

A LIFETIME CARE FOR CUSTOMERS

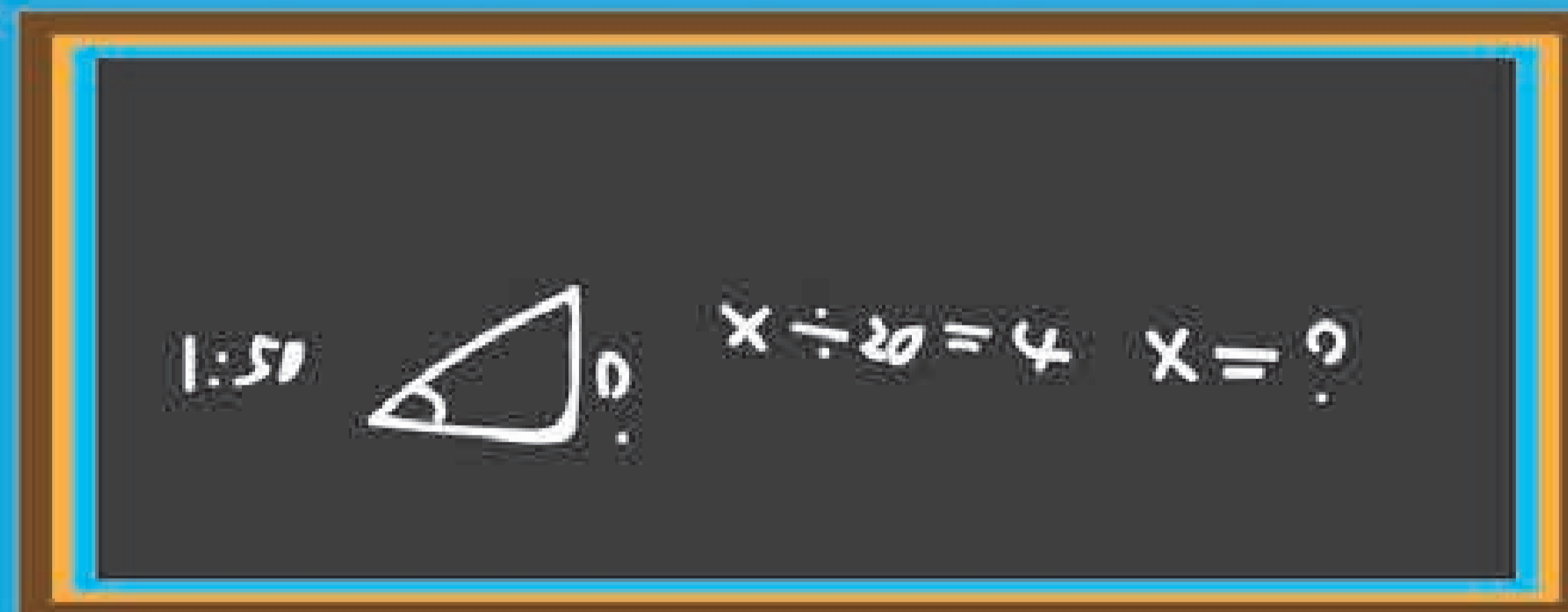
Chairman and CEO of TCL Corporation, Mr. Li Dongsheng, set an example. Following him, in the largest customer care campaign in the history of Chinese color TV, tens of thousands of professional TCL engineers and staff members paid one-on-one visits to countless regular customers to provide them with onsite technical support. In TCL's follow-up service, TCL employees effectively accomplish their mission statement of a "lifetime service". "High quality. Crisp display. Boundless design. Trustworthy technology!" are the reasons behind Zhang Ruoqiang's continued support of TCL for over a decade.



Mr. Zhang, an enthusiast of Chinese calligraphy took up the brush and wrote down the TCL slogan "The Creative Life" as a gift to Mr. Li.



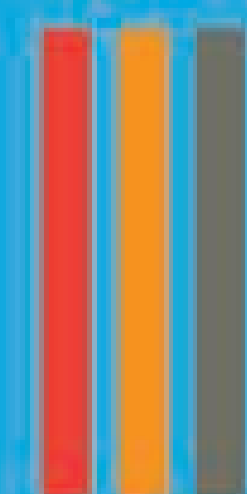
TCL



TCL HOPE PROJECT CANDLELIGHT AWARD

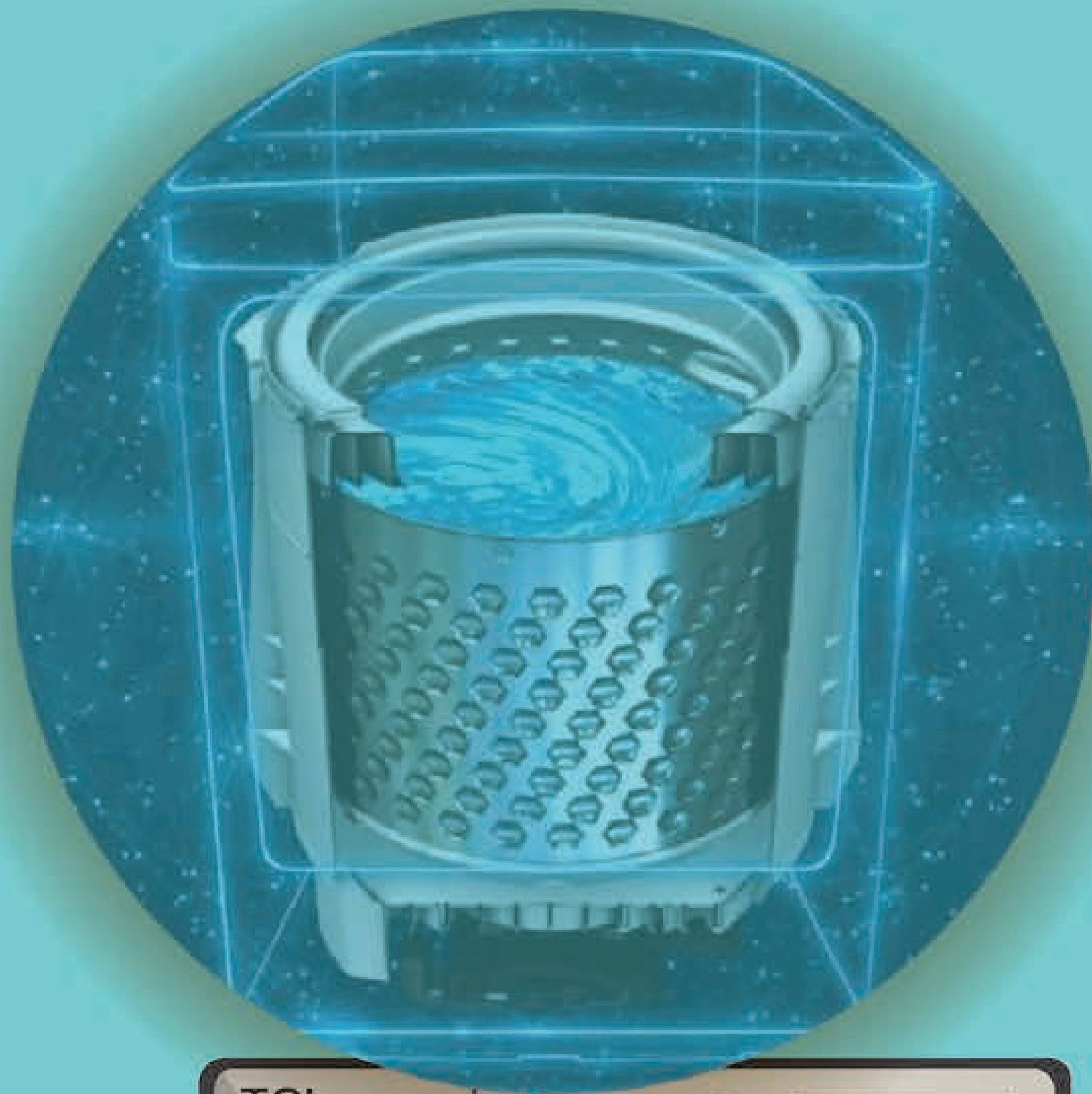
In 2016, the third "TCL Hope Project Candlelight Award" was held in honor of 400 teachers from rural areas of 23 different provinces of China. It encourages young teachers to actively relocate to rural areas and assist those who are less well-off by teaching at the elementary and secondary levels. We believe that education is the clue to poverty alleviation. The Outstanding Contribution Award winner, Mr. Yu Guo'an, was inspired by his own teacher when he was little, and had been striving to become a great teacher himself ever since. Unfortunately, after only 4 years of teaching, Yu was involved in a severe accident that put him in a wheelchair for the rest of his life. Even though the incident impaired Mr. Yu's body, it did not break down his spirit to teach. "Life is strong, yet fragile." He said, "Different jobs come with different responsibilities. Some people muddle along while others devote themselves and live up to their duties. These folks do everything possible, and achieve extraordinary results from ordinary environments."

