech enterprises. Relying on a global business network and a comprehensive innovation incentive system, TPV explores and cultivates innovative talents, actively participates in industry innovation exchanges, and builds an innovative corporate culture. We also foster an innovative workplace and nurture multiple drivers for innovation. In 2023, in line with the Innovation Management Measures for Factories in the Chinese Mainland, we received a total of 722 proposals and adopted 345 proposals related to issues such as product design optimization, process improvement, and material simplification. We also distributed incentives of over RMB 90,000 to employees.

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# **Innovation Capacity Building**

In 2023, TPV organized various innovation-themed training sessions for employees and actively promoted collaboration with universities and industry partners through industryuniversity-research activities and talent development programs.

#### Expand university-enterprise cooperation

- TPV Xianyang established the "School of Management of Northwestern Polytechnical University Specialized Degree Practice Base" with Northwestern Polytechnical University
- TPV Xiamen signed a strategic cooperation agreement with Zhangzhou Vocational & Technical College to provide electrician qualification training
- TPV initiated summer internship programs with Xiamen University, Fuzhou University, and Xiamen University of Technology

#### **Cultivate innovation capacity**

- TPV launches specialized training programs such as "Excellence Class", "Smart Manufacturing Class", and "Innovation Class" tailored for different employees including key employees, reserve managers, and professional technical personnel to enhance their innovation capabilities
- TPV's technical experts participated in the "Thousand Talents Plan for Craftsmen of the Nation" jointly held by Xiamen University in Fuging

#### Stimulate innovation vitality

- TPV participated in the "Five Small" Innovation Competition for Million Employees in Fujian Province, with two employee innovations winning the second prize and third prize
- TPV participated in the "2023 Employees Innovation, Entrepreneurship, and Creation Competition in Fuqing and won the silver award in the innovation category

22% R&D staff with master's or doctor's degrees

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"Thousand Talents Plan for Craftsmen of the Nation" Training Program



Employees Innovation, Entrepreneurship, and Creation Competition in Fuqing City



Innovation capacity training

### Empowering digital development via training

In response to the national call for accelerating the digital transformation of manufacturing, TPV Manufacturing Technology Center organized digital knowledge training to cultivate talent for the establishment of provincial and national-level intelligent manufacturing demonstration factories driven by business departments. In 2023, TPV Fuqing held the first session of knowledge training for digital manufacturing. The event consisted of six sub-sessions, with 190 trainees participating offline and online.

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Digital knowledge training

# **Intellectual Property Protection**

Protecting intellectual property is an important means of safeguarding innovation achievements. We have formulated relevant regulations, such as the *Intellectual Property Management and Incentive Measures of TPV Group in the Chinese Mainland* to continuously improve the intellectual property protection management system. These efforts provide institutional guarantee to encourage technological innovation, enhance awareness and capabilities in intellectual property protection, and contribute to sustainable innovation.

In 2023, we launched an online patent proposal system to continuously optimize patent application management procedures and efficiency. TPV Xiamen obtained the GB/T 29490-2013 Enterprise Intellectual Property Management certification and established the "Intellectual Property Evaluation of Rational Proposals" mechanism. This approach further enhances the intellectual property application process, thus effectively protecting our intellectual property rights.

1,278 valid patents worldwide





# Build a Sustainable Value Chain

#### Issues addressed

- Customer Relationship Management
- Sustainable Supply Chain
- Collaboration with Business Partners
- Data Security & Customer
  - Privacy Protection
- Conflict Minerals Management

As a leading company, TPV strives to exert a more positive impact on the industry. We cooperate with upstream and downstream partners to build and maintain a more resilient business ecosystem. We are committed to creating safe, reliable, and sustainable display products and solutions for both customers and consumers.

## SDGs addressed





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# **Customer Relationship Management**

Effective customer relationship management is an internal driver for TPV to maintain its business and brand influence. Through continuous improvement of customer after-sales service and a full-process customer satisfaction management mechanism, we are committed to establishing relationships with our customers for mutual benefits and trust. We strive to deeply understand and meet the diverse needs and expectations of customers worldwide, as part of our efforts to deliver exceptional customer experience.

# **Customer After-sales Service**

TPV has consistently prioritized fostering smooth communication with its customers. Through efficient and user-friendly channels for customer communication, we gain precise insights into market segments and positioning strategies. We also effectively manage sales opportunities and promote cross-department collaboration, thereby establishing a strong brand image in the market. Over the years, our high-standard customer relationship management mechanism has laid a solid foundation for TPV's long-term sustainability planning and formed a crucial element in realizing our sustainability strategy. In 2023, we significantly improved customer communication and enhanced transparency in information sharing, thereby improving the overall customer service experience and efficiency of relationship management.

## Strengthening service support system

We continuously optimize and enhance full-process service information systems, thus providing customers with intelligent and efficient service experience.

#### **Global service platform**

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To remarkably improve the efficiency and quality of customer communication, the platform offers users one-stop service experience, including convenient fee management, viewing of Service BOM, and access to repair notifications

#### Integrated search functionality

To strengthen information sharing and transparency, the system integrates features such as sharing of technical documents, repairing documents and one-click search for software. This approach improves information accessibility and sharing, optimizes business processes, and reduces repetitive tasks. Moreover, the mobile work order repair system enhances response speed and service efficiency at repair centers

#### Information data management

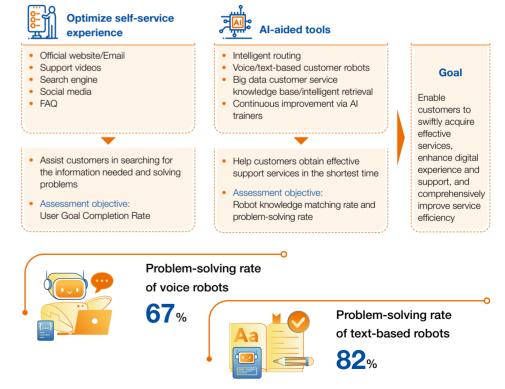
The system aims to achieve unified management of data and information globally, ensure data consistency and collaboration, as well as enhance data quality and reliability. Features such as sharing of technical documents can facilitate cross-region and cross-department collaboration and communication and strengthen coordination efficiency among users, repair centers, and technical support departments

## Improving digital service experience

We have formulated a dedicated Digital Customer Experience (DCE) plan to provide customers with support and service inquiries. Our aim is to realize a convenient, fast, streamlined, and goal-driven self-service customer journey.

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Automatic request for repair: Users can report issues online via WeChat official accounts and upload fault photos in realtime to help engineers identify the problem directly.

Service progress at a glance: Customers can check the progress of their service requests at any time. The system will send notifications for critical milestones.

Instant follow-up: If the service is not handled in a timely manner, customers can follow up at any time on their mobile phones. The system will send reminders to the relevant service personnel.

After the service is completed, customers can provide feedback, and supervise the improvement of service quality.

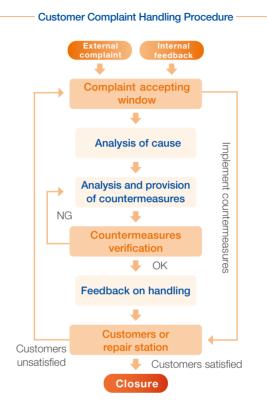
Mutual Product Repair Channels

To meet the diverse after-sales needs of different groups, we provide users with multiple channels for repair requests. Users can request product repairs through various channels such as WeChat, QR code, mobile APP, official website, and hotline. In addition, they can view the latest status of service orders at any time for timely and transparent customer communication. In 2023, we further promoted the request via QR code to facilitate the repair process. The proportion of One-click service request increased by 15% compared to last year.

# **Customer Satisfaction**

The comprehensive management of customer satisfaction demonstrate TPV's commitment and dedication to fostering customer relationships. It also highlights our agility in pursuing continuous improvement and innovation. Through these endeavors, TPV has not only made remarkable progress in meeting customer expectations but also laid a solid foundation for establishing long-term and stable partnerships with customers.





Create a Safe and

Happy Workplace

TPV adopts proactive improvement strategies to address customer feedback. Through regular follow-ups and communication, we deeply explore customer needs and expectations to gain a comprehensive understanding of issues occurring during the project. This timely and targeted followup mechanism enables TPV to respond promptly to customer feedback and swiftly implement effective improvement measures. Through these efforts, we continuously enhance customer satisfaction.



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#### **Enterprise/brand customer**

After receiving satisfaction feedback from customers, we promptly forward it to relevant internal departments and senior management. We analyze the feedback and implement appropriate measures to address the identified needs, enhance communication and interaction between both parties, to improve customer satisfaction. Through regular surveys, we systematically collect feedback and opinions from customers to gain insights into their perceptions of our products and services, as well as any potential issues and suggestions for improvement. This ongoing communication mechanism helps us forge close connections between the Company and customers, enabling TPV to more adaptable in meeting customer needs.

Customer Communication Channels							
Senior management visits	Quarterly business review (QBR)	Customer quality service window	Irregular meeting				
Specialized service team support	After-sales channel	Questionnaire	Email & instant messaging				

To strengthen our relationship with brand customers, we have set up dedicated customer service windows. These windows are responsible for overseeing service support and coordination, improving customer loyalty, as well as providing prompt and high-quality services. Furthermore, we offer cost-saving and efficiency-enhancing service solutions to our customers. For instance, we advocate for component repair service plans to minimize machine scrap and reduce service costs. Through these initiatives, we have cultivated mutually beneficial relationships with our customers.

In 2023, TPV passed the re-evaluation and received the "National Commodity After-Service Conformity Five-Star Certification" jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine of China, the Standardization Administration of China, and the National Commodity After Service Conformity Certification Evaluation Committee.



# Data Security & Customer Privacy Protection

Sound information security and privacy protection is a cornerstone in building trust with our business partners, customers and employees, as well as in fostering long-term partnerships. We continuously reinforce information security management and customer privacy protection to ensure that authorized information of employees, customers, consumers, suppliers, and partners is used and managed in accordance with the highest legal requirements and ethical standards.

# **Information Security Management**

We continue to strictly abide by domestic and international laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *EU General Data Protection Regulation*. Based on these legal frameworks, we have formulated the *Corporate Policy for Information Security Management* and continuously advanced the construction of the global information security management system. Furthermore, we have established a group-wide systematic information security management organization at the levels of supervision, management, and execution. We diligently fulfill our responsibilities for overseeing, controlling, and implementing data security and customer privacy protection measures. Additionally, we conduct regular internal audit and third-party audits to evaluate the performance of our systems.

#### Information Security Management Structure

Information Security

**Guidance Committee** 

**Supervision:** Senior management and functional heads of information technology are responsible for overseeing and guiding information security affairs

**Management:** The functional head of the information technology department are responsible for formulating information security strategies and policies, appointing management and execution teams, and reporting to the Guidance Committee

**Execution:** The execution team is responsible for implementing information security risk management, security procedure control, and capability building

<sup>&</sup>lt;sup>36</sup> In 2023, global turn around time were affected by geopolitical factors in certain regions, leading to fluctuations in the monthly indicator. From November 2023, the indicator began to normalize. We will continue to monitor it closely in the future.

Message from 2023 ESG Highlights

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To enhance information security risk management, we have established the *IT Information Security Risk Assessment Procedure*, which involves identifying, analyzing, and addressing risks. We also carry out due diligence investigation into the execution of data security in business operations, thus achieving comprehensive information security risk management. All employees are required to regard information security as their own responsibility. In the event of confirmed unauthorized software usage, breach of sensitive or confidential information, or any other incidents affecting the security of company data and privacy protection, we will take actions such as warnings, penalties, and disciplinary measures in accordance with internal regulations. Employees, customers, suppliers, and other stakeholders are encouraged to report information security breaches via email.





#### Information security protection

Based on the identification and management of information security risks, TPV has implemented a series of measures to strengthen the protection of information and data security. By further reinforcing and enhancing the foundation of network security, we strive to provide a more secure and reliable data usage environment for both upstream and downstream partners as well as employees.

#### Data Security System Enhancement Measures

#### Remote login from internal network

Enable SSL VPN dual-factor authentication for internal network connections to enhance security and stability during login verification, building a protective wall for data and information security for remote login

#### Group-wide application system

Deploy the Endpoint Detection and Response (EDR) system for groupwide application systems to detect and respond to unknown threats and advanced persistent threats, thereby enhancing the security of servers

# External network programs

Implement security level protection for external network application systems, covering 8 application systems and 37 servers, in compliance with national laws and regulations and third-party audit requirements

#### Security drills & data protection training

TPV has always been committed to raising employees' awareness of security. In 2023, we actively organized various security drills, data security protection training sessions, and cybersecurity publicity week to enhance network security and information confidentiality. Furthermore, we conducted thorough rectification and restoration based on the results of practical tests.





TPV' National Cybersecurity Publicity Week

Message from 2

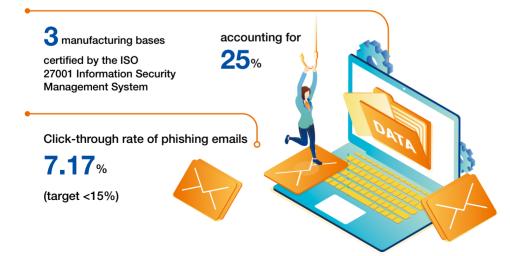
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TPV conducts at least two IT emergency drills each year. We also perform routine patch updates for application systems on a monthly and semi-annual basis. Furthermore, we carry out information security awareness training for employees on a quarterly basis, and provide additional training for participants in phishing drills that trigger security risks. Employees are entitled to email usage only after passing all assessments. This approach can effectively reduce data security risks. In 2023, we conducted multiple awareness training on topics such as data security, information security, and cybersecurity laws through the "TPV E-learning" platform, with a total of 11,737 training hours.



Awareness Training of Information Security



# **Customer Privacy Protection**

TPV prioritizes the protection of personal data privacy in product usage. We have formulated the *TPV Policy for Data Protection* in accordance with the *EU General Data Protection Regulation*. We also have the *Privacy Policy*<sup>37</sup> publicly on our website to inform customers and consumers how their personal data is collected and processed. We have designated the data privacy officer responsible for monitoring global privacy and data protection regulations, continuously improving privacy protection procedures, and ensuring the implementation of appropriate technical and organizational security measures. Our aim is to protect personal data from unauthorized or illegal processing, as well as prevent accidental loss, destruction, or damage.

The *Privacy Policy* specifies the types of information collected, purposes and use of collected information, authorized personnel, period of information retention (how long the information is kept on corporate files), users' rights of inspection, rectification, removal, and protection of children's data.



<sup>37</sup> Please refer to TPV Privacy Policy and AOC Privacy Policy for details.

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# **Sustainable Supply Chain**

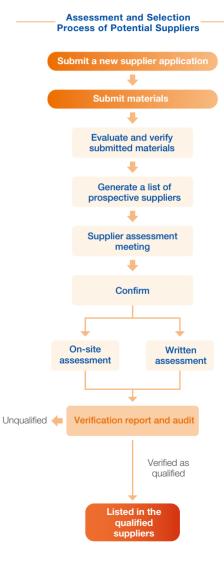
TPV firmly believes that sustainable supply chain management will help us effectively control environmental and social risks in the value chain, thus building a more stable and resilient value chain. We cooperate closely with suppliers and partners in the value chain to continuously improve environmental and labor performance in the industry.

# **Supplier Management Mechanism**

TPV has formulated the *TPV CSR Supplier Code of Conduct* to establish comprehensive regulations and requirements for building a sustainable supply chain. The policy covers various topics such as labor rights, occupational health and safety, environmental protection, and supply chain management performance. It is applicable to suppliers, contractors, subsidiaries, and second-tier suppliers.

TPV has established a full-process supplier management procedure, which includes the assessment of new suppliers as well as daily management and regular audits of qualified suppliers. We have formulated the rigorous *Supplier Assessment and Management Procedures*, which is jointly implemented by the procurement department, supplier quality management department, R&D department, and other relevant departments. It is supervised and approved by the quality management leader. Before introducing new suppliers, we conduct screenings based on their compliance with environmental, social, and other standards, as well as related risks. New suppliers are required to pass the ISO 9001 Quality Management System certification and ISO 14001 Environmental Management System certification. For selected suppliers after screening, we conduct on-site or written assessments to evaluate their comprehensive performance in terms of quality, labor, business ethics, and environmental management. This approach ensures that they do not use child labor or forced labor, adopt hazardous substances, violate safety regulations, or engage in other non-compliance with the law. To become a qualified supplier, suppliers that pass the audit are required to sign the *Quality Contract* and the *Procurement Contract*, which covers the requirement for environmental protection, energy conservation, business ethics, anti-corruption, and other aspects.





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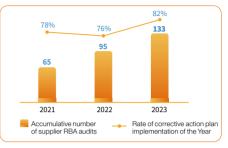
#### Supplier audit and continuous improvement

TPV carries out supplier audits according to the annual supplier audit plan. The audit issues include quality management. environmental protection, energy consumption, GHG emissions, occupational health and safety, emergency preparedness, the EU Registration. Evaluation. Authorization and Restriction of Chemicals (REACH) and other management of chemicals, labor practices, and business ethics. The audit report would be issued to track the supplier's issues and progress of rectification. TPV conducts periodic supplier performance review and assessment on technology, environment, safety, service, and other aspects based on the rule of TQRDC. Suppliers with an A or B rating will be classified for routine management. Suppliers with a C or D rating will be subject to the qualified supplier audit program next year. We will take specific measures with suppliers showing inadequate improvement, including reducing the orders, guitting bidding, and terminating the cooperation of new product development. For suppliers who fail to meet the requirements after two round of corrective coaching, we will revoke their supplier qualification and terminate our partnership with them.

During the Reporting Period, we conducted third-party RBA on-site audits for 25.4% of key suppliers and urged a number of Tier 2 suppliers to undergo the same process. Furthermore, we continuously promote 100% of suppliers signed procurement contracts containing clauses related to environmental, social, and governance requirements, as well as the *TPV CSR Supplier Code of Conduct*.