Mr. Xu Guo'an's great passion for teaching



TWO YEARS OF DEVOTION TO OUR CUSTOMERS' HEALTH

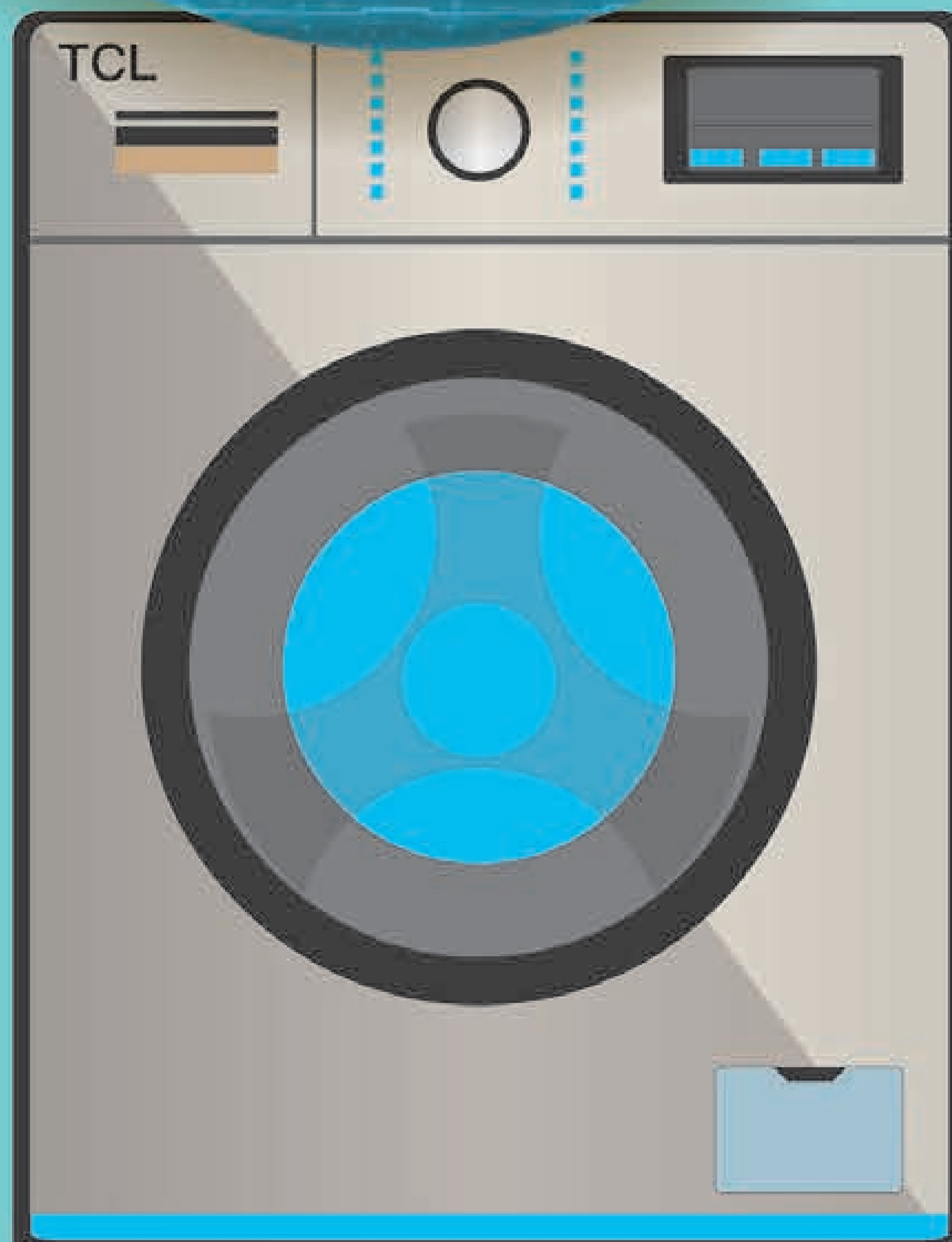
The accumulation of dirt and grime in and around the drum of a washing machine has been a recurring problem. After long periods of use, bacteria, lime scale and rust will collect around the space between the washer drum and other inner components, resulting in secondary damage to the washer unit. Keeping the washer clean and healthy has always been a daunting challenge to TCL. "Two years of research, countless failures, over 1000 machines discarded simply during the process of testing the reliability..." – our researchers came up with dozens of potential solutions and finally got an inspirational idea from the nametags given to our employees, and subsequently designed an easy-wash, easy-remove pulsator kit. In 2016, the tests carried out by the China Home Appliance Research Institute (CHEARI) showed that TCL's dirt-free washing machine can filter out up to 99.88% of microbes after a regular wash cycle. After the first rinse, the washer is capable of removing 99.76% of microbes, and up to 99.99% after the second rinse. Evidently, TCL's dirt-free washing machine is capable of effectively preventing microbes from accumulating on clothes inside the washer and on the drum component. This demonstrates how we help bring about a brand-new, healthier way of life to our consumers.



TCL

2016 社会责任暨可持续发展报告

2016 SOCIAL RESPONSIBILITY REPORT



STAR

01

Opening 001

Reporting Specifications
Message from the Chairman
Message from the CSR Innovation Center Director

02

About TCL 004

Overview
Development of 35 years
Corporate Culture
Economic Performance in 2016

03

Milestones 014

04

Governance of Responsibilities 017

Social Responsibility Management
Analysis of Substantial Issues
Stakeholders Communication

05

Corporate Governance 022

Protection of Investors' Rights and Interests
Regulatory Compliance
Risk Control
Anti-Corruption
Information Security Management

06

Customers First 028

Continuous Technological Innovation
Ensuring Product Quality
Devoted to our Customers

07

Facilitating Staff Development 042

Safeguarding Employees' Rights and Interests
Health and Safety
Employee Development
Employees' Life

08

Forging a Responsible Industry Chain 073

Management of Suppliers to Production
Management of Suppliers of Materials Not Related to Production
Collaborative Development Along the Industrial Chain

09

Building a Harmonious Environment 080

Improving the Environmental Management
Environmental Emergency Management
Advancing Green Production
Green Packaging and Logistics
Promoting Circular economy
Environmental Protection Awareness Raising
Promoting a Green Office

10

Fostering social welfare 102

Supporting Public Welfare
Creating Shared Values
Creating a Volunteer Service Platform

11

Appendix 111

Further Outlook
Key Performance Forms
Index
Reader's Feedback

REPORTING SPECIFICATIONS

REPORTING PERIOD

This report covers the time range from January 1st to December 31st of 2016. To raise the database integrity, certain numerical data were taken from reports outside of this time range.

REPORTING SCOPE

This report includes information from TCL Corporation and its affiliates.

DATA EXPLANATION

The numerical data and case studies appearing in this report are taken from official documents, statistical reports, as well as summaries and other data referring to the CSR performance of TCL Corporation.

REPORT PUBLISHING CYCLE

This is an annual report published simultaneously with the annual TCL Group Report. TCL has published 9th CSR annual reports as of this year, with the last report published in April 2016.

REFERENCE STANDARDS

- Global Reporting Initiative (GRI) "Sustainability Reporting Guidelines"
- United Nations Global Compact 10 Principles
- International Organization for Standardization "Guidance on Social Responsibility ISO 26000"
- China Academy of Social Sciences (CASS-CSR 3.0)
- Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies
- Hong Kong Stock Exchange Ltd. Environmental, Social and Governance (ESG) Reporting Guide
- Opinions of China Securities Regulatory Commission (CSRC) on "Giving Play to the Capital Market to Serve the National Poverty Alleviation Program"

LANGUAGE AND AVAILABILITY

This report is released in Chinese and English. You may sign in to our official website www.tcl.com to download an electronic copy of this report and for additional information regarding CSR at TCL.

CREDIBILITY

TCL Group guarantees that there are no false records or misrepresentations present in this report.

REVISIONS TO PREVIOUS REPORTS

None

MESSAGE FROM THE CHAIRMAN

Dear readers,

Following the reform and opening up of China, TCL has undergone monumental changes during the past 35 years. Throughout this period, we always firmly believed that industry is the backbone of the economy. We have honed the spirit of craftsmanship, supported the idea of Chinese corporates going global, adhered to our convictions and faced challenges head on. Our business has spread to over 160 countries and regions globally, and revenue surpassed the 100-billion RMB, mark for three consecutive years—with about half originating from foreign income—, while our brand value amounts to 76.569 billion RMB. We've maintained the 7th place in China's 100 top brands and have been the top brand among China's color TV industry for 11 consecutive years.

Amidst a stagnating economy and slow recovery, many developing countries are faced with various problems including poverty and hunger, as well as the threat imposed by climate changes and environmental pollution, which requires the joint efforts of the world to address. Corporates—especially those that are globalized and large in scale—are an absolute necessity to the development of society. We all know that being a responsible corporation, adhering to sustainable development is a rite of passage to sustainability. Since its establishment, TCL has abided by the idea of “assuming responsibility for the society and becoming an excellent corporate citizen” and has worked towards the economic development and advancement of society across the world.

Throughout the process of globalization, we put great emphasis on deeply rooting our development in overseas markets. We bring advanced industrial manufacturing techniques to foreign production bases and establish manufacturing plants and R&D centres there. Not only does this raise our corporate efficiency, it is also beneficial to the local economic development. We have established the largest overseas factory in Poland. We've raised our production efficiency drastically and lowered environmental pollution through the implementation of new projects including “lean manufacturing lines”, “automated unmanned packaging”, and “centralized components pre-processing station”, etc. Our factory in Poland created hundreds of employment opportunities. Many of our staff there are local residents with the longest standing employment over 13 years. This signifies our achievements made in localized development.

Thanks to the “One Belt One Road” Strategy, we have deepened our development of internationalization. This year, during the “China Railway Express” Ceremony jointly attended by both President Xi and President Duda, we were the only representative for Chinese corporates and we attended a series of events regarding China-Poland economic cooperation exchanges. Through the “China Railway Express”, we have shortened the transportation route of our components and products delivery drastically. Not only does this raise our efficiency, it also lowers carbon emissions and achieves a balance between economic development and environmental protection.

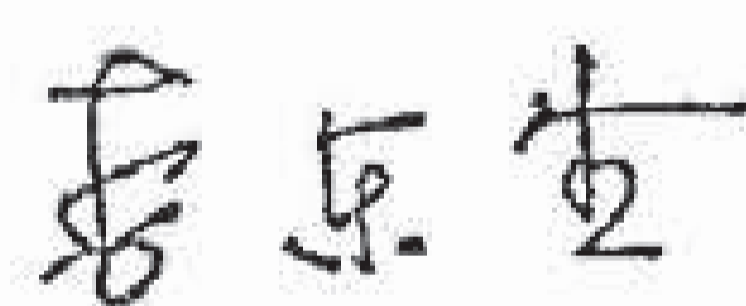
We value a win-win cooperation with the local businesses, and operate together with them through the establishment of joint venture companies. This year, TCL Multimedia officially entered the markets of Brazil and further South American countries. With

globally leading technology, we set up the joint venture SEMP TCL with SEMP, a leading enterprise of household appliances in Brazil. Our individual advantages complement one another, and we are able to meet a wider range of demands in the whole market, open up large numbers of job opportunities, and take in lots of professional talent and workers. We invested in community building in Latin America and established a system of shared benefits and mutual development with the locals.

During various international occasions such as the EU-China Business Summit, the India-China Business & Investment Forum, etc, we repeatedly announced our determination to be a global corporate citizen, giving basic evidence of this determination through our supply of smart home appliances and premium services to our customers. Furthermore, we set up corporate universities to help our employees develop, and have established ourselves as the best employer; we build green factories to develop a circular economy and provide environmentally friendly products; and we have established a non-profit foundation to increase public welfare.

Embracing the future, we will continue to fuel the spirit of “goals and belief, team and coordination, action and fulfillment, persistence and breakthrough”. We will enhance our core competence decisively and steadily, and continue to transform and innovate. We will conquer challenges and jointly develop along with our global partners. Meanwhile, we will also augment our contributions towards the economy, the society and the environment, and be an exceptional model corporate citizen!

Thank you everyone for your continued support for TCL during the past 35 years.



Li Dongsheng

Chairman and CEO
of TCL Corporation



MESSAGE FROM THE DIRECTOR OF THE CSR INNOVATION CENTER

Dear readers,

Following China's reform and opening up, TCL has undergone monumental changes during the past 35 years. In the light of the current global economic slowdown, with our national economy adjusting to this pace, TCL still strives to reach game-changing breakthroughs, to accelerate transformation and upgrades, and to forge ahead with our globalization strategy. Against the downward economic trend, we raise our competitiveness with the concerted efforts of over 70,000 employees.

In 2016, we continued to raise our core capabilities through building a new business model strategy — the “double +” strategy integrating “smart + Internet” and “products + services” — and opened up opportunities for advanced manufacturing upgrade. Under China's “One Belt One Road” Strategy, we have expanded our business distribution and exploration throughout the global market. Our global sales of TV sets and cellphones ranked 3rd and 8th respectively, and our domestic sales of air conditioners, washer units, and refrigerators ranked 5th, 9th, and 6th respectively. Our operating income amounted to 106.47 billion RMB, of which approximately 50% can be attributed to foreign income, resulting in a net profit of 2.14 billion RMB. Our brand value amounted to 76.569 billion RMB, and remained 7th in China's top 100 brands and for 11 consecutive years.

While pushing forth for the continued growth and development of our corporation, TCL — since its establishment 35 years ago — has abided by the idea of “assuming responsibility for the society and becoming an excellent corporate citizen”. We have shouldered the responsibility of taking care of our clients, employees, shareholders, the environment, and the society. As indicated in the Blue Book of Corporate Social Responsibility (2016), TCL ranked first in CSR development indices among domestic manufacturers of home appliances in 2016. This year, TCL established a Corporate Social Responsibility (CSR) Innovation Centre, and we will further integrate the management and implementation of CSR within our corporate strategy.

Our users are the essential breeding ground to our survival and development. Throughout today's brand-new period of our business transformation, we actively discover and satisfy the demands of our customers. In 2016, our products and services earned much honorable reputation both in and out of the country. For example, the two Product Technical Innovation Awards won during the 2016 Internationale Funkausstellung Berlin (IFA) fly the flags for our black and white household appliances; the China Consumer Report lists TCL as an “advanced organization that provides quality service”; and the China Electronics Service Industry's assessment places TCL as a “customer satisfaction brand”.

TCL Group is constantly optimizing its vocational training and management system to attract more talent. We offer a system of guaranteed benefits and equal development opportunities, encourage additional exchanges and interactions between managers and employees, and establish a solid knowledge base and united workforce for the cultivation of high-caliber personnel in all fields.

As of 2016, TCL won Asia's Best Employer Brand Award for 5 consecutive years, and obtained the 2016 China Talent Management Example Enterprises Award, as well as the honorary title of China's Best Corporate University.

Being one of the largest domestic manufacturers of home appliances, TCL leads the ranks among other enterprises in regards to environmental control and energy saving qualities of products. Our sister brands have all passed the environmental management system ISO14001. TCL has always incorporated the concept of saving energy and reducing emissions into its product design, and continues to optimize its environmental management system. We have also established an “Environmental Science and Technology Company” primarily for the reuse and disposal of waste and old appliances, in order to contribute to the development of a circular economy.

We spare no effort in encouraging elementary and secondary education and popularizing social welfare. We have already donated to 50 hope elementary schools in poverty-stricken areas of China. The “Huameng Foundation” — a special fund developed under the China Youth Development Foundation — was also the first individual corporate fund since the establishment of Hope Project in 1989. As of today, it has successfully provided funding for over 800 poor students with strong academic capabilities, and helped them graduate from high school to enter universities. The TCL public welfare fund established in 2012 was the first public welfare fund among China's consumer electronics enterprises. The fund initiated the “TCL Hope Project Candlelight Award” and plans to invest over 200 million RMB in the course of five years, to encourage and award excellent rural teaching staff who have lived up to their responsibilities as great teachers.

Embracing the future, we will keep up our spirit of endurance through “goals and belief, team and coordination, action and fulfillment, persistence and breakthrough”. We will enhance our core competence decisively and steadily, and continue to transform and innovate. We will conquer challenges and seek perfection in every aspect. We will provide an exceptional experience for our clients through our products and services. Meanwhile, we will also augment our contributions towards the economy, the society and the environment, and be an exceptional model corporate citizen!

Thank you everyone for stay with TCL during the past 35 years!

Wei Xue

Vice President of TCL Corporation



2

ABOUT TCL

OVERVIEW

DEVELOPMENT OF 35 YEARS

CORPORATE CULTURE

ECONOMIC PERFORMANCE IN 2016

TCL PROFILE



OPENING



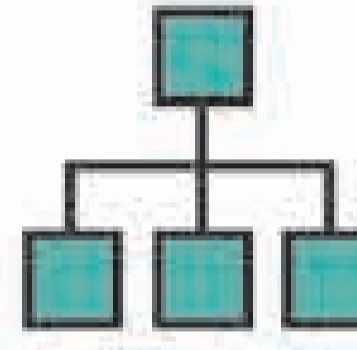
ABOUT TCL



MILESTONES



GOVERNANCE
OF RESPONSIBILITIES



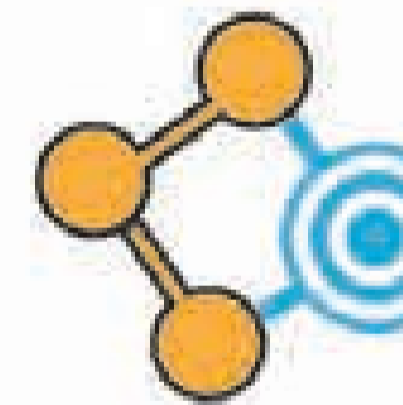
CORPORATE
GOVERNANCE



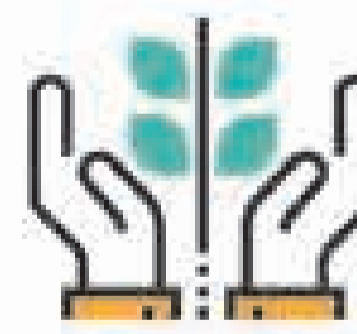
CUSTOMERS FIRST



FACILITATING
STAFF DEVELOPMENT



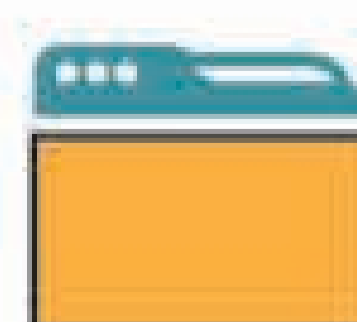
FORGING A RESPONSIBLE
INDUSTRY CHAIN



BUILDING A HARMONIOUS
ENVIRONMENT



FOSTERING SOCIAL
WELFARE



APPENDIX

OVERVIEW

TCL Multimedia Technology Holdings Limited (hereinafter referred to as “TCL Group”, “TCL”, “the corporation” or “we”) was founded in 1981 with its headquarters in Huizhou, Guangdong. TCL is a globalized manufacturer of smart products and provider of Internet application services. TCL Corp. is listed on the Shenzhen Stock Exchange (SZ. 000100) with three subsidiaries: TCL Multimedia (01070.HK), TCL Display (00334.HK) and Tonly Electronics (01249.HK); Highly Information is listed on the New Third Board.

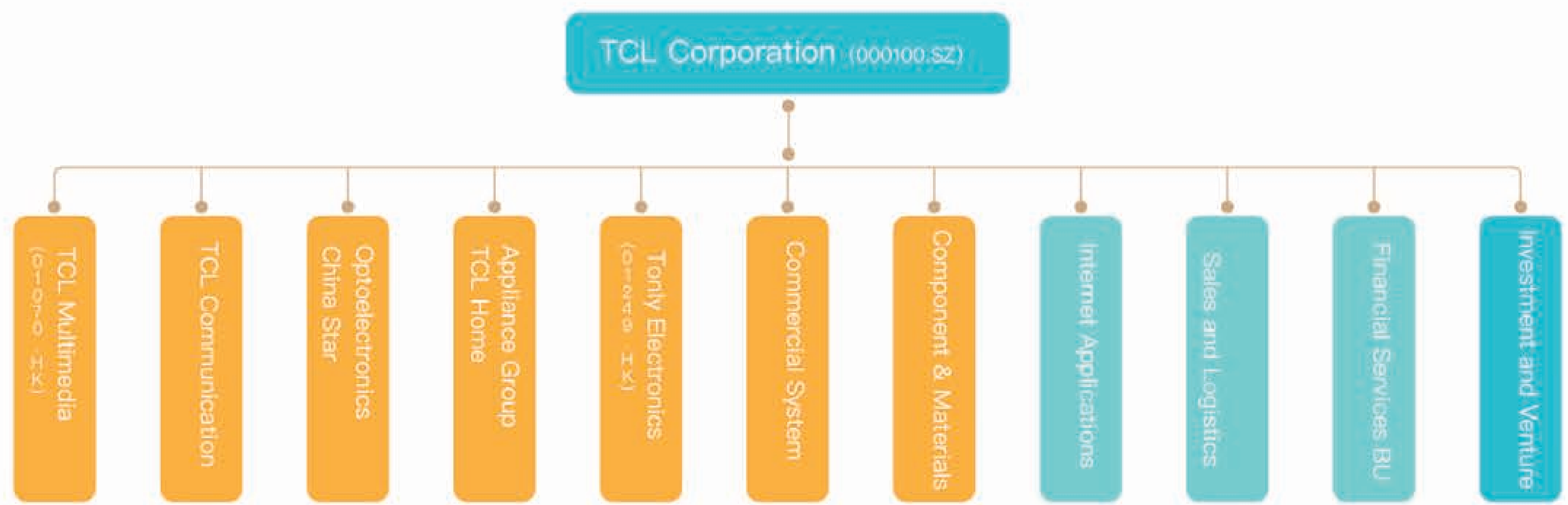
Since its foundation, TCL has been actively shouldering benefit related responsibilities. TCL adheres to the guiding principle of “Helping the Country Prosper through Entrepreneurship”, constantly enhances R&D and production capacity and, thus, the technological level, to lead industrial innovation. Meanwhile, TCL also follows to the path of “Chinese Businesses Going Global”. Through advanced technology and business management, TCL generates value from the joint efforts of its employees and partners around the world. At present, TCL has about 79,000 employees, 2500 of whom work outside China. It has established 23 research centers and 21 manufacturing bases, among which most are located in Zhongkai, Huizhou, with suppliers from the surrounding areas. TCL maintains sales offices in over 80 countries and regions; business spreads to over 160 countries and regions. This shows TCL’s great contribution towards the global economic development and social stability. To facilitate a long-term sustainable development for

the company, maximize the benefits of shareholders, and optimize the company’s business layout on a macro level. TCL Industry Holdings Limited privatized its holding subsidiary, TCL Communication Technology Holdings (HK) Limited (an HKSE listed company, Stock Code 02618.HK). After privatization, TCL Communication became a wholly-owned subsidiary and withdrew its shares from the main board of the Stock Exchange.

In order to materialize our vision and provide customers with superb products and services, we have expanded our range of products to include TVs, refrigerators, washing machines, air conditioners, mobile phones and various smart electrical appliances. We provide a package of solutions for smart homes, striving to satisfy whatever needs our customers may have. Moreover, we offer services in the fields of finance, Internet application, sales and logistics in an all-round service system.