Supplier RBA Audit in 2021-2023



# **Supply Chain Risk Management**

TPV consistently improves the identification of environmental, social, and governance risks within the supply chain and integrates risk management throughout the supplier management process. We prioritize the protection of labor rights and the freedom of association for workers, foster a safe and healthy workplace, and strictly prohibit child labor and forced labor. Our aim is to cultivate an equal and non-discriminatory sustainable supply chain.

In 2023, we initiated the establishment of the TPV Supplier ESG Survey mechanism. The Supplier ESG Survey covers three dimensions, namely environment, social responsibility, and corporate governance, consisting of 16 topics and over 200 indicators. Supplier's ESG rating results are classified into high, medium, and low risk. This internal rating system helps TPV integrate sustainability issues more comprehensively into the supplier management mechanism and supply chain risk management process thereby enhancing the overall risk prevention capability and resilience of the supply chain.

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### Aspects of Suppliers Screening



TPV has developed an implementation plan for the Supplier ESG Survey. By gradually achieving the goals and implementing the plan, we grow together with our supplier partners and build a more responsible industry chain.

Implementation Plan of the Supplier ESG Survey				
Implementation Plan	Main Tasks			
Phase I (2023)	<ul> <li>Formulate the sustainable supply chain management strategy and pathway</li> <li>Establish the supplier ESG investigation index system and evaluation rules</li> </ul>			
Phase II (2024)	<ul> <li>Launch the supplier ESG investigation system platform</li> <li>Invite suppliers to participate in training and undergo investication</li> <li>Formulate further management regulations based on investigation analysis results</li> </ul>			
Phase III (2025)	<ul> <li>Turn supplier ESG investigations into a routine</li> </ul>			

# **Sustainable Empowerment of Suppliers**

TPV has developed comprehensive assessment mechanisms and management systems. We also organize a variety of training activities to encourage suppliers to continuously enhance their management capabilities and performance in terms of labor rights, environmental protection, health and safety, and business ethics. We also make persistent efforts to help suppliers improve their ability to manage sustainable development. In 2023, TPV held both the supplier conference of own brands and the Global Supplier Conference. Internal and external experts were invited to share information and updates on environmental, social, and governance aspects, as well as relevant regulations and standards, such as the supplier code of conduct, standards of the Responsible Business Alliance (RBA), and management requirements of hazardous substances. This approach ensures that the environmental and social performance of the supply chain aligns with international standards and requirements.

To help suppliers enhance their capability in GHG emission accounting and climate change risk management, we encouraged 5 key suppliers to complete the CDP Climate Change Questionnaire in 2023. We also plan to involve 15 suppliers in the questionnaire in 2024.

We have been continuously conducting capacity-building and awareness training for buyers and supplier auditors to better identify and effectively manage social and environmental risks in the supply chain. Furthermore, we have also linked the performance appraisal of buyers, supplier auditors and supplier evaluation team members to the sustainable supply chain targets set out in the TPV ESG Roadmap to 2030, thereby continuously promoting capacity building in the supply chain.

• 72.28% of buyers received training on sustainable procurement

**47** key suppliers participated in the online RBA training



TPV Fuqing Hosted the Supply Chain Empowerment Conference with the Theme of "Quality empowerment, Sharing and win-win"

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# TPV Global Supplier Conference 2023

In January 2024, TPV hosted the Global Supplier Conference 2023 to promote its development philosophy and future plans as well as facilitate deep interactions within the value chain. The conference included a dedicated session aimed to introduce ESG regulations and trends in the supply chain, the plans and carbon emission reduction targets set out in the TPV ESG Roadmap to 2030, as well as key directions and requirements for ESG management of TPV's supply chain. Moreover, TPV presented the first "ESG Green Partner Award" to suppliers to encourage continuous improvement in ESG performance and explore opportunities for cooperation in sustainability.





# **Conflict Minerals Management**

As a member of the Responsible Minerals Initiative (RMI) and the Association Connecting Electronics Industries (IPC), we take conflict minerals into account in the supplier selection and management procedure and require suppliers to implement policies that rigorously "prohibit child labor, forced labor and the use of conflict minerals". We have improved the monitoring and management of conflict minerals in accordance with the five-step framework of the Organization for Economic Co-operation and Development (OECD) *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. Conflict minerals are categorized and periodic risk assessments are conducted based on the internal *Conflict Minerals Risk Assessment Form*. Each year, we require suppliers involved to complete a Conflict Minerals Reporting Template (CMRT) to confirm the traceability of minerals used in the supply chain and conduct conflict Minerals and sign the *Warranty on the Non-Use of Conflict Minerals*. In 2023, we checked the RMI's list of qualified smelters to ensure that minerals from conflict areas are not used in the supply chain. The TPV *Conflict Minerals Report* has been issued for 4 consecutive years.

## In 2023

**100**% of suppliers were surveyed on the use of six conflict minerals in their production process

**100**% of smelting plants in TPV's supply chain with potential conflict minerals risks participated in the Responsible Minerals Assurance Process (RMAP)



# TPV partners with Pact to protect miner's occupational health and safety

AOC and Philips under TPV made continued progress on their occupational health and safety project for miners in conflict mining areas in partnership with the Pact, an international non-profit organization. The cooperation project has benefited 3,914 miners, including 545 female miners. The project involves conveying relevant regulations to members of local mining supervision committees, organizing events to enhance safety and compliance awareness among miners and local communities, engaging practitioners from various regions and representatives of local communities, and expanding the coverage of the occupational health and safety committees. In 2023, a total of 136 mining compliance awareness events were organized, 250 mining regulations handbooks were distributed, and 300 mining regulations posters were posted in operational areas and miner communities.



Health & Safety Awareness Enhancement Course

# **TPV** collaborates with ITSCI to improve safety and gender equality in the artisanal mining sector

As a member of the International Tin Supply Chain Initiative (ITSCI), TPV has played a significant role in promoting responsible procurement within the artisanal mining sector of tin, tantalum, and tungsten (3T) in the Democratic Republic of Congo. In 2024, we collaborated with ITSCI to organize a range of activities. These activities included training and awareness-raising on local mining laws and regulations, occupational health and safety, as well as risk monitoring and mitigation. Moreover, we provided strong support for women-owned businesses, conducted surveys to obtain an overview of artisanal and small-scale miners with disabilities, and engaged with stakeholders to foster dialogue and collaboration. Through these efforts, we sought to recognize the contributions of women in artisanal and small-scale mining while advocating for equality and rights protection throughout the entire supply chain.

Strengthen ESG Drive the Future of Governance Green Displays Build a Sustainable Value Chain

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# **Cooperation in Value Chain**

We highly value our cooperation with industry partners, as stable and equitable partnerships are essential for our sustainable development. "Growing together with industry partners" is our unwavering philosophy for the value chain. In 2023, we actively engaged in industry exchanges, shared our experience and practices, and won various recognitions and awards. Leveraging the influence of TPV, we aim to facilitate the construction of a sustainable development ecosystem.

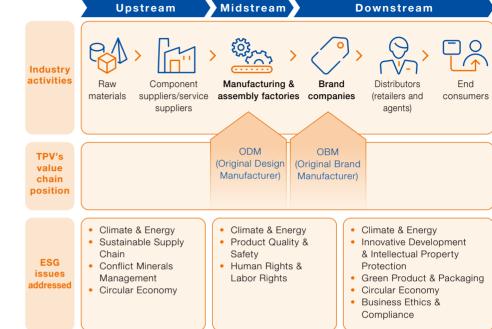
#### About the value chain

TPV operates both its own brands and manufacturing business in the industrial value chain. Leveraging our advanced manufacturing capabilities and supply chain expertise, we strive to empower the development of enterprise branding and global business. As a leading player in the display industry chain and a key supplier, we aim to exert a positive influence and contribute to the continuous improvement of the overall ESG performance throughout the value chain.



#### In February 2023,

TPV Xianyang won the honor of Leading Enterprise in the New-type Display Industry Chain in Shaanxi Province



Create a Safe and

Happy Workplace

# TPV attended the 6th China International Import Expo

In November 2023, AOC, Philips, and Great Wall under TPV showed up at the 6th China International Import Expo (CIIE). The expo attracted over 3,400 companies and nearly 410,000 professional visitors. We brought along a diverse range of products in the field of smart display, smart offices smart education, smart transportation, smart healthcare, smart homes, e-sports, and digital factories to showcase TPV's technological innovations and comprehensive industry solutions and ecosystems. We also aimed to empower the development of various industries with TPV's products and solutions.



TPV's Main Exhibition Stand at the CIIE



TPV's Holographic Transparent LED Screen



# **Create a Safe and Happy Workplace**

### Issues addressed

- Occupational Health & Safety
- Talent Attraction & Retention
- Diversity, Equality, and Inclusion
- Human Rights & Labor Rights • Talent Training & Development

Employees' happiness and satisfaction are the cornerstone of corporate sustainability. Embracing the people-oriented philosophy, TPV Technology values and safeguards the human rights and labor rights of every employee. We prioritize the health, safety, and well-being of our employees and advocate for diversity, inclusion, and equality. Our goal is to create a more decent and valuable workplace for society and provide various career development opportunities.

### SDGs addressed





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# **Occupational Health & Safety**

TPV is committed to creating a healthy and safe workplace for all employees. We continuously develop a comprehensive occupational health and safety management system to mitigate occupational health and safety risks and safeguard the physical and mental health of all employees.

# **Occupational Health & Safety Management**

We strictly abide by applicable laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Management Measures for Emergency Plans for Production Safety Accidents*. We establish occupational health and safety management systems in each manufacturing base, which cover all employees and workers in the supply chain. We also identify and control occupational health and safety risks. Every year, we conduct internal and external audits to maintain the effectiveness of the management systems. Furthermore, we encourage employees to participate in the development, implementation, and performance appraisal of occupational health and safety policies, management systems, and plans. Health and safety standards and procedures are provided in the native language of workers to ensure their understanding. We also carry out regular training to safeguard the health and safety of all employees.

We establish Safety Committees in each manufacturing base and fulfill management responsibilities in the Chinese mainland in accordance with the *Administrative Measures for Safety Committee* in the Mainland. In line with the Environment, Safety, and Health (ESH) system, we enhance safety production systems and priorities. We also establish annual occupational health and safety targets and work plans, aiming to achieve closed-loop management and continuous improvement in occupational health and safety.

The general managers of manufacturing bases serve as safety committee chairpersons	Safety Committees promote the comprehensive implementation of the work safety and occupational health responsibility system, conduct assessments to clarify safety management requirements, and control health and safety risks
The department	Safety Committees at all levels convene annual work safety meetings to
managers are Safety	analyze annual performance and risks in safety production and enhance safety
Committee members	production management

Based on the occupational health and safety management system, we have established a regular risk identification process. This process involves analyzing the scope and impact of health and safety risks in daily operations and production activities as well as identifying key health and safety risks. According to the adjustment and development of our business, TPV regularly reviews occupational health and safety risks to prevent potential new hazards.

# **Ensuring Employee Health**

TPV consistently implements various regulations and mechanisms, including the Management Measures for Occupational Health Examinations for the Factories in the Mainland, the Responsibility System for Occupational Disease Prevention and Control, the Employee Occupational Health Monitoring and Record Management System, the Notification System of Occupational Hazards, the Occupational Health Operation Procedures, the Personal Protective Equipment Management Procedures, and the Emergency Management Rules for Acute Poisoning. We carry out routine monitoring and periodic testing of occupational hazards each year and publish the Detection Report of Occupational Hazards to ensure that the workplace meets occupational health standards and effectively safeguards the health and safety of all employees.

For key positions exposed to potential occupational hazards, we require employees to undergo occupational health examinations before employment, during employment, and upon leaving the job. This approach ensures the life safety and health of all employees. In 2023, we developed an occupational health management system platform to facilitate employees' access to their personal health examination records and better track pre-employment, on-the-job, and post-employment health examinations. In 2023, TPV achieved 100%<sup>38</sup> coverage for occupational health examinations in factories in the Chinese mainland. We also identified five employees with occupational contraindications through re-examinations, all of whom have been transferred from their original positions.

#### **Occupational Disease Prevention and Control Measures**

Conduct annual testing of toxic and harmful workplaces to ensure compliance with relevant regulations and standards

Inform employees of potential occupational hazards, consequences, protective measures, and benefits during the signing of labor contracts

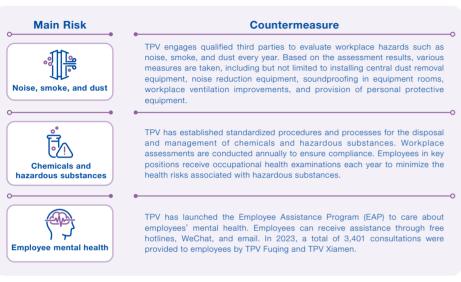
Offer occupational health examinations before employment, during employment, and upon leaving the job, and provide annual health examinations for employees in toxic and harmful workplaces to ensure their physical health

The responsible unit shall submit a rectification plan once an occupational disease incident is confirmed by a hospital. The progress and effect of the rectification plan shall be approved by the environmental health and safety department. Additionally, affected employees must receive treatment and return to work upon recovery

If an employee is found to have a contraindication during a health examination, the responsible unit shall reassign them within one week to a position free of occupational hazards

<sup>&</sup>lt;sup>38</sup> Employees who are unable to participate in medical examinations due to other force majeure factors are excluded.

#### Occupational Health Risks and Countermeasures in 2023





Employee Health Clinic

# Safequarding Occupational Safety

To address the major safety risks identified by the occupational health and safety management system, we have established management procedures such as the Work-related Injury Accident Management Rules, the Chemical Safety Management Procedures, the Fire and Explosion Emergency Response Management Rules, and the High-risk Equipment Management Measures. We continuously optimize the safety management framework, organize regular safety inspections and drills for general and special equipment, as well as conduct health and safety training. By doing so, we consistently reinforce employees' safety awareness and capabilities and minimize workplace risks. Every year, we regularly organize emergency response drills and special campaigns, including fire evacuation, chemical fire, liquid nitrogen leakage, and confined space operations. In 2023, we had zero major workplace accidents.



related injuries

First aid personnel

provide necessary

treatment based on the

severity of the injuries or

the emergency response

team transports the

injured to designated

hospitals for treatment.

and work-related injury reporting

team will determine the

the corrective measures

A cross-department The responsible investigation team is set department and relevant up. Besides completing departments implement the and signing the Accident corrective measures and Investigation Report and the Environmental Health the Work-related Injury and Safety Committee Application Form, the reviews the implementation

responsible department and rectification plans.

and progress of

The rectification measures are incorporated into standardized management processes, and relevant training is conducted for all employees to prevent reoccurrence.



Safety Knowledge Contest



Emergency Drills & Safety Training

at a Glance

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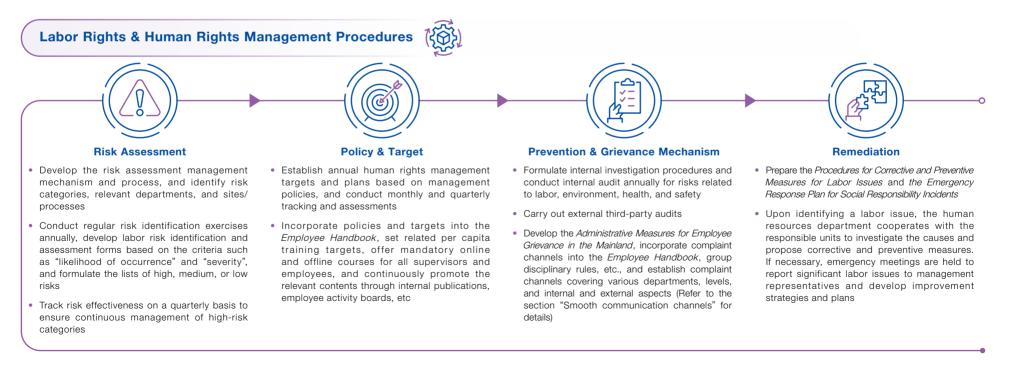
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# Human Rights & Labor Rights

TPV Technology strictly adheres to the human rights and labor standards set forth by the United Nations Global Compact (UNGC), the International Labour Organization (ILO), and the Responsible Business Alliance (RBA). We support and observe local applicable laws and regulations, and are committed to protecting human rights and labor rights in our operations and throughout the value chain. We care for and uphold the legitimate rights and interests of all stakeholders, including employees, workers in the supply chain, and business partners. Through these efforts, we strive to contribute to the development of a more sustainable and inclusive global economy.

# Labor Risk Management

At the group level, TPV has formulated the TPV Human Rights Policy and established relevant management systems and procedures in the locations where it operates. We adhere to the human rights and labor protection policy of "protecting labor, respecting human rights, operating with integrity, and giving back to society". Relevant human rights and labor standards in local laws and regulations are incorporated into internal processes and guidelines. We have established a management structure for human rights and labor rights. The management structure is led by the general managers of each manufacturing base and coordinated by the human resource departments and other functional departments. We implement routine risk assessments and due diligence measures to minimize potential human rights and labor risks. Interns, dispatch workers, and contractors working for TPV are subject to the same personnel management requirements as regular employees are applied. In doing so, we ensure the legitimate rights and interests and physical and mental health of every worker. During the Reporting Period, there were no risks of violating the freedom of association and collective bargaining at any of our manufacturing bases and operation sites, and zero cases of forced labor, child labor, or related risks were observed.