While realizing economic value, TCL has been just as committed to sustainable development and win-win results that benefit both business development and ecological conservation. We invest a significant human capital and material resources into the development of green products. Throughout our production, we steadily advance the construction of green and smart factories, reduce our corporate carbon footprint, invest in the construction of a circular economy and strive to establish a model for environmental protection.

As a responsible enterprise, TCL — while growing as a company — has never forgotten to give back to the society. Leveraging our prominence as a great company, we organized many activities to cultivate the innovative spirits of students. TCL also works with other institutions in a mutually enhancing manner to help build smart communities and improve people’s well-being. In addition, TCL constantly extends care and support to vulnerable groups. For example, TCL has established two special funds to provide tailored aid to poor students and teachers in remote areas, which gives a boost to China’s education sector.



DEVELOPMENT OF 35 YEARS

1981 Establishment of a joint venture
Start-up in the audio tapes business



1993 Entering into the color TV market with large screens

Entering into the color TV market with large screens, became a leading position in the industry

2011 Excellence in vertical supplier chain integration

China Star Optoelectronics Technology Co., Ltd. (CSOT) officially launches production in the framework of the first phase of its "8.5 Generation Liquid Crystal Panel Project" and occupies the leading position in the industry in terms of efficiency

2015 Adjustments to the existing industrial and business structure

Now, the main operations and enterprises of the Group are differentiated by the three sectors products, services, and venture and investment



1981

1985

1993

2000

2011

2014

2015

2016

1985 Advancement into the telephone business

Within five or six years, TCL occupies half of China's market for telephone equipment

2000 Start of internationalization

Gradual expansion from trial points in neighboring countries to large-scale transnational mergers boost an upsurge and make TCL a pioneer among Chinese enterprises through its fairly high degree of internationalization



2014 Strategic Transformation

Launch of the "Double+" strategic transformation, with "Intelligent + Internet" as points of origin, and "Products + Services"

2016 complete overall industrial layout

Establishment of our 11th Generation TFT-LCD and AMOLED New Display Production Line Project. The set-up of a buy-out/buy-in industrial merger fund and the focus on concepts such as TMT, Industry 4.0, and Made in China 2025

35 YEARS OF TCL

At the very beginning, TCL was a small factory producing audio tapes. After 35 years of development, it has grown into a large corporation with four listed companies and branch offices all over the world. It is our corporate spirit, namely dedication, integrity, teamwork and innovation, that brought us to where we are today.

35 years of achievement,
 35 years of hardship,
 An unchanged vision,
 a mindful promise,
 Superb products and services demonstrate the finest in industrial technology and attract the world's attention.
 12,775 days and nights to make us what we are -- the committed.
 We cannot quantify our dream, but we know our belief is unbudgeable.
 We want transformation and breakthroughs, not to show off, but to make simplicity the ultimate sophistication.
 I am a part of TCL, one among thousands, pursuing innovation, sparing no pains, only to better myself.
 35 years of our original vision guiding steady progress.
 35 years of TCL: The Creative Life!

4K2K Full HD
 World's largest
 110-inch TV
 3D LCD TV

China's first
 quantum dot TV



CORPORATE CULTURE

Corporate Philosophy



VISION

Provide superb product and service experiences to our users

SPIRIT

Dedication – Integrity – Teamwork – Innovation

MISSION

Deliver value to our users, create opportunities for employees, provide earnings for shareholders, and shoulder responsibility for the society

VALUES

User-orientation – Innovation and Openness – Cooperation and Sharing – Integrity and Accountability

STRATEGY

Improve technological, industrial and global competencies to enhance Internet application service capacities.



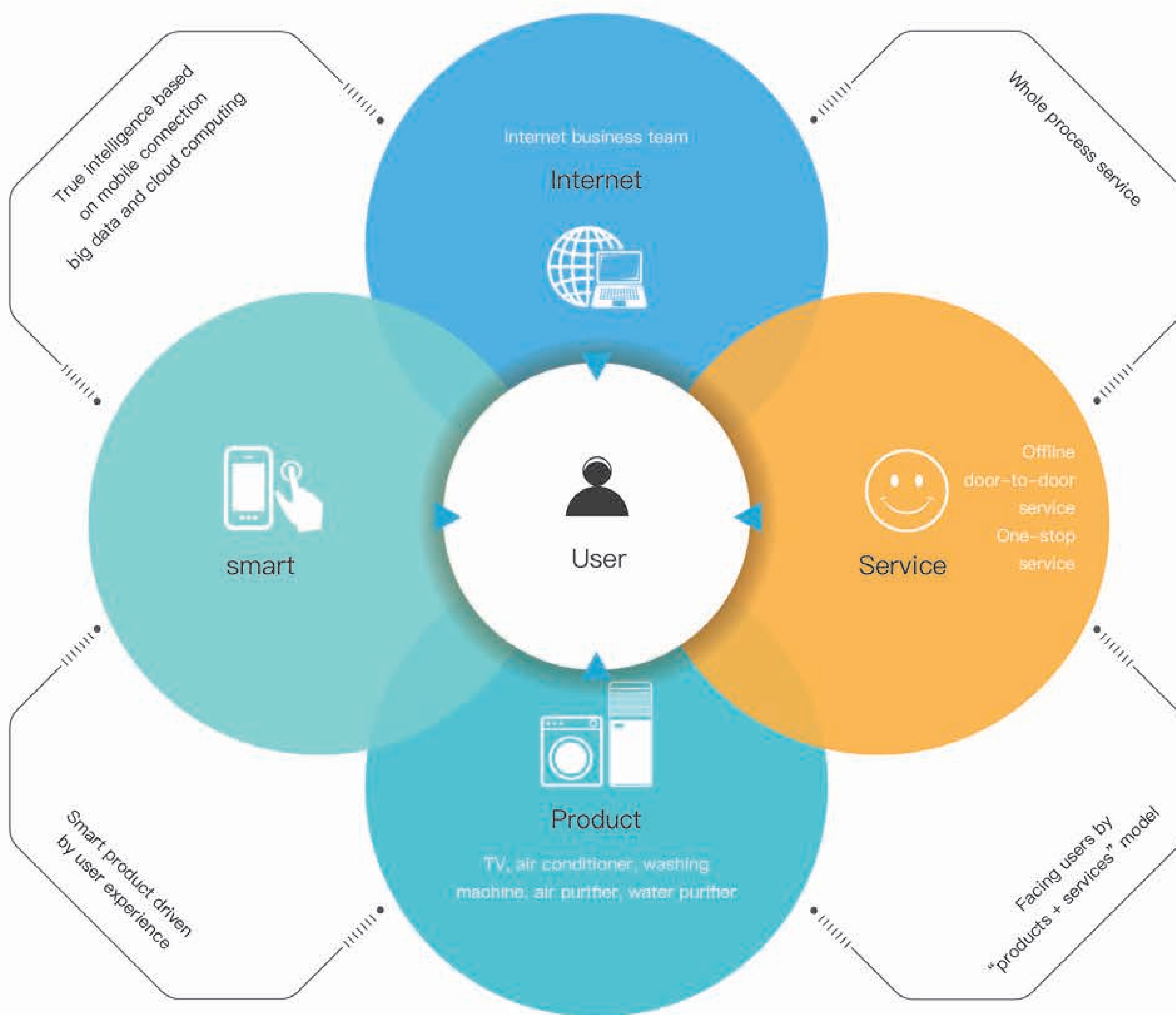
BUSINESS STRATEGY

“Double+” Strategic Transformation

Recently, the Internet and smart hardware have entered various areas of production and life. Increasingly smart machines, Internet and interactive experiences are shaping a brand-new social phenomenon.

TCL is deeply aware of the significant transformation that the Internet and artificial intelligence can bring to society, and wants to take this instance as an opportunity to create a better life for the whole world.

“Double+” Strategic Transformation



NEW PEAK OF GLOBALIZATION

Opening

About TCL

Milestones

Corporate Governance

Customers

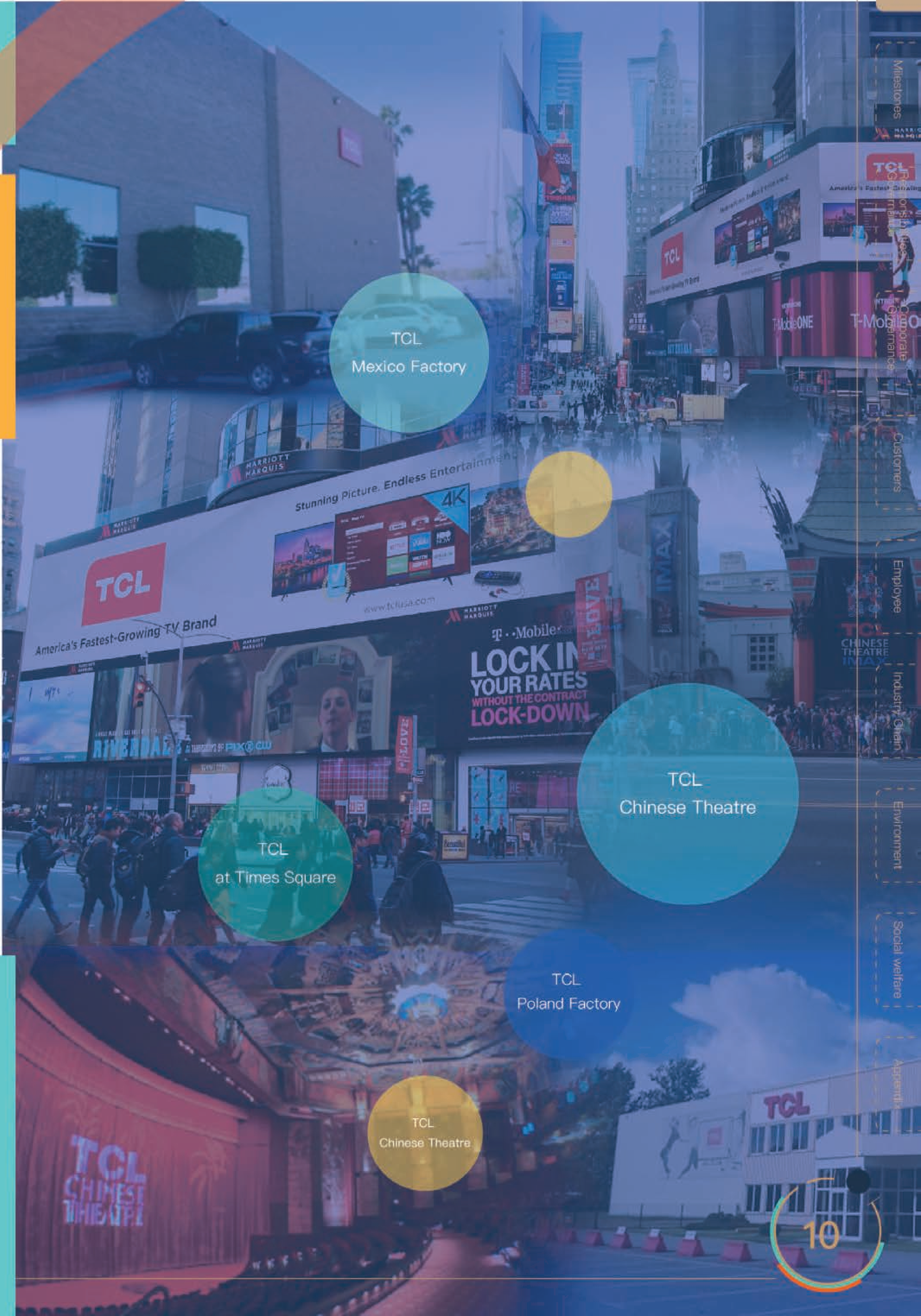
Employees

Industry Chain

Environment

Social Welfare

Appendix



TCL
Mexico Factory

TCL
Chinese Theatre

TCL
at Times Square

TCL
Poland Factory

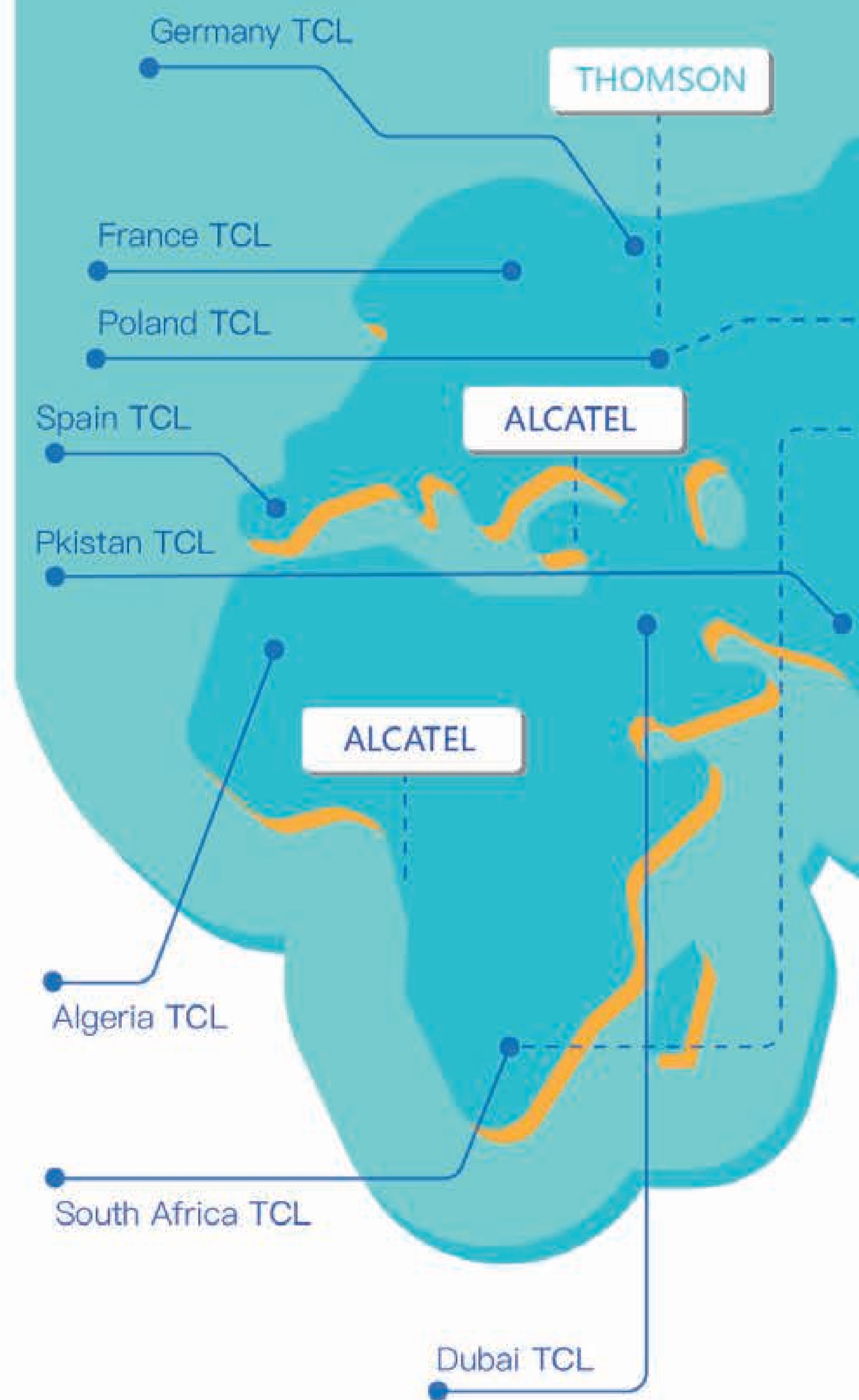
TCL
Chinese Theatre

NEW PEAK OF GLOBALIZATION

As one of the pioneers in Chinese business internationalization, TCL has established a brand image with considerable international influence emanating from a diversified industrial structure.

Throughout the process of internationalization, all TCL action is geared towards “Win-Win” achievements, with “Locally Anchored” being the underlying strategy for development; TCL is engaged in R&D, introduces advanced manufacturing technologies to local industries, shares excellent managerial experience with partners, and hires local employees for production, operation and management. These practices have enabled TCL to serve users across the world while also making significant contributions to the economic development of local areas.

With the opportunities made possible through the national “One Belt, One Road” economic strategy, TCL has formulated a roadmap for a new wave of globalization. Implementing a strategy of “Business Unit Coordination and Brand Orientation”, TCL continues to consolidate and strengthen its presence in the existing market. At the same time, TCL will also seek market penetration in South Asia, South America and other key emerging markets. While exploring these new markets, TCL will cooperate with locally anchored businesses, share superior resources, make its products and services accessible to even more users, and push internationalization to a new level.



TCL embarks on the China–Europe Railway Express supporting the “Belt and Road” initiative

In June 2016, the first China–Europe Express arrived in Poland within the framework of the “Belt and Road” initiative.

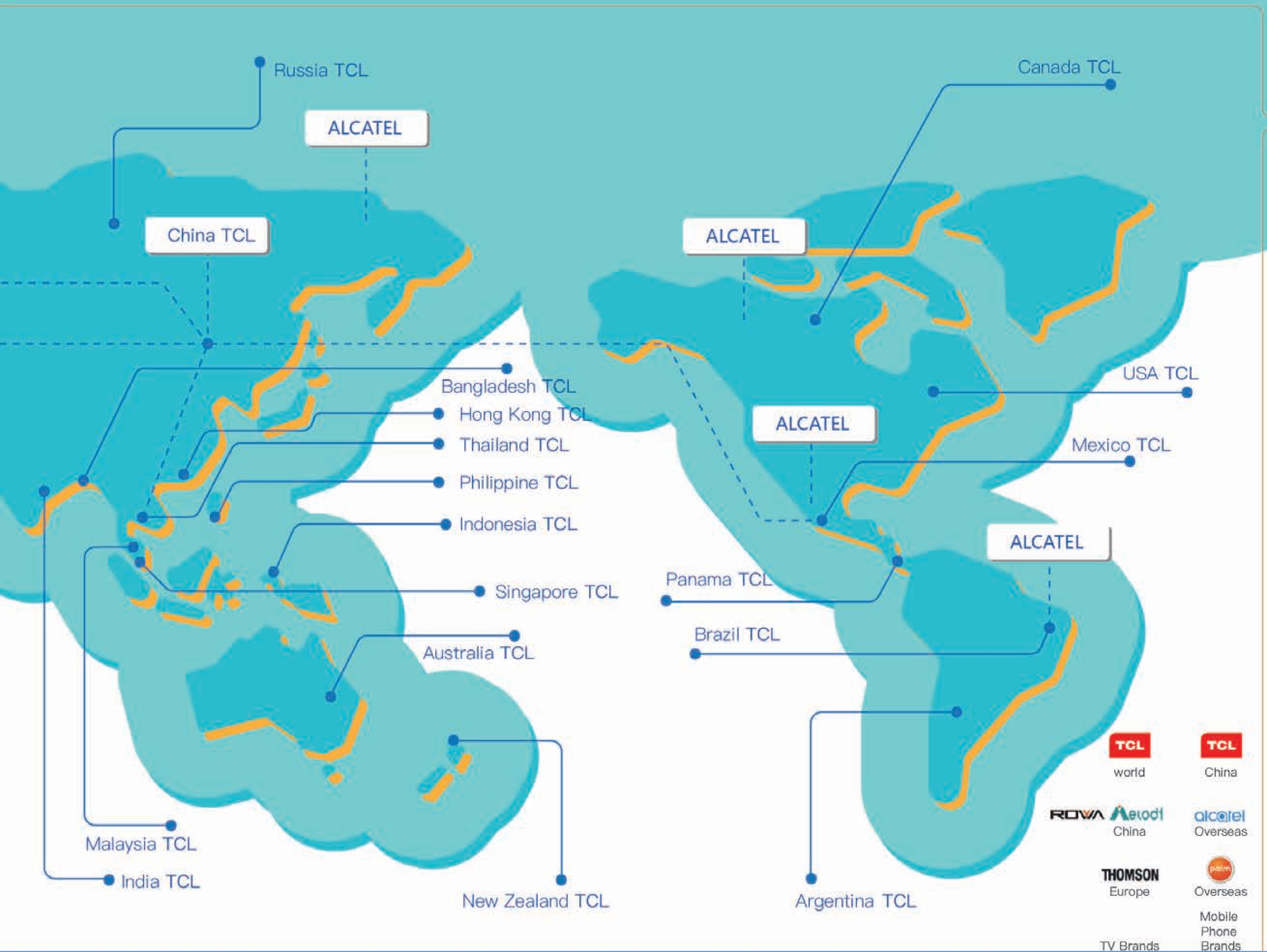


China



In response to China's appeal for economic development along the traditional Silk Road, TCL made active use of the Express by shipping raw material and components.

They can now reach Frankfurt and Paris within one day, within three days, all of Europe is accessible. This represents an immense rise in efficiency and cuts the waiting time for customers.



Regarding the source of supply, TCL accounts for 80% , more than 400 chests of electronic components.