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Message from 2023 ES Chairman

2023 ESG Highlights

TPV Technology at a Glance

Appendix

# Labor Rights & Human Rights Risk Management Measures



Issue	Policy & Target	Mitigation & Management Measure
Freely chosen employment	<ul> <li>Implement the <i>Policies on Prohibition of Forced Labor</i> and the <i>Policies for the Management of Resignation in the Mainland</i></li> <li>Charging deposits, recruitment fees, health examination fees, or any other fees during the recruitment process is strictly prohibited. All work shall be undertaken voluntarily by employees. Employees have the right to terminate their employment relationship at their discretion</li> </ul>	<ul> <li>Develop recruitment and resignation standard management procedures</li> <li>Post resignation procedures in employee activity areas and allow employees to freely resign according to the procedures with reasonable notice</li> </ul>
Prohibition of child labor	<ul> <li>Implement the <i>Procedures for Prohibition of Child Labor</i></li> <li>Prohibit child labor in any form at any stage, and adopt effective measures during recruitment to verify the age of all employees.</li> </ul>	<ul> <li>Automatically identify identity and age through the system</li> <li>Create a checklist for age verification of new recruits</li> </ul>
Protection of young workers	<ul> <li>Implement the Management Measures for the Protection of young workers</li> <li>Ensure that minors are not engaged in work that may endanger their health or safety, and protect the rights of minors in accordance with relevant laws and regulations.</li> </ul>	<ul> <li>Conduct quarterly audits of positions held by young workers</li> </ul>
Working hours	<ul> <li>Abide by all applicable laws and regulations concerning working hours to ensure that employees are entitled to sufficient rest time.</li> </ul>	<ul> <li>Establish reasonable schedules for working and rest periods, provide advance notification for overtime with supervisors' approval, and implement automatic warnings for approaching the overtime limit</li> <li>Monitor overtime hours in key departments and send weekly reminders to department manager to strengthen control</li> <li>Evaluate labor intensity based on the principles of ergonomics and motion economy, continuously optimize operation intensity through automated processes, arrange positions reasonably, provide online rest chairs and comfortable rest areas, and install emergency stop ropes and blockers</li> </ul>
Wages and benefits	<ul> <li>the Administrative Measures for Compensation and Benefits in the Mainland, etc.</li> <li>Implement the Administrative Measures for Compensation and Benefits</li> <li>Comply with all applicable laws and regulations regarding employee compensation and benefits, including but not limited to minimum salary, overtime pay, and statutory benefits</li> </ul>	<ul> <li>Establish relevant attendance and salary management procedures to ensure employees are entitled to statutory holidays and fair and reasonable compensation and benefits; conduct surveys on employees' living costs to ensure that employees receive adequate compensation after deducting living expenses</li> </ul>
Humane treatment	<ul> <li>Strictly prohibit corporal punishment, coercion, or any form of verbal, physical, psychological, and gender-based disciplinary measures; threatening to engage in any such behavior is also prohibited</li> </ul>	<ul> <li>Continuously conduct training and advocacy through various channels to inform employees and managers of relevant disciplinary policies and regulations and prevent inhumane practices</li> </ul>
Non-discrimination/ Non-harassment	<ul> <li>Implement the <i>Policies on Prohibition of Discrimination (Harassment/Retaliation)</i></li> <li>Promote equal employment and firmly eliminate discrimination on the grounds of race, ethnicity, color, religion, sexual orientation, gender, age, physical ability, political affiliation, membership, marital status, etc</li> </ul>	<ul> <li>Strengthen training and advocacy through various channels to inform employees of relevant disciplinary policies and regulations and prevent inhumane practices</li> <li>Standardize and strictly enforce the reward and punishment system</li> <li>Provide smooth channels for whistleblowing and complaints</li> </ul>
Freedom of association	<ul> <li>Implement the Administrative Measures for Peaceful Assembly and Freedom of Association</li> <li>Respect employees' freedom of association and right to engage in collective bargaining negotiations through legal and peaceful means; encourage employees to serve as and select employee representatives to directly address issues and difficulties in their work and life; ensure that employees can communicate with management about various issues such as work and welfare without fear of retaliation, threats, or harassment</li> </ul>	<ul> <li>Standardize the systems of the worker congress and the worker Welfare Committee, regularly select employee representatives and union members and organize various activities</li> </ul>

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# **Smooth Communication Channels**

TPV encourages employees to express their opinions and suggestions freely and fully. We provide diverse and smooth communication channels and continually refine them based on the latest feedback from employees. By doing so, we aim to create a more equal, open, and harmonious platform for work and communication.

We have provided a wide variety of communication channels to understand the needs and voices of our employees, including their expectations of the workplace. In our overseas operations, we have established labor unions and Town Hall Meetings in line with local cultures. These channels encourage our employees to express their concerns in work and life under an open and democratic discussion for fair and appropriate solutions. Upon receiving feedback from employees, the Company promptly follows it up according to established internal processes and ensures that every employee's voice is "heard and addressed".

### **Diverse Channels for Worker Voice Survey**

	Hotline for whistleblowing and appeals	Chief Executive Officer's email	General Manager's email	Comment box for employees
(F)	"Voices From the First Line" on the "TPV E-learning" platform		One-on-one talk with employees	Employee satisfaction survey

TPV fully respects employees' freedom of expression, whether the feedback is positive or negative. We hope to hear employees' real voices with an open and inclusive attitude. In the face of existing issues, we actively seek solutions and optimization pathways to promote closed-loop improvements in internal management.



# Protecting employees' legitimate rights and interests through Worker Congress

TPV has established labor unions in accordance with local applicable laws and regulations. We also regularly organize the Worker Congress, during which employees discuss and vote on regulations or major issues directly affecting their rights and interests. In February 2023, TPV Fuqing held the 11th session of the third Worker Congress. During the conferences, representatives proposed suggestions for improving employees' living and working environments and welfare. These proposals also include improving the one-on-one talk with employees and planning activities for the next year. With a focus on major issues, they offered constructive suggestions as the future priorities for employee work.



Worker Congress 2023 of TPV Fuqing

TPV maintains a streamlined and efficient organizational structure to adapt to external economic changes and ensure a stable workforce. When necessary, we adjust the organizational structure and work patterns flexibly based on actual employment needs. We adopt various strategies to minimize the possibility of layoffs. For instance, our labor unions engage in negotiations to adjust compensation and positions. We also provide skill training for temporarily displaced employees to help them adapt to new roles. These efforts reflect our commitment to cherishing every employee. If structural layoffs cannot be avoided, TPV will strive to mitigate the impact on affected employees in strict accordance with relevant laws and regulations.

<sup>39</sup> The issues raised include but are not limited to work suggestions, assistance with problems, and complaints about discrimination, harassment, forced labor, and other events that harm the Company's and employees' rights and interests.

Message from Chairman 2023 ESG Highlights

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### **Employee Satisfaction Survey**

TPV conducts an annual employee satisfaction survey at its manufacturing bases in China. This survey aims to identify and address potential issues promptly based on the latest feedback, gain a comprehensive understanding of employees' views on the Company's development and operational management, as well as help to create a workplace that encourages open communication and continuous improvement.



In 2023, we organized the annual employee satisfaction survey through various channels, including the WeChat official account, QR code, and email. The survey focused on dimensions such as working environment and atmosphere, personal training and development, leadership style, interpersonal relationships, compensation and benefits, corporate culture and vision, and overall impression.

# **Compensation & Benefits**

TPV is fully aware that the key to attracting and retaining talent is providing a competitive compensation and benefits package that meets employees' expectations and addresses their concerns.

The Company has formulated the Administrative Measures for Compensation and Benefits to clarify the compensation and benefits system. In accordance with the regulations on attendance and compensation management, we ensure that employees are entitled to statutory holidays and fair, legal, and reasonable compensation and benefits. The Company also conveys the compensation and benefits system to employees through labor contracts and the *Employee Handbook*. Employees can also instantly access their monthly salary details through the mobile APP and salary inquiry system. Every year, we develop salary adjustment plans based on business conditions, consumer price indices, and salary surveys in peer industries. We dynamically track and strictly adhere to local salary standards to ensure that our employees' salaries are above the minimum wage standard in the locations where we operate. Besides, we conduct surveys on employee living costs to ensure that employees receive adequate compensation after deducting living expenses.

TPV has established the Worker Welfare Committee ("Welfare Committee") in accordance with the *Regulations on the Organization of Workers Welfare Committee*. The committee includes the Chairman of the Board and the legal representative, with the remaining members elected jointly by the staff. Members are elected for a term of two years, with no more than two-thirds re-elected in a row. The Welfare Committee holds monthly meetings to collect the feedback and opinions from various departments anonymously. During the meetings, the concerns of employees are discussed and addressed. The committee also strives to promote employee welfare and recreational activities. Relevant efforts include distributing various welfare subsidies and consumer coupons, creating a comfortable and convenient office environment, organizing various cultural and sports clubs, and hosting charity sales events.

		TPV's Diversified Welfare Benefits
a a a a	orking ours	<ul> <li>We adopt a 5-day, 8-hour work system. Employees working overtime will be paid in accordance with local laws and regulations</li> <li>We offer flexible working support globally. A hybrid working mode is adopted in Europe, where employees are encouraged to work on-site for a maximum of 3 days per week to reduce commuting time and individual carbon footprints</li> </ul>
на	oliday	<ul> <li>In addition to statutory holidays, our employees enjoy paid annual leave, leave for weddings and funerals, maternity leave, paternity leave, and other types of leave</li> </ul>
Be	nefits	<ul> <li>We provide five insurances and one fund<sup>40</sup> for full-time employees in China, alongside accident insurance and free medical check-ups</li> <li>Various subsidies are offered, including holiday allowance, birthday gifts, wedding bonuses, injury and illness subsidies, funeral subsidies, subsidies for employees in need, scholarships, subsidies for department activities, consumer coupons, and commemorative medals for senior employees</li> <li>We actively facilitate the application for talent settlement and talent introduction subsidies for employees</li> <li>Our labor unions organize employee care activities in summer and medical check-ups</li> <li>We assist employees in handling retirement pension procedures</li> </ul>
Hea	lthcare	<ul> <li>We offer employees health clinic, doctor consultation online, etc</li> <li>In 2023, 97% of TPV's employees worldwide were covered by the health and medical welfare system</li> </ul>
	leal	We provide in-house canteens
Ho	ousing	<ul> <li>We provide a staff dormitory</li> <li>We collaborate with real estate groups to develop the TPV community for employees and actively seek government support such as housing earmarked for talents</li> </ul>
Tr	raffic	<ul> <li>We formulate the group-wide standards and relevant management measures for subsidies on homecoming air tickets and provide transportation subsidies for employees to return home</li> <li>We operate shuttle buses to and from urban areas and train stations to help employees reduce living costs and commute conveniently</li> </ul>
Edu	ıcation	<ul> <li>We offer support for employees' children to attend school nearby</li> <li>We have formulated the Administrative Measures for Childcare Subsidies to provide employees with childcare support</li> <li>We launch weekend interest classes and holiday childcare programs for employees' children</li> </ul>

<sup>&</sup>lt;sup>40</sup> Five insurances and one fund are the endowment insurance, medical insurance, employment injury insurance, unemployment benefits, and maternity insurance, plus housing provident fund.

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#### TPV's Employee Welfare Facilities & Employee Rest Zones



Governance

#### Caring for employees' children during holidays Ê

Every year, TPV organizes various activities for employees' children, including holiday childcare services, factory open days, and recreational activities. These programs aim to help employees solve the difficulties with childcare and foster a harmonious atmosphere of the big family.



TPV Fuqing Runs Free Summer Homework Tutoring Room and Summer Tutoring Class



TPV Wuhan's Open Day



Employees' Children Visiting TPV Fuqing

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# **Talent Training & Development**

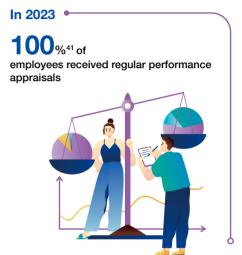
TPV places great emphasis on talent training and development. We have established a sound employee promotion ladder. Every year, we update our systematic employee training plan. We also leverage various technologies to continuously improve employees' professional skills and overall qualities. By empowering each employee to achieve their personal career goals, we inject strong talent momentum into TPV's sustainable development.

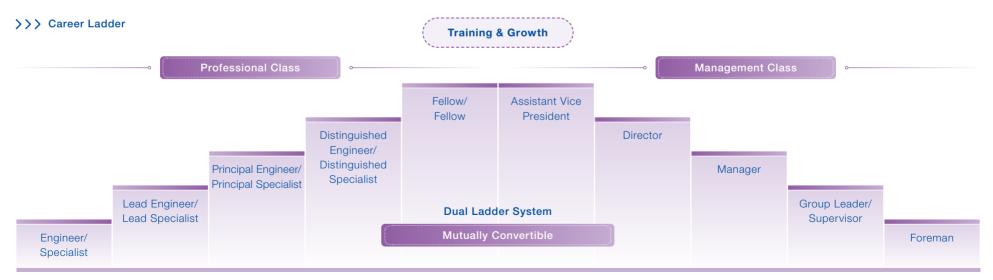
# **Promotion & Incentive**

A fair and transparent promotion system is indispensable for the long-term development of talent and the Company. We implement the annual Employee Performance Appraisal (EPA) mechanism across all our global manufacturing bases and offices. We have developed a comprehensive performance appraisal management system and process, which includes department performance appraisal (management by objectives), 360-degree performance appraisal, and cross-evaluation questionnaire, to assess employees' performance from multiple perspectives. We have developed a dual ladder system consisting of "professional class" and "management class", and formulated the *Measures for Employee Promotion of TPV Technology Group* to outline career paths and promotion criteria for each job grade to ensure fairness in promotion. In addition, we have also introduced a long-term incentive scheme to maximize the enthusiasm and creativity of our employees and enhance talent attractiveness.



TPV's 360-degree Performance Appraisal Method





<sup>41</sup> Probationary employees are not included in the annual performance appraisal

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TPV cherishes every colleague and worker who has been with us on the journey to mutual growth and success.

TPV has established the *Incentive Measures* for Senior Employees of TPV Technology Group. Every year, we offer incentives to senior employees who have served TPV for ten years or more.

TPV presents the May 1st Labor Medal to workers with outstanding performance and achievements.





We selected

# 67

In 2023

model employees

#### TPV awarded

313 commemorative medals for ten years of service

149 medals for twenty years of service

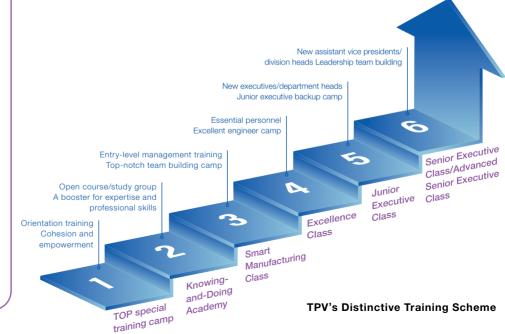
**37** medals for thirty years of service



# **Systematic Training**

TPV focuses on its value system to set up a distinctive training system with comprehensive and diversified courses for employees:

For new We launch a TOP special training camp to facilitate integration and empowerment of employees new employees, who are required to participate in orientation training and complete generic courses. For ordinary We develop the Knowing-and-Doing Academy which aims to become a booster for employees expertise and professional skills through open courses and study groups. Employees can receive professional or skill training based on the needs of their job roles. For senior Senior employees of different job grades have access to tailored and professional employees training based on the skills required for their positions and individual needs. We provide various training sessions for front-line supervisors, key personnel, mid-level managers, and senior executives, such as leadership training courses. These courses include the Smart Manufacturing Class, Excellence Class, Junior Executive Class, and Senior Executive Class. They aim to enhance employees' comprehensive skills and empower their self-fulfillment



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# In 2023

#### Training for Management of All Levels in 2023



employees received professional or vocational skill training

#### Top Special Training Camp – A training program for middle-level and senior managers

 Cultivating Innovative Leaders, Strategic Thinking, Problem Analysis and Solving, and Comprehensive Leadership Workshop, which aim to cultivate leadership



# Junior Executive Class – A training program for talent model

- Course learning, action learning, and personal development plan
- Team project research and presentation aimed to enhance personal management and team-building skills



# Senior Executive Class – A training program for middle-level managers

 Offer the Innovative Problem Analysis and Solving, From Professionalism to Management, Problem Analysis and Solving, etc., to enhance innovation capabilities in business and management positions



### TPV actively organized diversified offline training practices in 2023

#### **Skill competition**



Competitions for job qualifications, Surface Mount Technology (SMT) switch loading skill competition, System Integration (SI) work order switching skills, and forklift skill competition

#### **Skill training**



IDP42 Development Guidance, Sales Elite Training Camp, Strategy and Practice of Channel Marketing, Financial Management for Non-Financial Managers, Advanced Skills for Excellent Team Leaders, Supply Chain Collaboration and Supply Strategy Management, and Team Self-Diagnosis and Team Development



TPV E-learning Platform

As a digital, mobile platform for business empowerment, the "TPV E-learning" platform covers the "course center", "live-streaming center", "growth path", "information center", "activity zone", " voices from the first line", and "company community", which facilitate fragmented and ondemand learning.

In 2023, the highlight courses developed on the "E-learning" platform include building enterprises with business ethics, the standards of human rights due diligence standards and forced labor in Europe, business ethics and case studies, the series of courses on Carbon Peaking and Carbon Neutrality, as well as mandatory courses on health and safety.



#### Cultivating future talents for TPV

TPV actively collaborates with universities to carry out summer internships and other activities to enrich the pool of professional talents. In 2023, TPV Fuging and TPV Xiamen organized training camps for newly recruited graduates. Through a series of professional courses, study tours, and team-building activities, we helped these new employees rapidly adapt to their professional roles, cultivate professional skills, and enhance teamwork abilities.





Various Skill Competitions

# **Diversity, Equality and Inclusion**

A diverse talent team serves as the cornerstone of our sustainable global development. Upholding the values of equality, diversity, and inclusion, we deeply respect and cherish the unique gualities and capabilities of each individual. We are committed to providing an inclusive development environment that brings full play to every partner's potential.