↓ And this contributes to a 50% of greenhouse gas emission

- Starting
- About TCL
- Milestones
- Responsibilities
- Corporate Governance
- Customers
- Employees
- Industry Chain
- Environment
- Social welfare
- Appendix

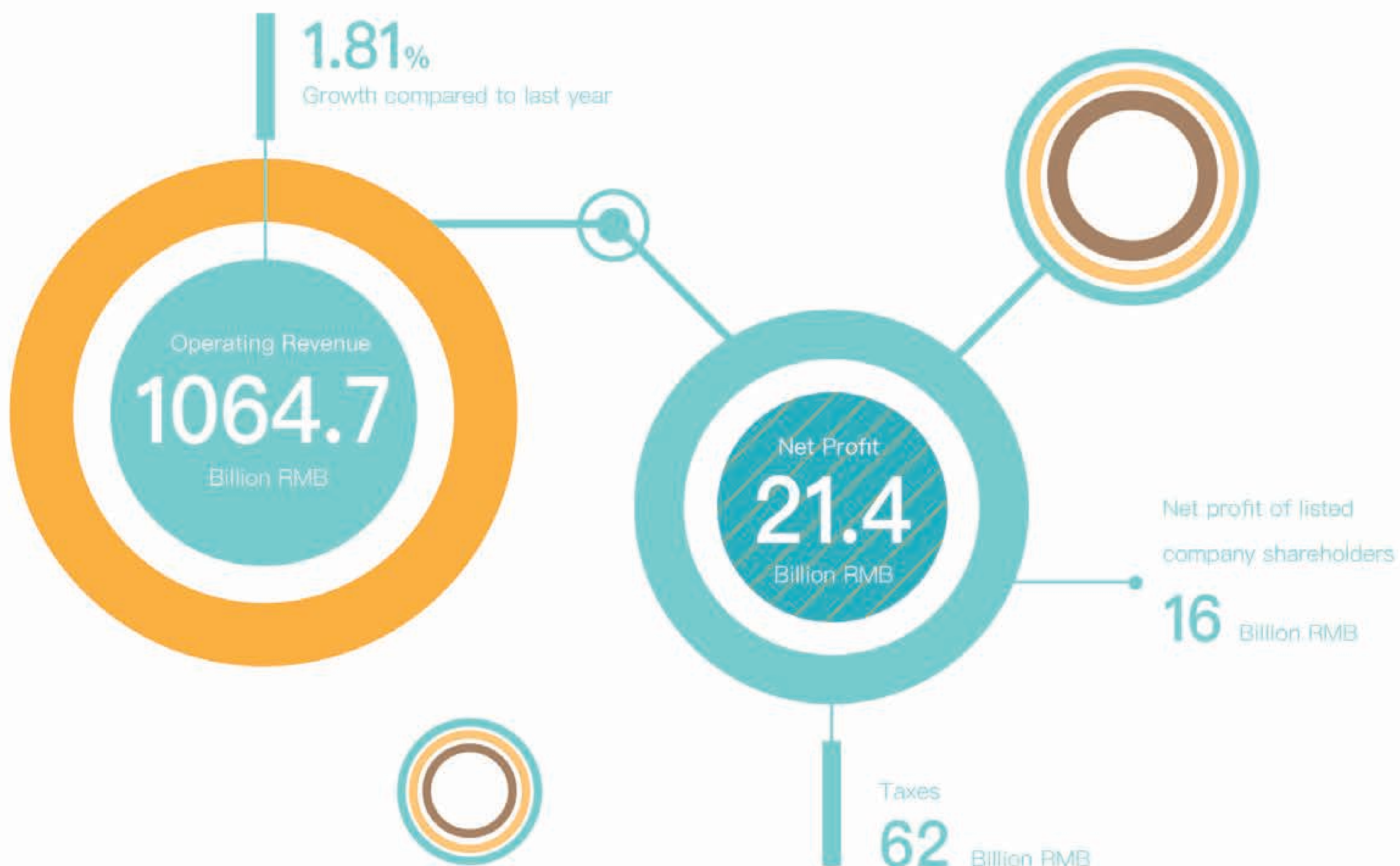
EXPLORING EMERGING MARKETS



Chairman LI Dongsheng conversing with an Indian investor

In 2016, TCL made significant strides in exploring emerging markets. TCL worked with Mobilink, Pakistan's largest telecom operator, to launch the Alcatel IDOL3 mobile phone and officially enter the Pakistani market. TCL also took up cooperation with SEMP, a leading business of home appliances in Brazil, to set up a joint venture, which further improves the international strategic layout of TCL. In addition, TCL established a team focused on analyzing the local market and industries of India. In 2016, during the Indian president's visit to China, this team participated in the "China-India Economic and Trade Investment Exchange Conference" and discussed the possibilities of in-depth cooperation.

ECONOMIC PERFORMANCE IN 2016



3

MILESTONES



THE HONOR



OPENING



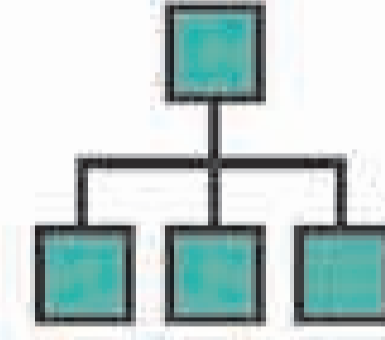
ABOUT TCL



MILESTONES



GOVERNANCE
OF RESPONSIBILITIES



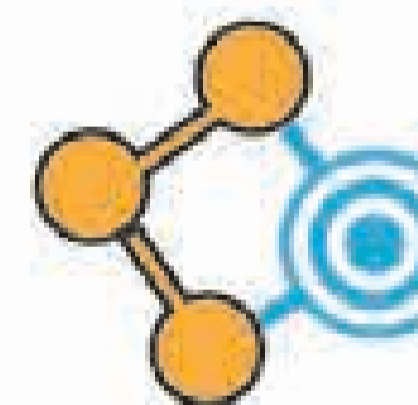
CORPORATE
GOVERNANCE



CUSTOMERS FIRST



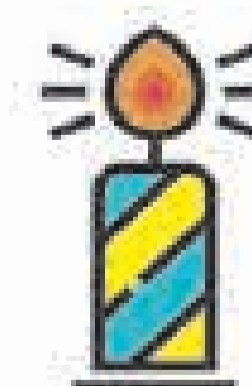
FACILITATING
STAFF DEVELOPMENT



FORGING A RESPONSIBLE
INDUSTRY CHAIN



BUILDING A HARMONIOUS
ENVIRONMENT



FOSTERING SOCIAL
WELFARE



APPENDIX

MILESTONES

TCL's QUHD quantum dot TV, Q65X1S-CUD, as well as TCL's dirt-free washing machine, XQM85-9005BS, receive the 2016 IFA Product Technical Innovation Award

January 2016

During the 7th "China Listed Companies Investor Relations Grand Award" summit awards ceremony held by the Securities Times, TCL is honored as "Best Board of Directors for Investor Relations" as well as "Excellent Secretary of the Board for Investor Relations"

April 2016

TCL Group receives the highest rating (A) in information disclosure evaluation among listed companies by the Shenzhen Stock Exchange, as published in a bulletin. A-level companies only constitute 20.62% of all listed companies

June 2016

March 2016

At its 2016 "3.15" event themed "Commitment to Product and Service Quality", the China Association for Quality bestows the title of "All-China Product and Service Quality Commitment Model Enterprise" on TCL

May 2016

Nine ministries and commissions including the National Development and Reform Commission and the Ministry of Education jointly appoint the "Tentative Selection of Enterprises for the National First Batch of 100 Top Innovators". The publication of the first batch of top innovative enterprises names 9 companies, with TCL Group as the only color TV enterprise

July 2016

TCL Group comes in 6th on the "2016 Top 100 Information Technology Enterprises of China" ranking released at a press conference by the China Information Technology Industry Federation

August 2016

For the fifth consecutive year, TCL Group is honoured with the "Asia Best Employer Brand Award". In this year's selection, multiple fields such as working atmosphere, the employee care system, and talent management within TCL Group were honourably mentioned by the evaluating committee for showing outstanding achievements

China Star Optoelectronics Technology Co., Ltd. (CSOT) is shortlisted for the 2016 Smart Manufacturing Trial Model Project of the Ministry of Industry and Information Technology, which makes it the first flat panel display manufacturer to receive a China Smart Manufacturing Trial Model Project

July 2016

At the grand ceremony for China's Top 100 in Enterprise Education, TCL University receives the title of "2016 China's Most Valuable Enterprise University"; Xu Fang, Vice-President of TCL Group, Executive Principal of TCL University, and Multimedia CHO, receives the "China Enterprise Training Craftmanship Award"

August 2016

At the IFA exhibition in Berlin, Germany, TCL Group receives two 2016 IFA Product Technical Innovation Awards for our black and white household appliances, making us the only enterprise to win a double award

September 2016

At the 20th "China Brand Building Model Golden Elephant Awards" ceremony of the 2016 "China Brand Value Management Forum", TCL reaps the "Best Event Marketing Model of the Year Award"

November 2016

In the 22nd Top 100 China Brand Value research report announcement, the brand value of TCL Group is stated as RMB 76.569 billion. TCL has been the top brand in China's color TV industry for 11 consecutive years

September 2016

At the 2016 Golden Censer Award Grand Ceremony of the China Air Purification Industry Leadership Summit organised by Sina Leju and directed by the Air Purification Equipment Committee of the China Association for Quality, TCL's air purifier obtains as many as three awards: a Golden Censer Award for the Top 10 of the Air Purification Industry, the Golden Censer Award for Technological Innovators in the Air Purification Industry, and an award as a Special Contributor to the Industry

January 2017

The 2016 Top 50 Enterprises for China Information Technology Industry Innovation Capacity ranking is published during the "Summit Forum of the 2016 China Information Technology Industry Development Congress" jointly held by the China Information Technology Industry Federation, China Electronics Chamber of Commerce and the China Software Industry Association; TCL Group ranks among the first ten

February 2017

September 2016

At the 2016 Agglomeration Development Congress, jointly held by the China Household Electronic Appliances Service & Maintenance Association and the China Electronics Chamber of Commerce, TCL's All The Way receives two awards in the categories "Customer Service Satisfaction Brand" and "Top 10 Internet Based Service Businesses"

October 2016

In the "Blue Book of the First China Social Responsibility Public Forum – 2016 Press Conference" directed by the Research Center for Corporate Social Responsibility of the Chinese Academy of Social Sciences and organized by the China Social Responsibility Public Forum, TCL ranks first on the CSR Development Index among Chinese-invested electric household appliances brands, while our curved-screen QLED entered the China Corporate Social Responsibility Blue Book as an innovation model

December 2016

At the award ceremony of the "Listed Companies' Board of Supervisors – Best Implementation Selection Event" jointly held by the China Association for Public Companies, the Shanghai Stock Exchange and the Shenzhen Stock Exchange, TCL Group receives a "Listed Companies' Board of Supervisors – Top 50 Active Advancers" award

February 2017

The "Green Supply Chain System Establishment for Color TV" of TCL Group is shortlisted on the 2016 Green Manufacturing Systems Integration Project Register published by the Ministry of Industry and Information Technology

4

GOVERNANCE OF RESPONSIBILITIES

SOCIAL RESPONSIBILITY MANAGEMENT
ANALYSIS OF SUBSTANTIAL ISSUES
STAKEHOLDERS COMMUNICATION

RESPONSIBILITIES



OPENING



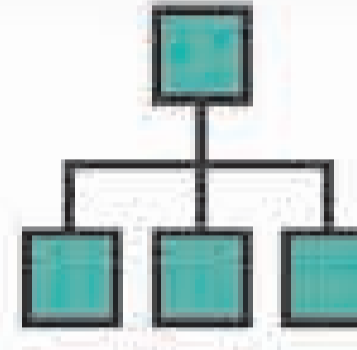
ABOUT TCL



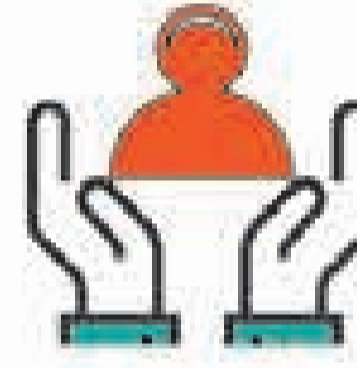
MILESTONES



GOVERNANCE OF RESPONSIBILITIES



CORPORATE GOVERNANCE



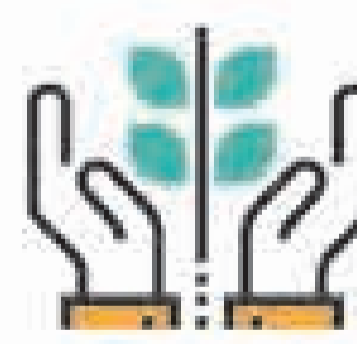
CUSTOMERS FIRST



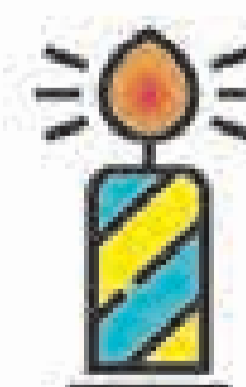
FACILITATING STAFF DEVELOPMENT



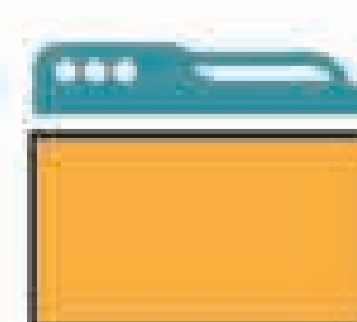
FORGING A RESPONSIBLE INDUSTRY CHAIN



BUILDING A HARMONIOUS ENVIRONMENT



FOSTERING SOCIAL WELFARE



APPENDIX

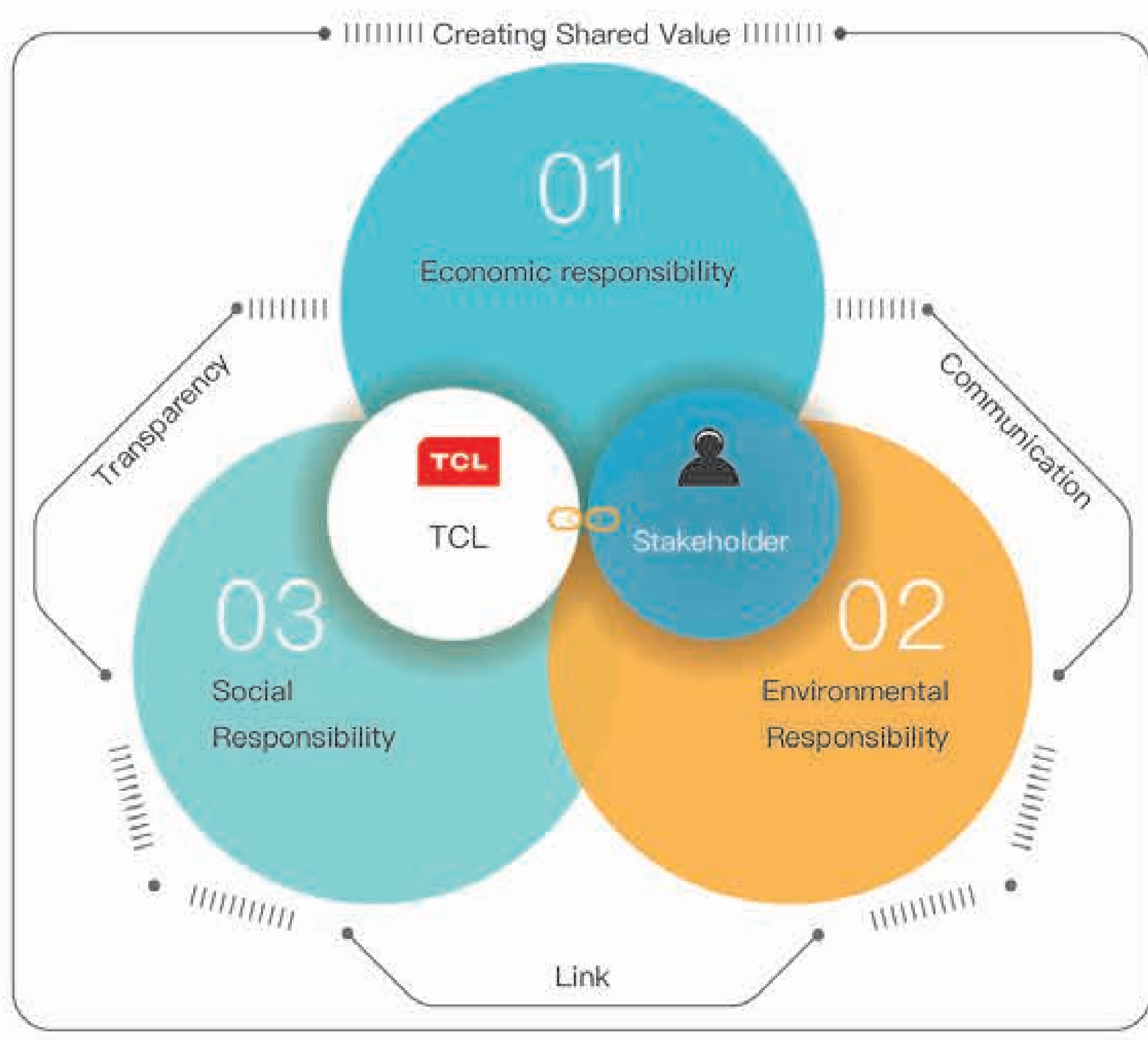


SOCIAL RESPONSIBILITY MANAGEMENT

TCL has always upheld the principle of “Assuming responsibility for the society and becoming an excellent corporate citizen”. Over more than 30 years of promoting sustained growth and development, TCL shouldered responsibilities for society by creating value for users, opportunities for employees, and profit for shareholders. TCL persistently engages in environmental, educational, cultural, and sports undertakings, all of which benefit our society.

• Social Responsibility Strategic Model

In order to achieve our goal of becoming an excellent corporate citizen, taking on responsibilities towards our stakeholders in a more systematic way, and making contributions to social stability, economic development and environmental protection, TCL excels through transparency, communication and connection. These business development practices have helped establish in-depth cooperation with stakeholders, created shared value with partners and built our customized social responsibility model.



Social Responsibility Strategic Model

• Corporate Social Responsibility (CSR) Innovation Center

The TCL Corporate Social Responsibility (CSR) Innovation Center, which was established in 2016, enables us to further explore paths for TCL to live up to our corporate social responsibilities and create value shared by business and society. It is directed by one of the vice presidents of TCL.



Fields of tasks of the TCL CSR Innovation Center cover

Material Issues Analysis

Material Issues Screening

A summary of more than

300

Taking common national and international standards for a reference

- Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI)
- ISO 26000 Guidance on Social Responsibility of the International Organization for Standardization
- China CSR Reporting Guidelines (CASS-CSR 3.0)
- Special industrial guidelines such as "Electronic Industry Code of Conduct"
- Benchmarking against the Sustainable Development Goals (SDG) of the United Nations

1

A dialogue with internal and external stakeholders, measured by impact on stakeholders and importance to the Group's development

Material Issues Selection by Stakeholders

Material Issues Classification

- Governance
- Products
- Services
- Environment
- Employees
- Society

2

In regards to those **28** issues, TCL Group invited internal and external stakeholders for prioritization

Material Issues Ranking

Online Questionnaire

Internal Staff

- Management level
- Group-level staff
- General employees of subsidiaries
- Production workers
- Employees of subsidiaries
- Employees of all levels

Interview

External Stakeholders

- Shareholders
- Customers
- Regulators
- Partners
- NGOs

3

We believe that the development of TCL Corporation over the past 35 years would not have been possible without the support, understanding and participation of our stakeholders. Since the Group attaches great importance to communication with stakeholders, our daily operations will always incorporate identification of important stakeholders and the use of various communication channels to understand what impacts our operations have on the stakeholders. Opinions and suggestions of stakeholders serve as important guidance for improving our responsibility management. TCL responds by taking action, shares opportunities with stakeholders and bears with challenges together with them. In 2016, TCL conducted in-depth communication with non-profit organizations (NPOs) and used their expertise for reference in striking new paths of corporate social responsibility development.