# **Creating an Equal and Inclusive Workplace**

Respecting the uniqueness of talent is the foundation of our inclusive culture and joint value creation. We firmly oppose any form of discrimination in recruitment, promotion and compensation on the grounds of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, and other factors. At the stage of talent attraction and recruitment, we have established the relevant management measures for employee recruitment to standardize the recruitment, selection, and hiring processes and criteria. We formulate recruitment plans based on the manpower needs approved by each department and announce job vacancies through internal platforms, our official website, and external diverse recruitment platforms. This approach ensures the fairness and transparency of the recruitment and selection process. We strictly prohibit forcing employees or applicants to undergo any medical examinations or health examinations with discriminatory purposes. To effectively safeguard the basic rights of every employee, we have formulated a series of management policies, including the Administrative Measures for Peaceful Assembly and Freedom of Association, the Administrative Measures for Labor Protection of Female Workers, the Administrative Measures for the Protection of Pregnant Female Workers and New Mothers, the Policies on Prohibition of Discrimination (Harassment/Retaliation). the Policies on Prohibition of Forced Labor and the Procedures for Prohibition of Child Labor. etc. These policies are designed to ensure that there is no child labor, forced labor, discrimination, harassment and retaliation in recruitment, compensation, training, promotion, and dismissal,

In terms of supervision, we have established smooth channels such as a reporting and complaint email, general manager's mailbox. and the human resources department to receive reports of discrimination or harassment incidents. Upon receiving a report. TPV will investigate the matter and take disciplinary action against the violators in accordance with our internal policies. During the Reporting Period, we had zero confirmed incidents of discrimination

In 2023 the total training hours on preventing discrimination and violation of human rights reached 5,238 hours Awareness Training on

Diversity, Discrimination and Harassment issues

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#### Building a friendly and inclusive workplace

- O All manufacturing bases and offices are equipped with dedicated lactation rooms to provide a private and quiet space for working mothers
- We provide barrier-free parking spaces, ramps, restrooms, lifts and other accessible facilities
- We improve our office facilities to accommodate the religious needs of employees
- O For Muslim employees, we provide separate dining areas. Muslim employees are also encouraged to participate in local festival activities, with schedules adjusted accordingly during the Lunar New Year and Eid al-Fitr. Celebrations are organized in the Muslims' canteen
- O We organize training sessions and study groups on "inter-generational communication" to facilitate communication between new and seasoned employees. We also help young employees better integrate into the organization and assist senior employees in handling interpersonal communication issues





Lactation Room



Dining Area for Muslim Employees

Communication Between New and Senior Employees to Ease Generational Tensions



Room for Religious Events

Message from Chairman 2023 ESG Highlights

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### TPV Thailand – Creating a diverse, equal, and inclusive community

At the manufacturing base of TPV Thailand, we uphold the corporate culture of diversity and inclusion. Recognizing the value of diverse talent, we offer equal job opportunities to employees of various nationalities. Our goal is to facilitate their integration into the workforce and enable them to maximize their potential. This inclusive approach fosters stronger and more sustainable cohesion within our organization.

#### Deliver promising and valuable job opportunities to foreign employees

- Establish a comprehensive and equal recruitment system and support framework, maintain smooth communication with the government departments in the homeland of foreign employees, and provide employment contracts in their native language and third-party HR consulting services.
- Offer equal and smooth career promotion pathways for foreign workers, provide skill training courses tailored to their job requirements, such as Chinese, Thai, or other language courses, and facilitate communication among employees of different nationalities.

#### Create a diverse and inclusive workplace and community with a sense of belonging for all

- Provide policies and announcements in multiple languages to ensure all employees can easily understand company policies and their rights and interests; offer food options that cater to various cultural tastes, convenient healthcare services, and traffic benefits on rest days.
- Organize various employee integration activities, including local customs, religious events, cultural exchanges, and sports programs.



Celebration of Loy Krathong



Celebration of the Dragon Boat Festival



Employees Sports Meeting



Employees New Year Party



Presentation of Policies and Announcements in the Native Language of Foreign Employees



Message from 2023 ESG Highlights Chairman

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### Female empowerment

With their outstanding abilities, female employees have a strong leading presence in TPV's journey of sustainable development. TPV highly values and supports the rights and interests of female employees. We also continuously empower their further development in the technology industry.

### In 2023

Women in Senior & junior management

Women in Sales management positions



# 32.64%

23.08%

Women in STEM-related positions



TPV Europe joins Women in Tech (WiT) Netherlands to empower female leadership in technology

In 2023, TPV Europe joined the Women in Tech (WiT) Netherlands. WiT is a world foremost organization in the Netherlands for Inclusion, Diversity, and Equity in Science, Technology, Engineering, and Mathematics (STEM), with a mission to bridge the gender gap and empower women to embrace technology. As part of the membership, we will introduce several activities during the course of 2024.



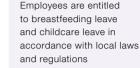
TPV fully considers the needs of female employees and their female families by implementing people-oriented maternity and childcare leave policies. We organize health check-ups specifically for female employees and offer them favorable career development opportunities along with robust institutional support.

### **TPV's Maternity Leave and Childcare Leave Policy**

Maternity Leave
Pregnant female employees are entitled to prenatal check-up leave and maternity leave in
accordance with local laws and regulations

### **Paternity Leave**

Employees can apply for paternity leave to meet family needs in accordance with local laws and regulations



**Childcare Leave** 





# Caring for women's health

In September and November 2023, TPV organized two seminars on "Cervical Cancer Prevention and HPV Vaccine" We conducted screenings for breast and cervical cancer, as well as organized the orderly administration of HPV vaccines for more than 200 female employees.



Screenings for Breast and Cervical Cancer in 2023

Sports

Basketball, badminton, table

tennis, tennis, frisbee, cycling

running, swimming, yoga,

baseball, golf, etc.

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# **Balancing Work & Life**

TPV cares for every employee and advocates for the balance between work and life. Each year, we design a diverse variety of employee activities and encourage employees to participate in various interest groups and sports cultural and sports activities. By doing so, we foster a healthy and sustainable workplace while promoting harmonious relationships among employees.

## **TPV Club Activity Mechanism**

TPV has formulated related Club Management Measures to enhance the physical and mental health of employees and encourage communication and interaction. We aim to equip all employees with a positive mindset, a healthy body, and a spirit of teamwork to effectively address workplace challenges.

### **Diverse Club Activities**



Running Club



Table Tennis Club



Cycling Club



Football Club







# TPV Fuging holds a garden party themed "Love and Nature"

TPV Fuqing organized a garden party themed "Love and Nature". Featuring the five topics of creative garden party, safety, health, environmental protection, and 520 (a romantic Chinese holiday), the event attracted over 60 vendors from both inside and outside the company, with invitation reposts gaining over 42,000 likes. The garden party featured activities such as environment-themed painting and trading of idle goods. The event aimed to promote resource recycling and spread sustainable concepts.



Garden Party of TPV Fuqing



# Foster a Healthy and Upright Society

#### Issues addressed

- Business Ethics & Compliance
- Investor Relations & Shareholder Rights
- Corporate Emergencies/Public Crisis
   Management
- Risk Management
- Community Engagement and Contribution
- Involvement & Contribution

Maintaining a fair, just and amiable order of business serves as the foundation for an enterprise to operate and achieve long-term success. Adhering to the values of "honesty, integrity and fairness", TPV Technology embraces the highest standards for business ethics and compliance management, while continues to improve its risk management system. The goal: to create more sustainable commercial value for shareholders, and build a better home together with stakeholders in our society and beyond.

## SDGs addressed





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Appendix

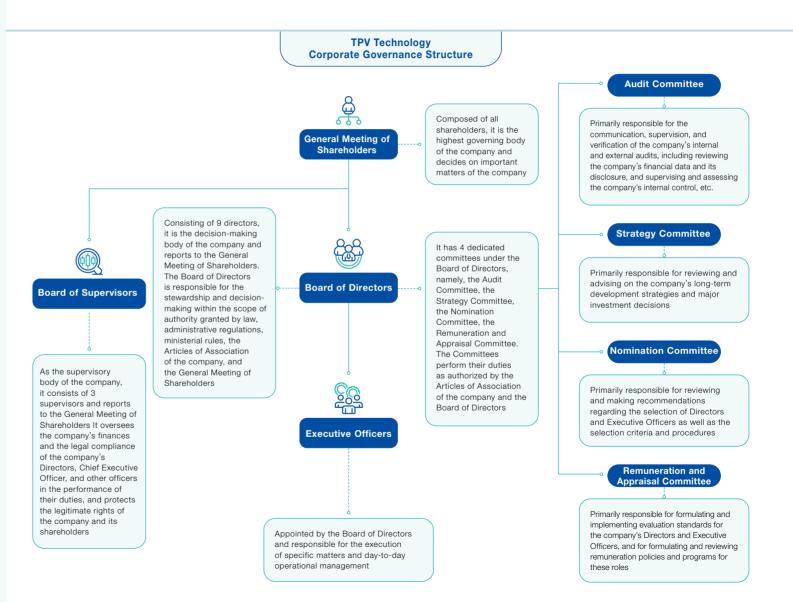
# **Sound Governance**

We strictly abide by the laws, regulations and international conventions on corporate governance in strengthening the building of the Board of Directors. Besides fulfilling the obligation of timely information disclosure, we maintain regular communication with stakeholders, in a bid to generate sustainable economic benefits, and ensure the healthy development of the company in the long run.

# **Corporate governance**

TPV is in strict compliance with the requirements of the Company Law of the People's Republic of China. the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange Listing Rules, and other laws, regulations, and normative documents on the governance of listed companies. That is how we enhance our own governance system and standardize our operations. TPV's Board of Directors. Board of Supervisors, and senior management diligently perform their duties to ensure the standardization and effectiveness of the corporate governance structure.





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# Profiles of members of TPV Board of Directors<sup>43</sup>

Name	Position	Gender	Age	Nationality	Professional Background	Board Committee
Jason Hsuan	Chairman & CEO	Male	80	Taiwan, China	Systems Engineering Company Management	Audit Committee Strategy Committee Nomination Committee Remuneration and Appraisa Committee
Zeng Yi	Director	Male	59	China	Automatic Control Systems Engineering Business Administration	
Yang Lin	Director	Male	56	China	Geophysics Company Management	Strategy Committee
Sun Jie	Director	Male	58	China	Computer Science and Engineering Company Management	Remuneration and Appraisa Committee
Song Shao-Wen	Director	Male	41	China	Management Science and Engineering Senior Economist	
Yao Zhao-Nian	Director	Male	57	China	Financial Accounting Senior Accountant CPA	Strategy Committee
Zeng Wen-Zhong	Independent Director	Male	82	UK	Electronic Engineering	Audit Committee Nomination Committee Remuneration and Appraisa Committee
Cai Qing-Fu	Independent Director	Male	66	US	Business Administration Accounting AICPA CMA	Audit Committee Nomination Committee Remuneration and Appraisa Committee
Gao Yi-Cheng	Independent Director	Male	54	China	Business Administration	Strategy Committee Nomination Committee Remuneration and Appraisa Committee

Directors of the company, including **3** Independent Directors, accounting for **30**% of the total. The senior management comprises **7** members, **1** female executive among them, accounting for **14.29**% of the total.



In order for our Board to be more capable of fulfilling its duties, we, in 2023, organized five special trainings, attended actively by Directors online and offline. The trainings aim to reinforce their learning of ESG, the policy on registration system reform and the board system reform, and ultimately to increase the governing capability of the Board of Directors.

2023/3/14	Organizers: China Association for Public Companies (CAPCO) Courses: Training in Interpretation of the Policy on Registration System Directors Involved: Jason Hsuan	Reform
2023/8/29	Organizers: TPV Technology Courses: ESG Workshop for Directors, Supervisors and Senior Manage Directors Involved: Jason Hsuan, Sun Jie, Yao Zhao-Nian, Zeng Wen-Z Cai Qing-Fu, Gao Yi-Cheng	
2023/11/24	<ul> <li>Organizers: JiangSu Association for Public Companies</li> <li>Courses: Training in the Reform of the Independent Director System for Companies in Jiangsu Province</li> <li>Directors Involved: Sun Jie, Song Shao-Wen, Yang Lin</li> </ul>	Public
2023/12/5	<ul> <li>Organizers: JiangSu Association for Public Companies</li> <li>Courses: Training in the Reform of the Independent Director System for Companies in Jiangsu Province</li> <li>Directors Involved: Zeng Yi, Yao Zhao-Nian</li> </ul>	Public
2023/12/8	<ul> <li>Organizers: Shenzhen Stock Exchange (SZSE)</li> <li>Courses: The 137th Follow-up Training for Independent Directors of List Companies</li> <li>Directors Involved: Zeng Wen-Zhong, Cai Qing-Fu, Gao Yi-Cheng</li> </ul>	ied

<sup>43</sup> The information was collected as of December 31, 2023

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# **Board Diversity**

Board diversity helps develop an enterprise in a balanced and healthy way and gain competitiveness. Over the recent years, TPV has been diversifying its Board of Directors in respond to the latest international initiatives for sustainable development. Candidates for director positions are screened and verified by the Nomination Committee before being finally approved by the Board of Directors and at the General Meeting of Shareholders, with multiple aspects having been taken into account. The members of our Board have domestic and overseas backgrounds in displays. financial investment, financial accounting, electronic engineering, business administration, with long experience in company operation and management. They complement each other in terms of knowledge structures, skills, industry experience, and cultural backgrounds. This enables our Board to make decisions more scientifically and reasonably amid complex and changing market conditions and customer needs, thereby promoting its efficiency and ensuring effective operation.

## **TPV Board Diversity Policy**

No less than one-third of members of the Board of Directors shall be Independent Directors, and shall include at least one Independent Director from accounting background;

Members of the senior management may also serve as a Director, but the number of such Directors and employee representative Directors shall not exceed one-half of the total of the Board of Directors:

Independent Directors shall be equipped with the basics of listed company operation, familiar with relevant laws and regulations and the business rules of the Shenzhen Stock Exchange, and have more than five years of working experience in laws, economics, management, accounting, finance or other experience necessary for fulfilling the duties as Independent Directors;

The members of the Audit Committee shall include more than half of the Independent Directors. and the Independent Director from accounting background shall act as the convener of the Audit Committee:

Independent Directors shall account for more than half of the members of the Nomination Committee and the Remuneration and Appraisal Committee and shall act as the convener;

An Independent Director may not be nominated as a candidate for Independent Director within thirty-six months from the date on which he or she has served such a role for six consecutive years;

The Board of Directors office each year organizes trainings for Directors, supervisors and senior management on compliant performance of duties and company operations, with a view to further raising their compliance awareness and enhancing the ability to fulfill responsibilities.

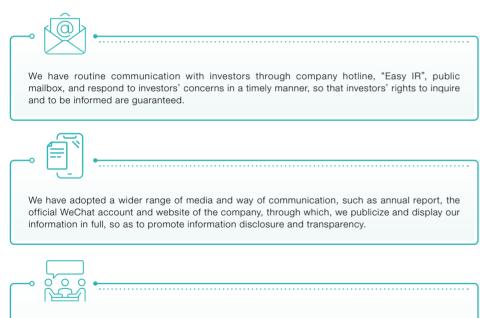


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# **Investor Relations & Shareholder Rights**

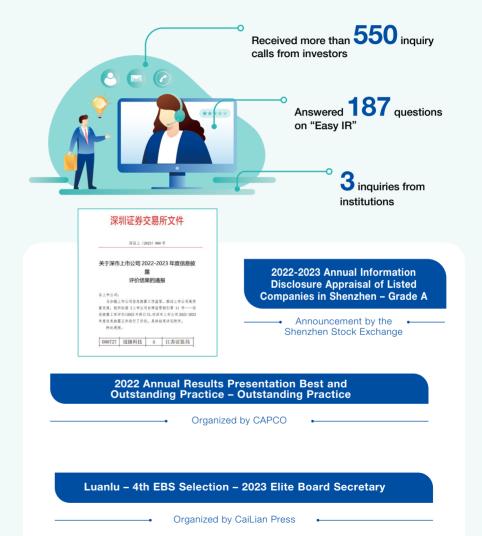
With a high level of information disclosure, TPV strives to communicate more with shareholders and potential investors and promote transparency of the company. In addition, we have formulated the *Articles of Association of TPV Technology Co., Ltd.* and the *Management System for Investor Relations* in accordance with the *Company Law of the People's Republic of China,* the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Work Guidelines for the Investor Relations Management of Listed Companies, the Shenzhen Stock Exchange Listing Rules, the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standard Operation of Listed Companies on the Main Board as well as other laws, regulations and regulatory requirements.

We attach great importance to investor relations management, and have established various channels for easy daily communication between investors and the company:



We value opportunities to communicate face-to-face with small and medium shareholders at shareholders' meetings: We hold annual performance briefing sessions, during which the Chairman of the Board & CEO, the financial officer, and certain Independent Directors have in-depth exchanges with investors about our annual performance, business development at present and in the future.

### Highlights of Investor Relations Management in 2023:



# **Risk Management**

Each year, TPV optimizes its risk management and internal control system to accommodate the new laws and regulations of the places where it operates. We work to ensure corporate emergencies and public crisis are properly managed, and potential risks identified and controlled at an earlier stage and for minimal cost, thus driving sustainable, healthy and stable growth of the company.

# Enterprise Risk Management

TPV Technology has in place a mechanism for comprehensive risk management. We established a sound organizational structure to manage risks in a scientific and systematic fashion. This involves risk identification, assessment and control, as well as regular report and communication to ensure the overall risk management process is effective and forms a closed loop, which would help us prevent, defuse, and even reasonably assume or utilize risks.

Our communication channels, including whistleblower email, general manager's mailbox and dedicated phone lines, are open to all employees who are encouraged to report potential risks they identified during daily operations, while the responsible persons and risk management department would take prompt measures against those risks. The committee conducts risk management at the group level. It is responsible for fully assessing potential existing risks and emerging risks on a quarterly basis, identifying and analyzing possible risks facing the group at large, internally and externally, as well as their potential impacts on the company. Meanwhile, it reviews whether the risk management measures are adequate and effective and make improvements in due course

Management The Risk Management and ESG Committee, composed of senior management

### **TPV Risk Management System**

Executive Heads of the responsible departments or responsible persons

The responsible department heads or persons carry out risk assessment in key business processes, develop specific responses and improving strategies, and report to the Audit committee and the Board of Directors

### - TPV Risk Management Procedures



#### Risk identification

Based on its understanding of the industry, TPV identifies the risks now facing the group and its major subsidiaries. An annual list of material risks would be confirmed following screening and rating by the management

#### Risk analysis

TPV consults senior management and responsible persons about the effectiveness of existing risk management measures and then decides whether more are needed to keep risks within acceptable limits

#### **Risk treatment**

By factoring in costs and benefits, reputation, and social responsibility, etc., TPV resorts to individual or combined anti-risk measures, namely "avoid", "transfer", "reduce", and "accept", to formulate a strategy for lowering risks

#### **Risk monitoring**

TPV implements risk response strategies and conducts periodic monitoring on a quarterly basis to ensure they work effectively

#### **Risk reporting**

TPV evaluates the current risk management measures to determine whether more control measures are required



TPV Technology 2023 ESG Highlights at a Glance

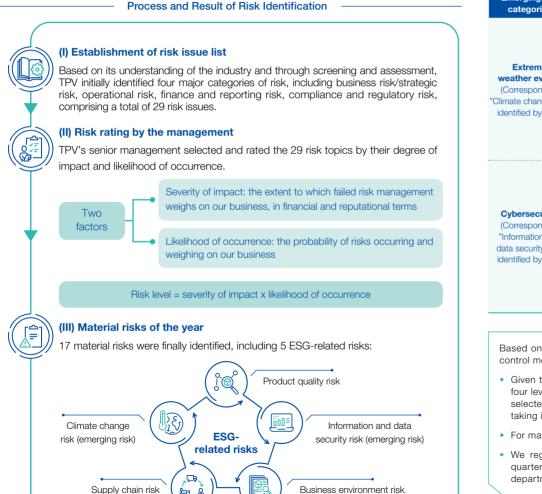
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Appendix

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By referring to the updated Risk Management Manual in 2023, TPV conducted annual risk identification across all manufacturing bases and offices. 17 material risks that need to be regularly assessed and monitored were identified as a result, 5 of which were related to ESG, namely product quality risk, information and data security risk, business environment risk, climate change risk, and supply chain risk.



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For emerging risks that may arise in the medium and long term but are difficult to identify at the current stage. TPV has, with reference to the *Global Risks Report* published by the World Economic Forum, initially identified extreme weather events, misinformation and disinformation as the emerging risks most relevant to the company's business.

Emerging risk categories	Risk description	Potential impact	Mitigating actions
Extreme weather events (Corresponding 'Climate change risk" identified by TPV)	Such extreme weather events as typhoon, rainstorm, and drought may result in infrastructure damage and supply chain disruptions, while threatening employees' safety and health	Typhoon and rainstorm may damage the manufacturing bases and offices in coastal and low-lying areas, potentially causing localized outages and damage to facilities and equipment, as well as loss of life and property. Disastrous events may also disrupt transportation, leaving supply chain broken and unstable	Develop flood control and emergency measures, conduct routine climate disaster emergency drills, and upgrade facilities and equipment, in order to enhance the adaptability of buildings and manufacturing facilities to extreme weather conditions. Strengthen climate risk management for suppliers to build supply chains that are more resilient to climate events
<b>Cybersecurity</b> (Corresponding "Information and data security risk" identified by TPV)	Such cybersecurity events as malware and virus attacks, phishing, data leakage may disable the company's network information system, upsetting normal operations and incurring loss of property	Cybersecurity events would hit the company's business operations. Data leakage may decrease our competitiveness and lose customers' trust, hence financial losses for the company	Establish an organization for information security management and carry out annual risk assessment of information security and due diligence investigation. Regularly improve the data security environment of internal application systems and external network programs of the company. Conduct and provide cybersecurity drills and trainings for employees

Based on the process and result of risk identification in 2023, we made analysis and strengthened control measures targeting certain material risks:

- Given the historical data and the company's goal, we set up scenarios and categorized risks into four levels: very high, high, medium, and low. We will determine the reason why such a scenario is selected, the timeframes and related assumptions upon discussions with the responsible persons, taking into account realities
- For material risks that may cause financial loss, financial data will be considered while analyzing
- We regularly analyze the developments of relevant indicators of material risks, and prepare quarterly risk management reports for review and improvement by heads of the responsible departments or responsible persons

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### Foster risk management culture

Relying on a robust risk management framework, we promote the idea of risk management throughout our daily operations, in ways to shape risk management culture. We will include key risk management indicators, such as product quality, information and data security in routine performance evaluations of employees. In 2023, for the first time supply chain labor risk and climate change-related risk were taken into consideration in annual performance assessments of senior management.

At the same time, TPV provides various risk training and scenario exercises to all employees to enhance their awareness and capabilities of risk management. In December 2023, the group internal audit department organized special trainings on "business ethics risk" and "information and data security risk", both being material risks of the year. Through shared cases, employees were urged to exercise extra vigilance against fraud and cybersecurity risks.



# **Internal Control System**

TPV has developed a sound internal control system aligned with its actual operations in accordance with the *Basic Standards for Enterprise Internal Control* and supporting complementary guidelines, alongside other internal requirements. The system covers 18 business processes, effectively improving corporate governance and risk management.

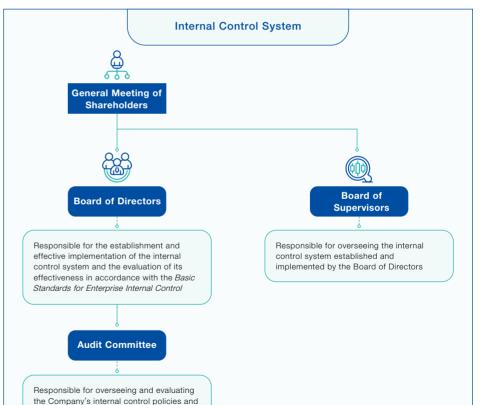
Empowered by the internal control system, the Internal Audit department of the Group conducts annual training for each subsidiary to ensure the legal compliance of its operational and management practices. The department also publishes a schedule for internal control self-assessment and fully shares insights on the requirements and key issues of internal control regulations. This approach aims to continuously improve operational efficiency and drive business growth.

the internal audit department held four internal control seminars, covering 39 subsidiaries

In March and June 2023

how to implement these policies





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# Corporate Emergencies/ Public Crisis Management

TPV is committed to safeguarding its healthy development and corporate image through crisis management. We have implemented a procedural, institutionalized, and systematic approach to crisis management. Based on policy guidance, external environment, and media opinions, this system aims to identify and prevent brand risks and ensure compliance in production and operations. We have also established a risk warning and response mechanism to regularly assess potential risks and maintain effective internal control over all critical areas.

We continuously monitor media coverage and promptly respond to any content that may harm our brand image. TPV always adheres to the principle of rapid response and prompt action while handling brand crises. After the crisis is resolved, the public relations (PR) department will deeply analyze the event, strengthen media cooperation, and adopt legal measures to fight malicious speculation. Furthermore, we keep refining our brand strategy in alignment with the latest macro trends and market demands to bolster our positive corporate brand image.

To standardize crisis handling, we have formed a crisis emergency response team. This team follows established procedures to actively respond to various crises, take timely measures, and effectively prevent and manage crisis events.

# **Business Ethics and Compliance**

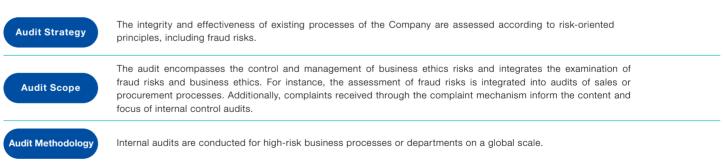
TPV prioritizes business ethics and compliance management. We adhere to the principle of integrity in our operations and consistently strive to standardize internal management according to the highest standards. This approach ensures that the Company always operates in a compliant and stable manner.

# **Business Ethics Management**

Business ethics is the core value of corporate governance and internal control systems. TPV strictly abides by the *Criminal Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China* and other applicable laws and regulations in locations where it operates. We have formulated the *TPV Code of Conduct* and established a management structure. Guided by the Audit Committee under the Board of Directors, this management structure is mainly undertaken by the internal audit department of the Group. We have also implemented an independent review and supervision mechanism within the Company, in a bid to ensure daily control of business ethics risks such as anti-corruption and anti-monopoly.

Upholding the principle of fair competition, TPV is committed to delivering competitive products and services to customers and the market. We clearly define compliance requirements for the Company's agreements with competitors and distributors/retailers in the *TPV Code of Conduct*. Our goal is to avoid monopolistic practices and unfair competition, thereby ensuring a fair and just market competition environment.

#### Business ethics audit



Each year, TPV conducts training on business ethics and compliance for all employees. In January 2023, the internal audit department organized business ethics training themed around anti-corruption and conflict of interest. This training covered 22 business units. Additionally, we held specialized business ethics training for the management, aiming to instill the awareness of upholding business ethics from top management to every employee.

### In 2023

the coverage rate of internal audit (including global manufacturing bases and main offices) reached



# 

# **Anti-corruption**

TPV is committed to preventing corruption, bribery, and other improper conducts, and firmly opposes all forms of frauds. We have established mechanisms for anti-corruption and business ethics management in alignment with the *TPV Code of Conduct*. Our goal is to standardize the core principles of anti-corruption, anti-money laundering, antifraud, anti-unfair competition, and conflict of interest. In 2023, we had 0 confirmed corruption incidents or legal actions.

### Whistleblowing and reporting mechanism

To strengthen internal and external monitoring of business ethics and compliance management, we have established open and smooth whistleblowing and reporting channels for various stakeholders including employees, suppliers, and customers. The scope of whistleblowing and reporting covers acts that infringe upon the Company's legal rights and interests such as property and reputation, public interests, or violations of national laws and regulations and internal regulations by employees, including fraud and breach of information security. To protect the privacy and safety of whistleblowers, TPV has standardized the management of whistleblower information in the *TPV Whistleblower Policy*. We ensure the confidentiality of whistleblowers' identities and strictly prohibit any form of retaliation against them.

Upon receiving a report, the internal audit department of the Group will investigate the authenticity of the report through established procedures and multiple channels. Identified issues will be communicated to different areas, manufacturing bases, or departments for timely internal process improvements. The content and investigation results of major complaints will be reported to the Audit Committee, and feedback will be provided for the whistleblower upon the conclusion of the investigation.

The *TPV Group Policies & Guidelines on Gifts* and *Entertainment* prohibits top management and employees from accepting any gifts, advantages or improper benefits, directly or indirectly, from any party which has business relationship with the company in their personal capacity.

If the price of business gifts and entertainment exceeds the prescribed limit, employees are required to report the details using the *Business Entertainment/Gift Declaration Form* and obtain approval from the independent compliance officer of their business units.

In December 2023, the internal audit department educated employees on corruption risks and how to control such risks. This included promoting compliance with policies and guidelines related to the conflict of interest, gifts, and entertainment. The aim was to deepen employees' understanding of the importance of maintaining a sound internal control system and enhance their practical abilities to prevent corruption risks. Any behavior that violates the *TPV Code of Conduct* or applicable laws and regulations; other relevant complaints Management, Independent Compliance Officers (ICO), Corporate human resources, internal audit department, Chairman of Audit Committee, and CEO

Audit Committee and internal audit department

Investigation

#### TPV's whistleblower report-handling procedures



channels (including email addresses<sup>44</sup>, postal addresses, and phone numbers) are posted in all manufacturing bases and business units.

internal audit department will review it and assign a designated person to conduct investigation with confidentiality. If necessary, assistance from relevant units (such as the HR department) may be sought to carry out the investigation. All reports received, whether named or anonymous, shall be properly put on record and promptly followed up for resolution.

Adequate protective measures shall be taken for whistleblowers, personnel involved in the investigation, and investigators.

The feedback on report handling shall be promptly communicated to the whistleblower. Based on investigation findings, misconducts of the personnel shall be reported to the HR department for consideration of punishment. Additionally, any weak links of internal control identified by the investigation shall be promptly reported to the management. Appropriate improvement measures shall be implemented to prevent the recurrence of similar incidents or risks. Message from 2023

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Optimizing

business processes

38%



In 2023, the internal audit department received and handled complaints under seven categories, namely professional ethics, corporate property security, supplier selection, conflict of interest, quality management, diversity and inclusive culture, and others. The two most significant categories of complaints are professional ethics and corporate property security.

**Complaints Received** 

TPV attaches great importance to proactively and thoroughly investigating complaints. We also comprehensively review the investigation results, based on which internal processes and management are improved. In 2023, the investigation of complaints significantly contributed to TPV's improvement in various areas such as optimizing business processes, enhancing business execution capabilities, reducing costs, and strengthening the division of responsibilities.

**Contributions of Investigation of Complaints** 





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# Supporting Local Communities

As a responsible corporate citizen, TPV Technology is committed to deeply integrating corporate value with social value. Guided by the United Nations Global Compact (UNGC) and the vision of the United Nations Sustainable Development Goals (SDGs), we persistently engage in projects related to environmental protection, public-welfare education, and job creation in domestic and overseas communities where we operate. Our efforts aim to contribute to the harmony and prosperity of local communities.



1,497 hours devoted in volunteer activities

involving 649 participants



# **Supporting Local Communities in China**

Building a sustainable society requires the joint efforts of both businesses and society. TPV consistently aligns its corporate social responsibility initiatives with national development strategies. We actively engage in environmental protection, educational development, economic construction, and social welfare activities within communities.

### **Environmental protection**

"Building a modernization of the harmonious coexistence between man and nature" outlines the sustainable blueprint for a beautiful China. TPV actively continues to pursue the appeal of "Building a Green Homeland" proposed by Chief Executive Officer Dr. Jason Hsuan and carries out environmental protection initiatives.

#### **Educational development**

Education represents the future hope for building a sustainable society. Leveraging its abundant resources and professional expertise, TPV actively participates in public-welfare education projects to empower children's educational development and healthy growth.

# Planting trees for the hope

TPV carries out tree-planting activities every year and mobilizes employee volunteers and their families to participate in environmental protection with communities. On the 45th China National Tree Planting Day in 2023, TPV organized voluntary tree-planting activities at manufacturing bases and surrounding communities in locations such as Fuqing, Xiamen, Xianyang, Wuhan, and Beijing. A total of 98 trees were planted across our manufacturing bases in China, equivalent to an annual reduction of approximately 1.76 tons of carbon dioxide emissions<sup>45</sup>.

# One-on-one education charity initiative for impoverished children in Xinjiang

Under the strong support of Chief Executive Officer Dr. Jason Hsuan, TPV has been cooperating with the Meijiang Education Foundation to carry out the one-on-one education charity initiative since 2012. This initiative aims to provide better access to education for children in impoverished areas. Over the past decade, TPV has established scholarships for local schools and provided educational display equipment. As of the end of 2023, the Xinjiang Student Aiding Program has sponsored 277 children, with over 250 employees participating in the one-on-one assistance program.



Tree-planting Activities in TPV Xianyang, Wuhan, and Fuqing



Xinjiang Student Aiding Program Under TPV's One-on-one Education Charity Initiative

<sup>&</sup>lt;sup>45</sup> The calculation of tree planting is based on the research data of the National Forestry and Grassland Administration, a tree can sequester about 18 kg of carbon each year, and this is only used as a reference to show our progress on emission reduction.

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### **Rural revitalization**

In response to the national strategy of "Rural Revitalization", TPV has been cooperating with local governments in northwest China for employment assistance. For years, TPV has been creating decent and high-quality job opportunities for local talents.



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### Fujian-Ningxia paired assistance cooperation for rural revitalization

In January 2023, TPV Xiamen welcomed approximately 150 employees from Ningxia via governmentchartered flights in response to the paired assistance cooperation program between Fujian and Ningxia. This initiative aimed to provide job opportunities for talents from impoverished areas.



TPV Xiamen Offers Jobs for Talents from Ningxia

## **Belt and Road**

As a leading display technology company grounded in China and connecting to the world, TPV aims to align its business footprint with the national "Belt and Road" Initiative. This enables us to better integrate into and benefit from the global value chain, thus fostering higher-quality global connectivity.



# TPV Xianyang and TPV Poland – The Chang'an China-Europe Railway Express accelerates green cooperation

To better meet the demands of the European market, TPV Xianyang transports goods directly to TPV Poland through the China-Europe freight train for "TPV Optoelectronic Products". Currently, the China-Europe Railway Express fully driven by electricity, providing a low-carbon, low-cost, and efficient trade route for the Company to ensure the security and stability of the global supply chain.

#### **TPV** Thailand – Empowering local development with new opportunities

As a strong pillar of the Company's global manufacturing network, TPV Thailand has been expanding its presence since it commenced production in 2021. It has also encouraged a group of upstream and downstream partners in the supply chain to invest in Prachin Buri, Thailand. This has injected vitality into local employment, industrial upgrading, trade cooperation, economic prosperity, and cultural exchanges.

### **Exchange across the Strait**

TPV has kept a close eye on the development across the Taiwan Strait. We are committed to serving as a bridge between both sides to facilitate economic, cultural, and technological exchanges and cooperation.



"Caring and Integration", a public-welfare project of TPV, aims to promote exchanges between students and teachers from Taiwan and the Chinese mainland. Since 2013, TPV has organized more than ten cross-Strait exchange activities. In August 2023, TPV hosted the "Joyful Baseball" summer camp through the "Caring and Integration" project. Teachers and students from both sides of the Taiwan Strait were invited to engage in mutual learning and foster deep friendships through team-building activities and competitions.



"Joyful Baseball" Summer Camp

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### Social welfare

"Responsibility" is a core value embraced by TPV. Our employees actively engage in publicwelfare activities in their leisure time, contributing to making the world a better place.

# TPV's employees actively participate in public-welfare activities

In December 2023, TPV Fuqing and TPV Wuhan organized voluntary blood donation activities. 119 employees donated blood, contributing a total of 36,300 milliliters. TPV has organized voluntary blood donation activities for 14 consecutive years and encouraged colleagues to give back to society as much as they can.



Voluntary blood donation

# **Contributing to Overseas Communities**

As a global company, TPV continuously supports the engagement and development of overseas communities. We systematically identify the social issues and challenges faced by the locations where we operate. We also engage in project planning and offer support to address these issues. Our public-welfare efforts span across the globe.



TPV Cares (TPV's Overseas Community Care Program)

### **Environmental protection**

TPV's overseas employees actively participate in local environmental protection activities. Together with community residents, they safeguard the surrounding environment where they live and work. This collective action aims to protect the beautiful homeland.

# Beach cleanup to save the planet

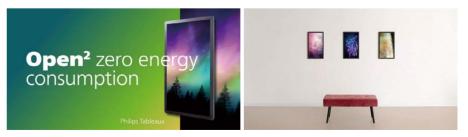
TPV cooperates with the nonprofit environmental organization "Trash Turtle". We mobilize employee volunteers to clean beaches. During these activities, volunteers pick up at least three pieces of trash from the surrounding area to prevent waste from entering into ocean. This event aims to protect the ecological environment of the community.



Beach cleanup with "Trash Turtle"

# MUSE" Digital Art Award

In 2023, the "MUSE" Digital Art Award, themed "The Energy for Tomorrow", invited artists from around the world to share their digital artworks. The award's exhibition is powered by Philips Tableaux, a display using advanced color ePaper technology to allow a zero energy consumption exhibition of the digital artworks. It is the first zero-consumption digital art exhibition with Philips Tableaux displays. The carbon emissions from this event were offset, thus achieving carbon neutrality. A carbon footprint report was also published at the end of the initiative.



"MUSE" Digital Art Award

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## Social care

TPV pays attention to the social needs of the communities where it operates and carries out target support projects for various groups. Our efforts have contributed to the inclusive development of local communities.

Care for children with illness

TPV partnered with the charity organization "TheRockinR" to provide AOC and Philips monitors for the Medical Gaming Carts to hospitals. These donations aimed to support sick children and young people through the healing process as they undergo treatment and procedures in hospitals.





We maintain continuous communication and engagement with the communities and various social organizations in locations where we operate. Through donations of our audio-visual products and charity funds, we support the educational development and social welfare initiatives in local communities.



Donations by overseas manufacturing bases of TPV

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# **Appendix**

# **About This Report**

As a responsible international company, TPV Technology Co., Ltd. (TPV Technology, TPV, we or the company) is committed to incorporating sustainability concepts into our corporate strategies and business models. The *TPV Technology Environmental, Social and Governance Report* (herein after "Report") covers the same reporting period of the Financial Report<sup>47</sup>.

We conduct stakeholder surveys in compliance with the latest domestic and international relevant sustainability reporting guidelines, regulatory requirements and with full reference to the latest sustainability development trends, and update the latest progress of the company's sustainability based on the survey results to provide comprehensive information on TPV's sustainability to all stakeholders. Following review and approval by the Board of Directors, the Report was officially released in April 2024. The Report is prepared in both Chinese and English. In case of any ambiguity in the understanding of the two versions, the Chinese version shall prevail. The electronic document of the Report can be read by scanning the QR code on the back cover or downloaded from the official website of TPV Technology.

### **Reporting Standards**

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), the Taskforce on Climate-related Financial Disclosure (TCFD) framework, the Taskforce on Nature-related Financial Disclosure (TNFD) framework, *Reference Index System for ESG Report of Central Holding Listed Companies* of State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and Chapter VIII "Social Responsibility" of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies*, with reference to the International Financial Reporting Sustainability Disclosure Standards (IFRS Sustainability Disclosure Standards) issued by the International Sustainability Standards Board (ISSB), the European Union's *Corporate Sustainability Reporting Directive* (CSRD) and its accompanying guidelines, the *European Sustainability Reporting Standards* (ESRS), the *Corporate ESG Disclosure Guidelines* group standard, and the needs of the company's stakeholders. It also includes our commitments and actions to the United Nations Sustainable Development Goals (SDGs) and presents our endeavors to practice the UN Global Compact (UNGC) Ten Principles.

### **Reporting Period and Scope**

This Report presents TPV's performance and achievements for the year ended 31 December 2023 (Reporting Period). It is the 8th Environmental, Social and Governance (ESG) Report issued by the company. Unless otherwise stated, this Report covers TPV's 12 manufacturing bases and 5 offices worldwide as well as the assets operated and controlled by TPV globally<sup>48</sup>.

### **Report Time Horizons**

This Report defines the time horizons as follows: the short-term extends until 2025, the mediumterm until 2030, and the long-term refers to 2030 and the period after 2030. This framework takes into account TPV ESG Roadmap to 2030 and aligns with societal macroeconomic policy and goals.

### **Data and Third-Party Assurance**

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



Internal Review Information in the Report is reviewed and verified by the Risk Management and ESG Committee and the ESG Taskforce **External Assurance** Key data and conformance of GRI standards are independently assured by third-party organizations based on the ISAE3000 and AA1000 standard

Reviewed and approved by the Board of Directors and issue the Report

<sup>&</sup>lt;sup>47</sup> Please refer to TPV official website at https://www.tpv-tech.com/report.html

<sup>&</sup>lt;sup>48</sup> The operating entities refer to the section "Composition of the Corporate Group" in the *TPV Technology Co., Ltd 2023* Annual Report.

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### **Forward-looking Statements**

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

The Report follows the latest sustainability reporting standards till the date of issue. Given the continuous revision and update of the related standards, there may be differences in the content and index due to the iteration of the language expressions, understandings and versions. We will align with the latest standards to keep improving the quality of information disclosure.

#### Feedback

Thank you for reading this Report. Please scan the QR code below and submit the *Reader Feedback Form*.

We sincerely look forward to your feedback. If you have any suggestions for improving TPV's sustainability efforts, please contact us at the following e-mail address or click "Contact Us" on the official website.



# **ESG** Performance

Environment	Unit	2023	2022	2021
Energy				
Gasoline and diesel -stationary combustion	liter	46,106 <sup>1</sup>	11,407	11,353
Gasoline – mobile combustion	liter	185,496	156,839	157,590
Diesel – mobile combustion	liter	93,348	53,654	64,957
Natural gas – stationary combustion	m <sup>3</sup>	2,670,663	2,097,274	2,009,611
LPG – stationary combustion	ton	63	56	60
Total direct energy consumption	MWh	32,844	25,537	24,753
Total electricity consumption	MWh	188,020	195,066	223,324
self-produced renewable electricity		1,224	1,137	1,324
purchased electricity – renewable technologies		10,588	6,780	206
purchased electricity – non-renewable technologies		176,208	187,149	221,794
Total indirect energy consumption	MWh	188,020	195,066	223,324
Total energy consumption <sup>2</sup>	MWh	220,864	220,603	248,077
Intensity of total energy consumption	kWh/units	4.55	4.32	4.24
Total renewable energy consumption <sup>3</sup>	MWh	11,812	7,917	1,530
GHG Emissions				
Scope 1 and Scope 2 - market based <sup>4</sup>	ton $CO_2e$	117,915	128,536	154,409
Scope 1 <sup>5</sup>		10,133	9,035	9,902
Scope 2 – market based <sup>6</sup>		107,782	119,501	144,507
Scope 2 – location based <sup>7</sup>	ton CO <sub>2</sub> e	121,012	126,019	144,593
Intensity of Scope 1 and Scope 2 - market based	ton CO2e/ unit	0.0024	0.0025	0.0026
Scope 3 – Use of sold products <sup>8</sup>	ton CO₂e/ unit	7,597,951	9,764,451	13,571,773
Intensity of Scope 3 – Use of sold products	ton CO <sub>2</sub> e/ unit	0.16	0.19	0.23
Monitors		0.14	0.18	/
TVs		0.20	0.23	/

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Environment	Unit	2023	2022	2021
Water Resource				
Total water withdrawal9	ton	1,634,811	1,720,455	1,991,300
water withdrawal - groundwater source		54,278	55,514	44,917
water withdrawal - third party source		1,580,533	1,664,941	1,946,383
Total water consumption	ton	278,940	280,579	326,361
Intensity of total water consumption	ton/unit	0.0057	0.0051	0.0056
Wastewater Discharge				
Total water discharge <sup>10</sup>	ton	1,355,871	1,439,876	1,651,723
to earth surface <sup>11</sup>		16,307	26,980	153,678
to third party		1,339,564	1,412,896	1,498,045
Wastewater pollutants	ton	466.0	259.8	439.4
Air Emissions <sup>12</sup>				
NO <sub>x</sub>	ton	0.60	3.01	1.80
SO <sub>x</sub>	ton	0.02	0.04	0.74
Particulate matter	ton	2.47	26.96	12.31
Solid Waste				
Total non-hazardous waste	ton	33,007	37,278	41,000
recyclable		28,990	32,911	38,118
non-recyclable		4,017	4,367	2,882
landfill		2,524	/	/
incineration <sup>13</sup>		1,400	/	/
others		93	/	/
Total hazardous waste <sup>14</sup>	ton	273	298	411
landfill		0	/	/
incineration		81	/	/
recycling		167	/	/
others		25	/	/
Material Consumption <sup>15</sup>				
Material consumption – Product package	ton	120,126	148,526	136,548
paper		73,230	94,619	65,862
plastic		38,406	44,017	58,968
wood		8,490	9,890	11,718

Employee		Unit	2023	2022	2021
Employme	ent				
Total numb	per of employees <sup>16</sup>	person	19,987	20,552	22,734
	Male	person	12,133	12,655	13,856
	Top management		6	7	8
	Senior & junior management		1,616	1,680	1,745
	Non-management		10,511	10,968	12,103
Du Candar	Percentage	%	60.70	61.58	60.95
By Gender	Female	person	7,854	7,897	8,878
	Top management		1	1	1
	Senior & junior management		678	703	713
	Non-management		7,175	7,193	8,164
	Percentage	%	39.30	38.42	39.05
	Aged under 30	person	5,174	5,617	7,181
By Age	Aged 30 – 50	person	13,260	13,505	14,218
	Aged above 50	person	1,553	1,430	1,335
Ву	Direct labor	person	10,824	10,819	12,407
workforce type	In-direct labor	person	9,163	9,733	10,327
	Asia	person	15,177	15,958	17,569
Du Daniar	Europe	person	2,139	2,218	3,687
By Region	North America	person	100	71	40
	Latin America	person	2,571	2,305	1,438
Non-emplo	oyee workers <sup>17</sup>	person	321	/	/
Compensa	ation Ratio <sup>18</sup>				
Annual tota	Annual total compensation ratio		107.7	94.4	/
Change in the annual total compensation Ratio <sup>19</sup>			1.43	Not applicable <sup>20</sup>	/
Adequate	Wages				
Coverage	of adequate wage assessment	%	100	/	/
•	e of employees paid below the adequate wage benchmark	%	0	/	/

2023 ESG Highlights

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Employe	e	Unit	2023	2022	2021
Talent Att	raction and Retention				
Hiring					
Total numb	per of new employee hires	person	9,984	7,264	10,020
Average hi	ring cost	RMB	1,057	/	/
By gender	Male	person	5,593	4,635	5,597
by gender	Female	person	4,391	2,629	4,423
	Aged under 30	person	6,159	4,242	5,858
By age	Aged 30 - 50	person	3,653	2,866	3,994
	Aged above 50	person	172	156	168
Ву	Direct labor	person	9,270	6,324	8,469
workforce type	In-direct labor	person	714	940	1,551
	Top management	person	0	0	0
By job grade	Senior & junior management	person	128	132	147
grade	Non-management	person	9,856	7,132	9,873
Employee	Turnover <sup>21</sup>				
Number of	employee turnover	person	6,059	/	/
Total empl	oyee turnover rate	%	29.72	/	/
Voluntary	employee turnover rate	%	22.09	/	/
Ducandar	Male	%	29.01	/	/
By gender	Female	%	30.83	/	/
	Aged under 30	%	47.96	/	/
By age	Aged 30 - 50	%	23.36	/	/
	Aged above 50	%	20.47	/	/
Ву	Direct labor	%	44.10	/	/
workforce type	In-direct labor	%	13.10	/	/
	Asia	%	26.11	/	/
Pu rogica	Europe	%	20.66	/	/
By region	North America	%	16.73	/	/
	Latin America	%	61.93	/	/

Employee		Unit	2023	2022	2021		
Training and Development							
Training Hours							
Total training hours		hour	961,576	1,006,499	1,010,104		
for male			609,939	624,771	634,010		
for female			351,637	381,728	376,094		
on environmental issues			17,830	19,061	23,673		
on energy conservation and climate actions			24,663	19,987	4,953		
on preventing discrimination and human rights violations			5,238	9,032	14,411		
on business ethics			76,173	33,384	27,191		
on health and safety			84,559	102,923	68,293		
Average Training Hours ar	nd Cost						
Average per employee		hour	48.1	49.0	44.4		
By Male		hour	50.3	49.4	45.8		
gender Female		hour	44.8	48.3	42.4		
Average training cost per person <sup>22</sup>		RMB	446	386	395		
Average Training Hours Per Employee by Topics <sup>23</sup>							
on environmental issues		hour	0.89	0.93	1.04		
on energy conservation and climate actions		hour	1.23	0.97	0.22		
on preventing discrimination and human rights violations		hour	0.26	0.44	0.63		
on business ethics		hour	3.81	1.63	1.20		
on health and safety		hour	4.23	5.01	3.00		
Number of Trainees by Topics							
on environmental issues	number	person	14,016	15,938	/		
	percentage	%	70.13	77.55	/		
on energy conservation and climate actions	number	person	18,879	15,138	/		
	percentage	%	94.46	73.66	/		
on preventing discrimination and human rights violations	number	person	6,162	12,707	/		
	percentage	%	30.83	61.83	/		
on business ethics	number	person	19,894	14,773	/		
	percentage	%	99.53	71.88	/		
on health and safety	number	person	16,357	14,800	/		
on nealth and salety	percentage	%	81.84	72.01	/		
Employee Training Number							
Total training numbers		person	19,894	18,082	/		

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Employee		Unit	2023	2022	2021
Health & Safety					
Fatalities <sup>24</sup>					
Number of cases		case	0	0	0
Number of work-related fatalities		person	0	0	0
Lost working hours		day	0	0	0
Rate of occurrence <sup>25</sup>		%	0	0	0
Recordable Work-related Injuries <sup>26</sup>					
Number of cases of work-related injuries		case	54	41	79
Total worktime lost		day	1,844	7,854	2,357
Recordable work-related injuries frequency rate <sup>27</sup>		case/million work hours	1.35	0.99	1.74
Human Rights and Welfare					
Percentage of employee representatives in formal joint management – worker health & safety committees		%	1.85	1.19	1.05
Percentage of employees that are covered by formal collective agreements concerning working conditions <sup>28</sup>		%	53.78	44.72	59.84
Percentage of employee representatives of the selected formal trade union, labor council or similar committee led by the company <sup>29</sup>		%	3.25	3.82	1.08
Percentage <sup>31</sup> of employees that are covered by the health insurance/medical insurance <sup>30</sup>		%	97	97	95
Parental Leave					
Total number of employees that were entitled to parental leave <sup>32</sup>	Male	person	815	/	/
	Female	person	735	/	/
Total number of employees	Male	person	678	/	/
that took parental leave	Female	person	563	/	/
Total number of employees that returned to work in the	Male	person	628	/	/
reporting period after parental leave ended	Female	person	484	/	/
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	person	511	/	/
	Female	person	366	/	/
Return to work rate of employees that took parental leave <sup>33</sup>	Male	%	92.63	/	/
	Female	%	85.97	/	/
Retention rate of employees	Male	%	93.65	/	/
that took parental leave <sup>34</sup> Fema		%	83.21	/	/

Employee	Unit	2023	2022	2021
Diversity				
Percentage of Female Employees				
Top management	%	14.29	12.50	11.11
Senior & junior management	%	29.56	29.50	29.01
Junior management	%	31.18	/	/
Non-management	%	40.57	39.61	40.28
Percentage of women in Sales management positions	%	32.64	/	/
Percentage of women in STEM-related positions <sup>35</sup>	%	23.08	/	/
Gender Pay Gap				
Unadjusted gender pay ratio <sup>36</sup> (Female/ Male)		0.67	0.75	/
Direct labor	%	Female Male	Female Male	/
Chinese mainland				/
1st Quartile (0-25%)		25.07 74.93	22.89 77.11	/
2nd Quartile (25-50%)		34.83 65.17	36.24 63.76	/
3rd Quartile (50-75%)		41.18 58.82	41.52 58.48	/
4th Quartile (75-100%)		50.23 49.77	51.89 48.11	/
Hong Kong, Macao and Taiwan		No direct labor	No direct labor	/
Europe				/
1st Quartile (0-25%)		38.29 61.71	35.91 64.09	/
2nd Quartile (25-50%)		50.01 49.99	49.55 50.45	/
3rd Quartile (50-75%)		63.74 36.26	69.41 30.59	/
4th Quartile (75-100%)		69.49 30.51	69.34 30.66	/
In-direct labor	%	Female Male	Female Male	/
Chinese mainland				/
1st Quartile (0-25%)		23.77 76.23	25.33 74.67	/
2nd Quartile (25-50%)		40.50 59.50	38.05 61.95	/
3rd Quartile (50-75%)		43.07 56.93	42.91 57.09	/
4th Quartile (75-100%)		53.85 46.15	56.36 43.64	/
Hong Kong, Macao and Taiwan				/
1st Quartile (0-25%)		19.62 80.38	19.99 80.01	/
2nd Quartile (25-50%)		20.29 79.71	18.90 81.10	/
3rd Quartile (50-75%)		25.58 74.42	28.32 71.68	/
4th Quartile (75-100%)		42.31 57.69	41.18 58.82	/

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Employee	Unit	2023	2022	2021
Europe				/
1st Quartile (0-25%)		14.12 85.88	17.51 82.49	/
2nd Quartile (25-50%)		32.63 67.37	31.65 68.35	/
3rd Quartile (50-75%)		46.98 53.02	45.93 54.07	/
4th Quartile (75-100%)		56.08 43.92	54.15 45.85	/
Minority Employees <sup>37</sup>				
Percentage of ethnic minority employees	%	3.032	3.664	/
Top management	person	0	0	/
Coverage	%	0	0	
Senior & junior management	person	20	23	/
Coverage	%	0.872	0.965	
Non-management	person	586	730	/
Coverage	%	3.313	4.020	
Employees with Disabilities38				
Percentage of employees with disabilities	%	0.220	0.214	/
Top management	person	0	0	/
Coverage	%	0	0	/
Senior & junior management	person	2	2	/
Coverage	%	0.087	0.084	
Non-management	person	42	42	/
Coverage	%	0.237	0.231	/
Customer	Unit	2023	2022	2021
Own brands				
Total number of justified compliant	case	44	32	41
on the matter of product issues		38	26	37
related to customer health and safety		0	0	0
other		38	26	37
on the matter of service issues	case	6	6	4
related to customer privacy security		0	0	0
other		6	6	4
Percentage of closed complaints	%	100	100	100

Supply Chain	Unit	2023	2022	2021
Sustainable Supply Chain				
On-site audit by our own	number	140	/	/
Audit/rating by third party	number	13	/	/
Number of suppliers attending training	number	135	/	/
Percentage of buyers attending training on sustainable supply chain	%	72.28	64.34	69.00
Number of Production Suppliers <sup>39</sup>				
Asia	number	517	692	655
Europe	number	8	41	72
North America	number	19	19	21
Latin America	number	1	30	22
Number of Non-Production Suppliers				
Asia	number	1,802	2,068	3,853
Europe	number	1,097	1,190	1,184
North America	number	209	227	219
Latin America	number	793	965	865
Certification	Unit	2023 <sup>40</sup>	2022	2021
	<b>Unit</b> number	<b>2023</b> <sup>40</sup> 11	<b>2022</b> 12	<b>2021</b> 11
Certification				
Certification Number of ISO 14001	number	11	12	11
Certification Number of ISO 14001 Coverage of ISO 14001	number %	11 92	12 92	11 85
Certification Number of ISO 14001 Coverage of ISO 14001 Number of ISO 27001	number % number	11 92 3	12 92 2	11 85 1
Certification Number of ISO 14001 Coverage of ISO 14001 Number of ISO 27001 Coverage of ISO 27001	number % number %	11 92 3 25	12 92 2 15	11 85 1 8
Certification Number of ISO 14001 Coverage of ISO 14001 Number of ISO 27001 Coverage of ISO 27001 Number of ISO 45001	number % number % number	11 92 3 25 7	12 92 2 15 9	11 85 1 8 8 8
Certification Number of ISO 14001 Coverage of ISO 14001 Number of ISO 27001 Coverage of ISO 27001 Number of ISO 45001 Coverage of ISO 45001	number % number % number %	11 92 3 25 7 58	12 92 2 15 9 69	11 85 1 8 8 8 62
Certification Number of ISO 14001 Coverage of ISO 14001 Number of ISO 27001 Coverage of ISO 27001 Number of ISO 45001 Coverage of ISO 45001 Number of ISO 50001	number % number % number % number	11 92 3 25 7 58 6	12 92 2 15 9 69 3	11 85 1 8 8 62 1
CertificationNumber of ISO 14001Coverage of ISO 14001Number of ISO 27001Coverage of ISO 27001Number of ISO 45001Coverage of ISO 45001Coverage of ISO 50001Coverage of ISO 50001	number % number % number %	11 92 3 25 7 58 6 50	12 92 2 15 9 69 3 23	11 85 1 8 8 62 1 8
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#### Endnotes

- 1 There has been an increase in the consumption of stationary combustion gasoline and diesel due to the use of backup generators.
- 2 The total energy consumption is the total consumption of gasoline and diesel (stationary combustion), gasoline (mobile combustion), diesel (mobile combustion), natural gas (stationary combustion), LPG (stationary combustion) and electricity consumed by the 12 manufacturing bases, 5 main offices and operation sites, and is accounted for in accordance with the National Standard of the *People's Republic of China General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)* and the *International Energy Agency's Energy Statistics Manual.*
- 3 Total renewable energy consumption is the total renewable energy consumption of the 12 manufacturing bases, 5 main offices and operation sites. The renewable energy mainly including self-produced renewable electricity and purchased renewable electricity.
- 4 Total GHG emissions of scope 1 and scope 2 market based are the GHG emissions from direct energy and refrigerant consumption (Scope 1) and GHG emissions from indirect energy consumption (Scope 2 – market based) from 12 manufacturing bases, 5 main offices and operation sites. According to the *Kyoto Protocol*, the company's main GHG emissions include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, excluding sulfur hexafluoride and perfluorocarbons.
- 5 Methodology: Using the operational control approach to determine the scope of emissions, GHG emissions (Scope 1) are the GHG emissions from gasoline and diesel (stationary combustion), gasoline (mobile combustion), diesel (mobile combustion), natural gas (stationary combustion), LPG (stationary combustion) fossil fuels and the use of refrigerants consumed at 12 manufacturing bases, 5 main offices and operation sites, which consist primarily of the following GHGs: carbon dioxide, methane, nitrous oxide and HCFC-22, HCFC-123, HFC-32, R-134a, R-404a, R-410a. The accounting of GHG is based on Global Warming Potential (GWP) in the *IPCC Sixth Assessment Report ("AR6")*, the *Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial)*, the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories by the Intergovernmental Panel on Climate Change (IPCC) and the National Standard of the People's Republic of China General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).
- 6 Methodology: Using the operational control approach to determine the scope of accounting, GHG emissions (Scope 2 market based) are the GHG emissions from indirect energy consumption consumed at 12 manufacturing bases, 5 main offices and operation sites, considering the offsets from unbundled energy attribute certificates in the accounting of purchased non-renewable electricity, referenced to the *Green Gas Protocol*. Emission factors for purchased electricity for plants in Chinese mainland refer to the 2011 and 2012 China Regional Grid Average CO<sub>2</sub> Emission Factors, for Hong Kong, China refer to the factors published in the CLP 2021 Sustainability Report, and for Taiwan, China and overseas plants refer to the International Energy Agency (IEA) database.
- 7 Methodology: Using the operational control approach to determine the scope of accounting, GHG emissions (Scope 2 location based) are the GHG emissions from indirect energy consumption consumed at 12 manufacturing bases, 5 main offices and operation sites, including GHG from purchased renewable and non-renewable electricity referenced to the *Greenhouse Gas Protocol*. Emission factors for purchased electricity for plants in Chinese mainland refer to the 2011 and 2012 China Regional Grid Average CO<sub>2</sub> Emission Factors, for Hong Kong, China refer to the factors published in the CLP 2021 Sustainability Report, and for Taiwan, China and overseas plants refer to the International Energy Agency (IEA) database.
- 8 Methodology: GHG emissions (Scope 3, Category 11 Use of sold product) are calculated according to the Greenhouse Gas Protocol, focusing on lifetime expected energy footprint for all monitors and TVs sold products during the reporting year. This figure is then multiplied by a published grid emissions factor of the year. The emissions factor mainly refers to the United Nations Framework Convention on Climate Change (UNFCCC) IFI TWG 2021 v3.2 Grid Factors. The energy consumption outside of the organization by the use of sold products amounts to 21,637,049 MWh.
- 9 Total water withdrawals are the total annual abstraction from 12 manufacturing bases, 5 main offices and operation sites.
- 10 All wastewater discharged by the company is fresh water.
- 11 In accordance with applicable laws and regulations, wastewater is discharged into surface after being treated by sewage treatment facilities to meet regulatory standards.
- 12 The company's production processes do not involve large-scale air emission. In 2023, some manufacturing bases excluded NO<sub>v</sub>, SO<sub>v</sub>, and particulate matter from main monitoring indicators in accordance with local regulatory policies.

- 13 The solid waste of the company does not involve energy recovery.
- 14 All hazardous waste of the company will be handed over to qualified third-party providers for disposal in strict accordance with local laws and regulations.
- 15 The renewable packaging materials mainly used by our company are paper and wood, while the non-renewable packaging material is plastic.
- 16 Total number of employees refers to the total number of all regular employees with employment contracts.
- 17 The scope of the data covers service providers in Chinese mainland, including janitorial cleaning, gardening, catering, security, and other services. The date based on the survey conducted at December 31st of the year.
- 18 Annual total compensation ratio = Annual total compensation of the highest-paid individual/Median annual total compensation of all employees (excluding the highest-paid individual). The scope of data refers to Chinese mainland, Hong Kong, Macao and Taiwan China and Europe.
- 19 Change in the annual total compensation ratio = Percentage increase for annual total compensation of the highestpaid individual/Median percentage increase for annual total compensation of all employees (excluding the highestpaid individual). The scope of data refers to Chinese mainland, Hong Kong, Macao and Taiwan China and Europe.
- 20 The annual total compensation of the highest-paid individual decreased in 2022.
- 21 The scope of the data does not include employees who in probation period and resigned within less than three months.
- 22 The scope of the data includes related training services provided to full-time employees.
- 23 Average training hours per employee on topics = Total training hours on topics/Total number of employees.
- 24 The data is based on TPV's 12 manufacturing bases.
- 25 Rate of fatalities = fatalities/number of regular employees.
- 26 The data is based on TPV's 12 manufacturing bases.
- 27 Recordable work-related injuries frequency rate (million work hours) = total number of work-related injury cases \* 1,000,000/Total work hours. Total work hours = Annual average working days (250 days) \* Daily average working hours (8 hours) \* Number of full-time employees.
- 28 The agreement includes but is not limited to salary, working conditions, working hours, health and safety, training, etc.
- 29 100% of the total workforce is covered by formally-elected employee representatives.
- 30 Health insurance/medical insurance includes but is not limited to medical insurance programs initiated by local government, supported by commercial institutions, or reimbursed by the company.
- 31 Percentage of employees that are covered by the health insurance/medical insurance = number of employees covered by health or medical insurance/number of regular employees.
- 32 The number of employees entitled to parental leave is the sum of employees who have applied for "maternity leave or paternity leave " during the years 2022-2023. The number in Chinese mainland is the employees who are eligible to apply for parental leave.
- 33 Return to work rate = Total number of employees that did return to work after parental leave/Total number of employees due to return to work after taking parental leave \* 100
- 34 Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave/Total number of employees returning from parental leave in the prior reporting period (s) \* 100
- 35 STEM refers to Science, Technology, Engineering, and Mathematics. STEM-related positions in our company include computer programmers, web developers, engineers, etc.
- 36 This data is the unadjusted gender pay gap, regardless of management level, grade, position, function, etc., based on the ratio of male, including employees in Chinese mainland, Hong Kong, Macao, Taiwan China and Europe.
- 37 The scope of the data only refers to Chinese mainland.
- 38 The scope of the data only refers to Chinese mainland.
- 39 Including suppliers of optical materials, plastics, electronic components, and other production materials
- 40 The number of global manufacturing sites is 12 in 2023. The number of certificates is the number of manufacturing bases holding certificates among 12 manufacturing bases and the certification coverage is the percentage of certificates coverage at 12 manufacturing bases.
- 41 The Company has no donations to political or lobbying groups.

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# Sustainability Reporting Index

## **GRI-ESRS** Interoperability Index

Statement of use	TPV has reported in accordance with the GRI Standards for the 2023 reporting period.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
	2-1 Organizational details	See requirements of Directive 2013/34/ EU	<ul> <li>About TPV</li> <li>TPV Technology 2023 Annual Report</li> </ul>	6
GRI 2 The organization	2-2 Entities included in the organization's sustainability reporting	<b>ESRS 1</b> 5.1; <b>ESRS 2</b> BP-1 §5 (a) and (b) i	About This Report	103
and its reporting practices	2-3 Reporting period, frequency and contact point	ESRS 1 §73	About This Report	103
	2-4 Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)	About TPV	6
	2-5 External assurance	See external assurance requirements of Directive (EU) 2022/2464	Independent Assurance     Report	116-117
			About TPV	6
GRI 2 Activities and	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	<ul> <li>Sustainable Supply Chain Number of Manufacturing bases is updated to 12</li> </ul>	71
workers	2-7 Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	ESG Performance	105
	2-8 Workers who are not employees	ESRS S1 S1-7 §55 to §56	ESG Performance	105
			<ul> <li>Foundation of Sustainability</li> </ul>	15
	2-9 Governance structure and composition	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	<ul> <li>Sound Governance</li> </ul>	89
GRI 2 Governance	and composition	<b>G</b> T (35 (D)	<ul> <li>TPV Technology 2023 Annual Report</li> </ul>	
	2-10 Nomination and	This topic is not covered by the list of	<ul> <li>Sound Governance</li> </ul>	89-91
	selection of the highest governance body	sustainability matters in ESRS 1 AR §16	<ul> <li>TPV Technology 2023 Annual Report</li> </ul>	
	2-11 Chair of the highest	This topic is not covered by the list of	Sound Governance	89-90
	governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16	<ul> <li>TPV Technology 2023 Annual Report</li> </ul>	

GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) through (b); SBM-2 §45 (d); ESRS G1 §5 (a)	Foundation of     Sustainability	15
	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)	<ul> <li>Foundation of Sustainability</li> </ul>	15
	2-14 Role of the highest governance body in sustainability reporting	<b>ESRS 2</b> GOV-5 §36; IRO-1 §53 (d)	<ul> <li>Foundation of Sustainability</li> </ul>	15
	2-15 Conflicts of interest	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16	<ul> <li>Business Ethics and Compliance</li> <li>TPV Technology 2023 Annual Report</li> <li>TPV Group Code of Conduct</li> </ul>	96-98
GRI 2 Governance	2-16 Communication of critical concerns	<b>ESRS 2</b> GOV-2 §26 (a); <b>ESRS G1</b> G1-1 AR 1 (a); G1-3 §18 (c)	<ul> <li>Foundation of Sustainability</li> <li>Business Ethics and Compliance</li> </ul>	15 96-98
kn	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23	<ul> <li>Foundation of Sustainability</li> <li>Sound Governance</li> </ul>	15-16 90
	2-18 Evaluation of the performance of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16	Foundation of     Sustainability	15
	2-19 Remuneration policies	ESRS 2 GOV-3 §29 (a) through (c); ESRS E1 §13	<ul> <li>Foundation of Sustainability</li> <li>TPV Technology 2023 Annual Report</li> </ul>	15
	2-20 Process to determine remuneration	ESRS 2 GOV-3 §29 (e)	<ul> <li>Foundation of Sustainability</li> <li>TPV Technology 2023 Annual Report</li> </ul>	15
	2-21 Annual total compensation ratio	ESRS S1 S1-16 §97 (b) to (c)	ESG Performance	105
GRI 2 Strategy, policies and practices	2-22 Statement on sustainable development strategy	<b>ESRS 2</b> SBM-1 §40 (g)	<ul><li>Message from Chairman</li><li>Road to Sustainability</li></ul>	2 10-11

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GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
	2-23 Policy commitments	<b>ESRS 2</b> GOV-4; MDR-P §65 (b) to (c) and (f); <b>ESRS S1</b> S1-1 §19 through §21, and §AR 14; <b>ESRS S2</b> S2-1 §16 through §17, §19, and §AR 16; <b>ESRS S3</b> S3-1 §14, §16 through §17 and §AR 11; <b>ESRS</b> <b>S4</b> S4-1 §15 through §17, and §AR 13; <b>ESRS G1</b> G1-1 §7 and §AR 1 (b)	<ul> <li>Road to Sustainability</li> <li>Stakeholder Engagement</li> <li>TPV Code of Conduct</li> <li>TPV Human Rights Policy</li> </ul>	12-14 18
	2-24 Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS	<ul> <li>Road to Sustainability</li> <li>Foundation of Sustainability</li> <li>Sustainabile Supply</li> </ul>	10-11 15-16 67-69
		<b>S4</b> S4-4 §AR 27; <b>ESRS G1</b> G1-1 §9 and §10 (g)	Chains • Human Rights & Labor Rights	75-76
GRI 2 Strategy, policies and practices	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)	Business Ethics and Compliance	97-98
	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Business Ethics and Compliance	97-98
	2-27 Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	There were no major violations	/
	2-28 Membership associations	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	<ul> <li>Organization and Initiative Memberships</li> </ul>	4

GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
GRI 2 Stakeholder engagement	2-29 Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i through (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27(e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22(e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20(d) and §21	<ul> <li>Stakeholder</li> <li>Engagement</li> </ul>	18
	2-30 Collective bargaining agreements	<b>ESRS S1</b> S1-8 §60 (a) and §61	<ul> <li>Human Rights &amp; Labor Rights</li> <li>ESG Performance</li> </ul>	75-76 107
GRI 3 Material	3-1 Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	<ul> <li>Materiality Assessment</li> </ul>	19-22
Topics 2021	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g).	<ul> <li>Materiality Assessment</li> </ul>	22
		Material Issue: Climate & Energy		
GRI 3 Material	3-3 Management of material topics	<b>ESRS E1</b> E1-2 §22, §25 (c) to (d); E1-3 §26; E1-4 §33 and §34 (b); E1-7 §56 (b) and §61 (c); <b>ESRS E2</b> §AR 9 (b); E2-1	Addressing Climate     Change	26-35
Topics 2021	·	§12; E2-2 §16 and §19; E2-3 §20	<ul> <li>Low-carbon Operations</li> </ul>	36-38
	302-1 Energy consumption within an organization	<b>ESRS E1</b> E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	ESG Performance	104
	302-2 Energy consumption outside the organization	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	ESG Performance	109
	302-3 Energy Intensity	ESRS E1 E1-5 §40 through §42	ESG Performance	104
GRI 302 Energy 2016	302-4 Reduction energy consumption	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	Low-carbon Operations	37
	302-5 Reductions in energy requirements of products and services	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	Green Product &     Packaging	41-45

Message from Chairman 2023 ESG Highlights

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GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
	305-1 Direct (Scope 1) GHG emissions	<b>ESRS E1</b> E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	ESG Performance	104
	305-2 Energy Indirect (Scope 2) GHG Emissions	<b>ESRS E1</b> E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)	ESG Performance	104
	305-3 Other indirect (Scope 3) GHG emissions	<b>ESRS E1</b> E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	ESG Performance	104
GRI 305 Emissions	305-4 GHG emissions intensity	<b>ESRS E1</b> E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	ESG Performance	104
2016	305-5 Reduction of GHG emissions	<b>ESRS E1</b> E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56	Addressing Climate     Change	35
	305-6 Emissions of ozone-depleting substances (ODS).	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	Not applicable	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SO) and other significant air emissions	<b>ESRS E2</b> E2-4 §28 (a); §30 (b) and (c); §31; §AR 21; §AR 26	ESG Performance	106
	Mate	erial Issue: Green Products & Packaging		
GRI 3 Material Topics 2021	3-3 Management of material topics	<b>ESRS E2</b> §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; <b>ESRS E3</b> E3-1 §9; E3-2 §15, §17 through §18; E3-3 §20; <b>ESRS E5</b> E5-1 §12; E5-2 §17; E5-3 §21	Circular Economy	47-49
	301-1 Materials used by weight or volume	<b>ESRS E5</b> E5-4 §31 (a)	ESG Performance	106
	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)	Circular Economy	47-48
GRI 301 Materials 2016	301-3 Reclaimed products and their packaging materials	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	Circular Economy	47-48

GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §AR 15 (a); E3-2 §15, §AR 20	Low-carbon Operations	38
	303-2 Management of water discharge-related impacts	ESRS E2 E2-3 §24	Low-carbon Operations	40
GRI 303 Water and Effluents 2018	303-3 Water withdrawal	The relevant topics are covered in <b>ESRS</b> <b>1</b> §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to <b>ESRS 1</b> §11 and pursuant to MDR-M	Low-carbon Operations     ESG Performance	36 105
	303-4 Water discharge	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	<ul> <li>Low-carbon Operations</li> <li>ESG Performance</li> <li>There were no sewage</li> <li>discharge violations</li> </ul>	40 105 /
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and (e)	ESG Performance	105
		Material topic: Circular Economy		
GRI 3 Material Topics 2021	3-3 Management of material topics	ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21	Low-carbon Operations     Circular Economy	39-40 47-49
	306-1 Waste generation and significant waste- related impacts	<b>ESRS 2</b> SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30	Low-carbon Operations     Circular Economy	39-40 49
GRI 306	306-2 Management of significant waste-related impacts	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33(c)	Low-carbon Operations     Circular Economy	39-40 49
Waste 2020	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 through §40	ESG Performance	105
	306-4 Waste diverted from disposal	ESRS E5 E5-5 §37 (b), §38 and §40	ESG Performance	105
	306-5 Waste directed to disposal	ESRS E5 E5-5 §37 (c), §38 and §40	ESG Performance	105
	М	lateriality: Product Quality and Safety		
GRI 3 Material Topics 2021	3-3 Management of material topics	<b>ESRS S4</b> §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32(a) and (b), §35, §AR 30, §AR 33(a); S4-5 §38, §41 (b) and (c)	<ul> <li>Product Quality &amp; Safety</li> <li>Customer Relationship Management</li> </ul>	55-57 62-63

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GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
GRI 416 Customer	416-1 Assessment of the health and safety impacts of product and service categories	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	Product Quality & Safety	57
Health and Safety 2016	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	<b>ESRS S4</b> S4-4 §35	Product Quality & Safety	57
	Material Issue	s: Data Security and Customer Privacy P	rotection	
GRI 3 Material Topics 2021	3-3 Management of material topics	<b>ESRS S4</b> §10 (b); S4-1 §13 and §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)	Data Security & Customer Privacy Protection	66
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints related to invasion of customer privacy and loss of customer information	ESRS S4 S4-3 §AR 23; S4-4 §35	Data Security & Customer Privacy Protection	66
	Ma	aterial issues: Human and labor rights		
GRI 3 Material Topics 2021	3-3 Management of material topics	<b>ESRS S1</b> S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); <b>ESRS S2</b> §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c). <b>ESRS</b> <b>S4</b> §10 (b); S4-1 §13; §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b); §35; §AR 30; §AR 33 (a); S4-5 §38; §41 (b) and (c)	<ul> <li>Sustainable Supply Chain</li> <li>Human Rights &amp; Labor Rights</li> <li>Diversity, Equality and Inclusion</li> </ul>	67-70 75-76 84
GRI 401	401-1 New employee hiring rate and employee turnover rate	ESRS S1 S1-6 §50 (c)	ESG Performance	106
Employment 2016	401-2 Benefits provided to full-time employees	<b>ESRS S1</b> S1-11 §74; §75; §AR 75	• Human Rights & Labor Rights	75
	401-3 Parental Leave	ESRS S1 S1-15 §93	<ul> <li>Diversity, Equality and Inclusion</li> </ul>	107

GRI Standards	GRI Disclosures and Requirements	ESRS Disclosure and Requirements	Location/Public Document	Page
GRI 405 Diversity and Equal	405-1 Diversity of governance bodies and employees	<b>ESRS 2</b> GOV-1 §21 (d); <b>ESRS S1</b> S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	ESG Performance	105
Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	ESRS S1 S1-16 §97 and §98	ESG Performance	107
GRI 406 Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<b>ESRS S1</b> S1-17 §97, §103 (a), §AR 103	Diversity, Equality and Inclusion	84
GRI 407 Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and	<ul> <li>Sustainable Supply Chain</li> <li>Human Rights &amp; Labor Rights</li> </ul>	67-70 75-76
2016	be at risk	pursuant to MDR-M		
GRI 408	408-1 Operations and suppliers at significant	ESRS S1 §14 (q); S1-1 §22; ESRS S2	<ul> <li>Sustainable Supply Chain</li> </ul>	67-70
Child Labor 2016	risk for incidents of child labor	\$11 (b); S2-1 §18	Human Rights & Labor Rights	75-76
GRI 409 Forced or	409-1 Operations and suppliers at significant risk for incidents of	The relevant topics are covered in ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T,	<ul> <li>Sustainable Supply Chain</li> </ul>	67-70
Compulsory Labor 2016	forced or compulsory labor	and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M	<ul> <li>Human Rights &amp; Labor Rights</li> </ul>	75-76
	Mater	ial Topic: Business Ethics & Compliance	9	
GRI 3 Material Topics 2021	3-3 Management of material topics	<b>ESRS G1</b> G1-1 §7; G1-3 §16 and §18 (a) and §24 (b)	Business Ethics and Compliance	96-98
	205-1 Operations assessed for risks related to corruption	<b>ESRS G1</b> G1-3 §AR 5	Business Ethics and Compliance	96
GRI 205 Anti- Corruption 2016	205-2 Communication and training about anti- corruption policies and procedures	<b>ESRS G1</b> G1-3 §20, §21 (b) and (c) and §AR 7 and 8	Business Ethics and Compliance	96
	205-3 Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25	Business Ethics and Compliance	97-98

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## **ISSB** Index

	Disclo	sure Requirements	Location	Page
S	1 – General requ	irements for disclosure of sustainability-	related financial information	
	0	A governance body or individual responsible for overseeing sustainability- related risks and opportunities	<ul> <li>Foundation of Sustainability</li> </ul>	15
	Governance	Describe management's role in assessing and managing sustainability-related risks and opportunities	<ul> <li>Foundation of Sustainability</li> </ul>	15
		Sustainability-related risks and opportunities	Materiality Assessment	23-26
		Business model and value chain	<ul><li>Materiality Assessment</li><li>Sustainable Supply Chain</li></ul>	23-26 71
	Strategy	Strategy and decision-making	<ul><li>Road to Sustainability</li><li>Materiality Assessment</li></ul>	10-11 19-26
		Financial condition, financial performance and cash flows	Materiality Assessment	19-26
		Resilience	<ul> <li>Materiality Assessment</li> </ul>	23-26
Core content	Risk	Processes and related policy processes for identifying, assessing, prioritizing, and monitoring sustainability-related risks	<ul><li>Materiality Assessment</li><li>Risk Management</li></ul>	19-26 93-94
		The process used by the entity to identify, assess, prioritize, and monitor sustainability-related opportunities	Materiality Assessment	19-26
	management	The extent and how the entity integrates the process of identifying, assessing, prioritizing and monitoring sustainability- related risks and opportunities into the overall risk management process and influencing its overall risk management process	Risk Management	93-94
		Disclosure of each sustainability-related risk and opportunity that can reasonably be expected to affect the entity's	<ul> <li>Foundation of Sustainability</li> <li>Materiality Assessment</li> </ul>	15-16
	Metrics and	prospects	- materiality ASSESSITIETT	23-26
	goals	Information on the targets set by the entity to monitor progress towards the achievement of the strategic objectives,	<ul> <li>Foundation of Sustainability</li> </ul>	12-14
		as well as any objectives required by laws and regulations	<ul> <li>Road to Sustainability</li> </ul>	16

	Disclo	Location	Page	
		S2 – Climate Disclosure		
	Governance	A governance body (including a board of directors, committees, or other equivalent governance body) or individuals responsible for overseeing climate-related risks and opportunities	Addressing Climate     Change – Governance	28
		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate- related risks and opportunities	Change Governance	
	Strategy	Climate-related risks and opportunities		29-33
		Business model and value chain		
		Strategy and decision-making	<ul> <li>Addressing Climate Change – Strategy</li> </ul>	
		Financial condition, financial performance and cash flows		
		Climate resilience		
Core content	Risk Management	Procedures and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks		34
		The processes used by the entity to identify, assess, prioritize, and monitor climate-related opportunities, including whether and how the entity uses climate- related scenario analysis to help identify climate-related opportunity information	<ul> <li>Addressing Climate Change – Risk Management</li> </ul>	
		The extent and how entities integrate processes for identifying, assessing, prioritizing and monitoring climate- related risks and opportunities into and influencing their overall risk management processes		
	Metrics and goals	Climate-related metrics		35
		Industry indicators	<ul> <li>Addressing Climate Change – Metrics &amp; Targets</li> </ul>	
		Climate-related targets		

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## **TCFD** Index

Core Elements		Recommended Disclosures	Location Page
	Disclose the organization's governance of climate-related risks and opportunities	<ul> <li>Describe the Board's oversight of climate-related risks and opportunities</li> </ul>	Addressing 28     Climate
Governance		<li>b) Describe management's role in assessing and managing climate-related risks and opportunities</li>	Ohanna
	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	<ul> <li>a) Describe the climate-related risks and opportunities identified by the organization in the short, medium, and long term</li> </ul>	
Strategy		<li>b) Describe the impact of climate- related risks and opportunities on your organization's businesses, strategic, and financial planning</li>	Addressing 29-33     Climate     Change –
		<li>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</li>	Strategy
	Disclose how the	<ul> <li>a) Describe an organization's process for identifying and assessing climate-related risks</li> </ul>	
Risk Management	organization identifies, assesses,	<li>b) Describe the organization's processes for managing climate-related risks</li>	Addressing 34     Climate     Change     - Risk
	and manages climate-related risks	<li>c) Describe how the process of identifying, assessing, and managing climate-related risks is integrated into an organization's overall risk management</li>	Management
		<ul> <li>a) Disclose the metrics used by organizations to assess climate-related risks and opportunities in accordance with their strategy and risk management processes</li> </ul>	
Metrics and Targets		<li>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</li>	Addressing 35     Climate     Change –     Metrics &
		<li>c) Describe the targets used by the organization to manage climate-related risks and opportunities, and how performance against targets</li>	Targets

## **TNFD** Index

Core Elements		Recommended Disclosures		Location	Page
Governance	Disclose organizational governance around nature- related dependencies, impacts, risks and opportunities	A.	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	• Biodiversity Protection – Governance	50
		В.	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities		
		C.	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities		
	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material	Α.	Describe the nature-related dependencies, impacts, risks, and opportunities identified by the organization in the short, medium, and long term	-	50-52
Strategy		В.	Describe the effect of nature-related dependencies, impacts, risks, and opportunities on an organization's business model, value chain, strategic and financial planning, as well as any transition plans or analysis in place		
		C.	Describe the resilience of an organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios		
		D.	Disclose the location of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations		
	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities	Α.	<ul> <li>(i) Describe the organization's process for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations</li> </ul>	<ul> <li>Biodiversity</li> </ul>	
Risk & impact		Α.	(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)		53
management		В.	Describe an organization's process for monitoring nature-related dependencies, impacts, risks, and opportunities		
		C.	Describe how processes for identifying, assessing, prioritizing, and monitoring nature-related risks are integrated into and inform the organization's overall risk management process		
	Disclose metrics and targets used to assess and manage nature-related dependencies, impacts, risks and opportunities	Α.	Disclose the metrics used by the organization to assess and manage significant nature-related risks and opportunities, in accordance with its strategy and risk management processes	Biodiversity Protection - Metrics & Targets	53
Metrics & targets		В.	Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature		
		C.	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these		

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## **Independent Assurance Reports**



verification statement No. CN-202404-CSR-02

#### TUVNORD

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verification statement No. CN-202404-CSR-02

#### TUVNORD Assurance Conclusion

The 2023 Environmental, Social and Governance Report prepared by TPV Technology Co., Ltd. objectively reflects the status and performance of the Company's sustainability performance in 2023. The data presented in the Report is reliable and objective, and TÜV NORD had not identified any systematic or material errors during the assurance, which indicates that the Report was prepared in accordance with the GRI Standards 2021:

- Accuracy: TPV Technology Co., Ltd. assess material issues "Product Quality & Safety, Climate & Energy, Human Rights & Labor Rights, Sustainable Supply Chain, Occupational Health & Safety" and other 22 material issues disclose the key performance of TPV Technology in 2023 from safety, environment, service, employees, society, and economy, and timely respond to the expectations of investors and other stakeholders; Qualitative or quantitative information is provided in sufficient detail, which demonstrates a certain accuracy;
- Balance: The Report discloses the number of complaints on products and services, employee turnover rate and other data, which demonstrates a certain balance;
- Clarity: the information in the Report is presented in a way that is easy to understand and clear through the forms of table of contents, graphs and comprehensive data tables, which demonstrates a certain clarity;
- Comparability: The Report discloses three-year environmental, economic and social performance data, such as GHG emissions, energy use, emissions, health and safety, human rights and welfare, sustainable supply chain, which ensure a certain completeness, timeliness and comparability;
- Completeness: TPV Technology Co., Ltd. has a number of manufacturing bases around the world. The Report discloses the Company's activities, events and impacts during the reporting period in various forms such as "2023 ESG Highlights", "Circular economy", "Biodiversity protection" and "Cases", which have certain completeness;
- Sustainability context: The Report includes "ESG Performance", "Highlight Performance", "Scenario analysis" and other forms. Data such as "CHG emissions, average energy-saving, energy-saving performances, water withdrawal" are disclosed, basically reporting the Company's impacts on the sustainability context;
- Timeliness: The Report includes information of the year 2023 by April 2024, and launched in April 2024 to provide timely information for readers' reference, which demonstrates good timeliness:
- Verifiability: The ESG department of TPV is responsible for collecting, recording, arranging and analyzing the information and process used in the preparation of the Report. The relevant departments of the sampled data during the assurance can provide traceability, and verifiabile performance, which demonstrates good verifiability.

#### TÜVNORD

#### Suggestion for Improvement

Through assurance and evaluation, we propose the following improvement suggestions on sustainability practice and management of TPV Technology:

- The Company operates a number of manufacturing bases globally. It is recommended to improve the balance and integrity of sample groups in the materality assessment;
- All relevant departments shall retain the evidence of data collection for in-depth verification, to
  ensure information traceability and efficiency of the assurance process.

#### Special Statement

- This statement excluding:
- The activity outside information disclosure;
- The position, idea, faith, object, future developing direction, and promise which stated by TPV Technology.

#### Statement of Independence and Competence

TÜV NORD Group is the world's leader certification authority in inspection, testing and verification, operating in more than 100 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training, environmental; social responsibility and sustainability report assurance. As one of the global branches of TÜV NORD Group, TÜV NORD (Hangzhou) Co., Lid affirms its' independence from TPV Technology and confirms that there are no conflicts of interest with the organization or any of its subsidiaries and stakeholders when conducting the assurance of the Report. TÜV NORD was not involved in any manner with TPV Technology, when the latter was preparing the Report.

TÜV NORD (Hangzhou) Co., Ltd

Audit team leader: Ms. Hao Lihong Date : 16.04.2024 The Authorized person: Mr. Song, Haining

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Note: In case of any conflict between the English and the Chinese versions of this statement, the Chinese version shall prevail.
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#### Verification Statement of ESG Report

TÜV NORD (Hangzhou) Co., Ltd. (TÜV NORD) was commissioned by TPV Technology Co., Ltd. (TPV Technology, TPV, the Company) to undertake independent third-party assurance of the TPV Technology 2023 Environmental, Social and Governance Report (the "Report").

TPV Technology is responsible for collecting, analyzing, summarizing, and disclosing the information in the Report. The assurance of TÜV NORD was conducted by the agreed scope of work as specified in the engagement agreement with TPV Technology.

This statement is based on the TPV Technology 2023 Environmental, Social and Governance Report. The responsibility for the integrity and authenticity of the information and data in the Report remains with TPV Technology.

#### Assurance Scope

The certification declaration is based on the following contents

- Economic, social and environmental indicators disclosed in the Report for the period from 1st January 2023 to 31th December 2023;
- The assurance was conducted online, and did not visit the headquarter, subsidiary and any location of the Company;
- The Report's conformity of GRI Standards and data, cases and management of ESG performance:
- · Evaluate the collection, analysis, and review of the data and information of the Report;
- As the economic data has been audited by a third party, no double audit will be done in this assurance.

The assurance was conducted from March 25th to 26th, 2024.

#### Assurance Methodology

#### The assurance process includes the following activities:

- · Review the document information provided by TPV Technology;
- Interview the person who collected the Report information;
- Verify the data and information by referring to related websites and media reports through a sampling method;
- In accordance with the GRI Standards "GRI 1: Foundation 2021", "GRI 2: General Disclosures 2021", "GRI 3: Material Topics 2021" to evaluate accuracy, balance, darity, comparability, completeness, sustainability onthe t, timeliness, and verificability of the Report;
- Comply with the AA1000 Assurance Standard (AA1000AS V3) and the TÜV NORD's Implementation Rules for Reporting Verification.

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## Acknowledgement

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

Jason Hsuan, Mark Chen, Jane Huang, Wen Huang, Michael Zhang

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### **Reporting Team**

Betty Wei, Jianxia Gu, Jingwen Fu, Jade Ji

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