STAKEHOLDER COMMUNICATION

Stakeholders	Topics	Communication Channels	2016 Key Actions
Shareholders and Investors	<ul style="list-style-type: none"> • Transparent information disclosure • Persistent value creation • Well-rounded risk management 	<ul style="list-style-type: none"> • Announcements through designated media, including periodic reports and temporary notices Official • Website of the Group • General meeting of shareholders • Analyst conference, performance briefing, and road show 	<ul style="list-style-type: none"> • Diversification of channels and forms of information disclosure • Strict observance of regulations on information disclosure for listed companies • Close contact with investors
Governments and Regulatory Agencies	<ul style="list-style-type: none"> • Compliance with laws and regulations • Tax payment by law , secure employment • Support for social harmony, taking the lead 	<ul style="list-style-type: none"> • Regular reporting • Individual meetings • Thematic research and personal meetings • Forums for exchange 	<ul style="list-style-type: none"> • Observance of national laws and regulations • Compliance with national macro-economic policies • Active acceptance of social responsibilities • Innovation and development, creation of worthy jobs
Consumer and customer	<ul style="list-style-type: none"> • Innovative and practical products to meet customers' demands • Constant improvements in service quality • Advocating of green consumption 	<ul style="list-style-type: none"> • Stalwart Fans Club • Customer satisfaction survey, customer relations management • Regular talks with customers, regular return visits, daily communication, personal visits, participation in cooperation programs covering verification, surveys and sustainable development 	<ul style="list-style-type: none"> • Broad range of products, perfection in product quality, improved delivery efficiency • Customer satisfaction and demand surveys • Further improvements to the service flow • Protection of customers' privacy
Partners: Suppliers and Dealers	<ul style="list-style-type: none"> • Standardized and efficient procurement procedures • Promising development opportunities, win-win cooperation • Promotion of the development of the industry 	<ul style="list-style-type: none"> • Daily communication and procurement activities • Supplier assessment, examination, training and exchange 	<ul style="list-style-type: none"> • Supplier meetings • Regular high-level Communication • Training and exchange activities • Examination of suppliers
Employees	<ul style="list-style-type: none"> • Protection of legitimate rights and interests • Occupational health and safety • Equitable compensation incentives • Respect to different cultures and lifestyles • Training and development opportunities • Sense of belonging and appreciation 	<ul style="list-style-type: none"> • Employee representatives conference • Regular training • Attention to employees' occupational health and safety • Internal employee communication platform • Multiple channels for employee complaints and feedback • Excellent Employee/Team selection events 	<ul style="list-style-type: none"> • Strict adherence to laws and regulations; just, open and impartial • Equitable employment • Efficient response to employee complaints and feedback • Improvement of the training system • Advocating work-life balance • Organization of cultural, sports and recreational activities
Communities	<ul style="list-style-type: none"> • Smart communities and families • Help for vulnerable groups • Support of the local environment and local economy 	<ul style="list-style-type: none"> • Cooperation with relevant institutions • Public welfare programs • Voluntary services 	<ul style="list-style-type: none"> • Establishment of a volunteer platform, consolidation of voluntary services • Participation in community infrastructure construction • Help for vulnerable Groups
Environment	<ul style="list-style-type: none"> • Efficient use of resources • Energy conservation and emission reduction 	<ul style="list-style-type: none"> • Development of green industrial chains • Green products • Cooperation with NGOs and government agencies 	<ul style="list-style-type: none"> • Establishment of green factories • R&D and production of energy-saving green products • Conceptual approaches for future green development

TCL LISTS AMONG TOP RANKINGS ON CITI INDEX OF CHINESE DOMESTIC BRANDS' GREEN SUPPLY CHAIN

In order to advance the industry's sound development, TCL constantly improves its internal and external audit system and binds manufacturing bases and suppliers to disclose environmental data. TCL has established an expansive green supply chain and a well-functioning product recycling and treatment system. We also communicate with the Institute of Public and Environmental Affairs (IPE) about joint efforts to build a sustainable supply chain.

In October 2016, the annual report of the Green Supply Chain Enterprise Environmental Information Disclosure Index (CITI) was released in Beijing. Among Chinese mainland brands, TCL shows prominent progress with the score having gone up by 22 points, and place soared up by 56 rankings, now standing among the top of Chinese domestic brands, and has gained IPE's recognition and appreciation.

The Enterprise Environmental Information Disclosure Index (CITI) is the world's first quantitative rating system tailored for evaluating the environmental management performance of brand supply chains in China. It was developed by IPE and the Natural Resources Defense Council (NRDC). The index is based on public data from sources such as government regulation, online monitoring and third-party environmental audits. IPE collects these data and conducts dynamic evaluation of the environmental performance of brand supply chains.



2016 GREEN SUPPLY CHAIN FORUM OPENING CEREMONY

CITI评价指标	公众问责	合规性与整改计划			绿色供应链			数据披露		产品	
		建立检查机制	推动整改	废水负责任处理	识别关键环节	向上游检家	能源气候变化	PRTR	废弃产品回收		
NO.	品牌	100	12	12	14	10	14	8	10	12	8
1	苹果	80	12	12	14	5	10.5	6	7.5	9	4
2	戴尔	68.5	12	12	10.5	2.5	7	4	7.5	9	4
3	松下	62	9	12	10.5	2.5	7	4	5	6	6
4	三星	60.5	9	12	10.5	5	7	2	5	6	4
5	华为	54.5	9	12	10.5	2.5	7	4	2.5	3	4
6	富士康	53.5	9	12	10.5	0	7	2	5	6	2
7	惠普	48	12	6	7	0	7	4	5	3	4
8	微软	47	9	9	10.5	0	7	2	2.5	3	4
9	林德	43.5	9	9	10.5	0	7	2	0	0	6
10	TCL	28	9	3	3.5	0	3.5	0	0	3	6
11	美的	25	9	6	3.5	0	0	0	2.5	0	4

CITI EVALUATION

5


CORPORATE GOVERNANCE



- PROTECTION OF INVESTORS' RIGHTS AND INTERESTS
- REGULATORY COMPLIANCE
- RISK CONTROL
- ANTI-CORRUPTION
- INFORMATION SECURITY MANAGEMENT

GOVERNING



	OPENING
	ABOUT TCL
	MILESTONES
	GOVERNANCE OF RESPONSIBILITIES
	CORPORATE GOVERNANCE
	CUSTOMERS FIRST
	FACILITATING STAFF DEVELOPMENT
	FORGING A RESPONSIBLE INDUSTRY CHAIN
	BUILDING A HARMONIOUS ENVIRONMENT
	FOSTERING SOCIAL WELFARE
	APPENDIX

In accordance with rules and regulations such as the Company Law, the Securities Law, and the Code of Corporate Governance for Listed Companies in China as well as related requirements of regulators, TCL has set up a Shareholders Meeting, a Board of Directors and its subordinate special committees, and a Board of Supervisors and its operational management. Along with these, TCL has established applicable rules of procedures and a work management system. The structure of corporate governance and different internal management systems has been subject to ongoing improvements ever since 2004, when TCL was listed. We continuously regulate the company's operations, disclose information duly, enhance the communication with investors, and satisfy our shareholders' needs by increasing their returns on investment.

In 2016, TCL held 15 meetings of the Board of Directors, 4 meetings of the Board of Supervisors, and 6 shareholders meetings. All decisions were made after exhaustive discussion and votes, fully exercising the rights of different managing departments, and honoring shareholders' wishes. In addition, TCL invited investors to tour the production sites; organized achievement exchanges after the release of the periodical achievement reports; and organized 5 large scale investor exchange dialogue events in which over 80 organizations participated. Road shows celebrating major events such as LeTV becoming a shareholder, and held jointly with CITIC Securities, China Merchants Securities, and Founder Securities, were made possible through the participation of over 100 investors.

MEETING OF SHAREHOLDERS

The clearly defined responsibilities and rules of procedures of the Shareholders' Meeting are conscientiously executed. Procedures regarding convening and proposing are in conformity with the related provisions of the Company Law and the Articles of Association.

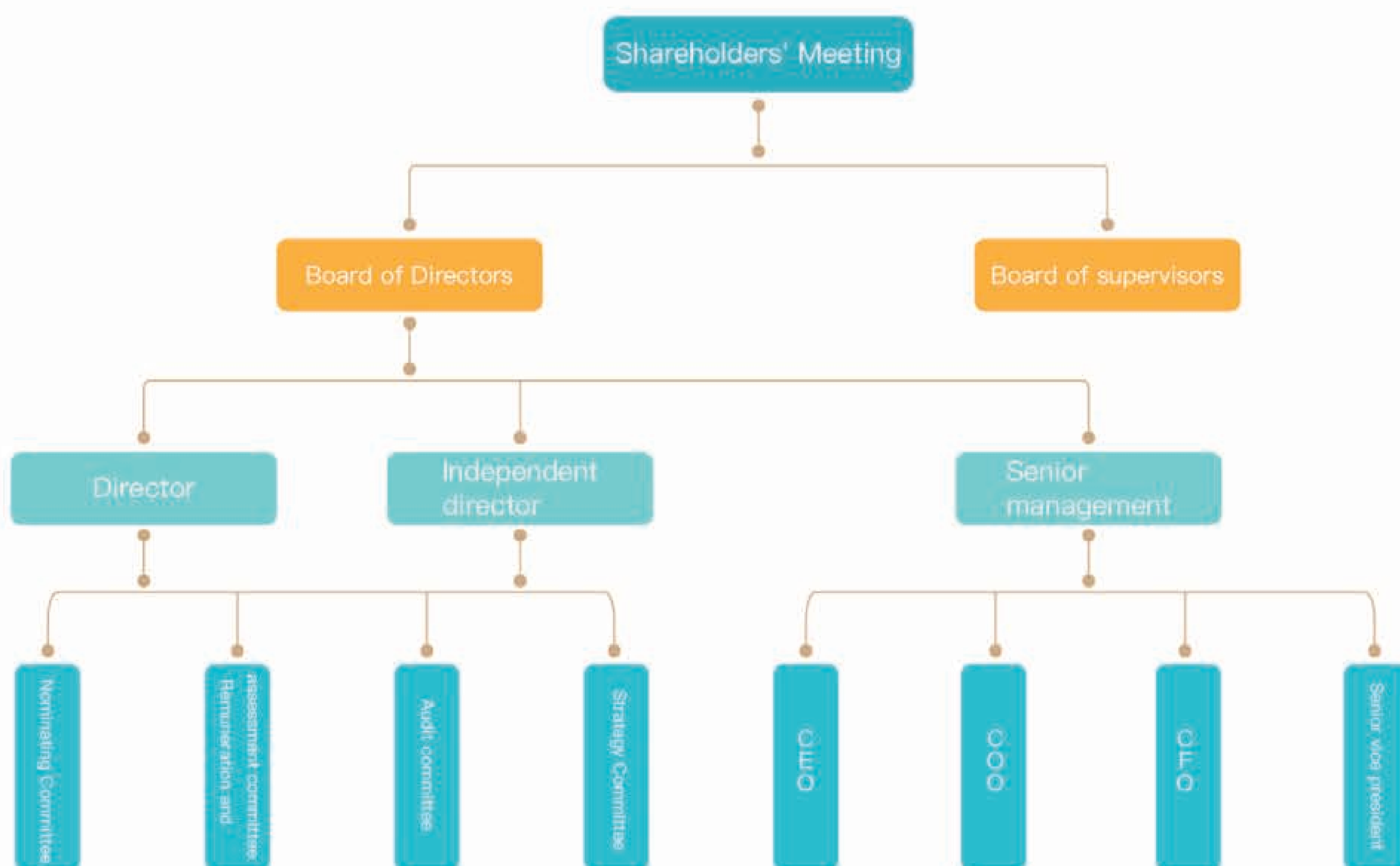
THE BOARD OF DIRECTORS AND ITS MEMBERS

The Board of Directors elects directors strictly in accordance with the selecting and recruiting procedures provided by the Company Law and Articles of Association. All elected directors shall attend the meetings of the Board of Directors with an earnest and responsible attitude, and duly perform their rights, obligations, and responsibilities. Independent directors play an important role in making major decisions, rendering the processes of decision-making more standardized and well-grounded. TCL also set up special committees such as the Nominations Committee, the Remuneration and Appraisal Committee, the Audit Committee, and the Strategic Committee.

THE BOARD OF SUPERVISORS AND ITS MEMBERS

The Board of Supervisors has clear responsibilities and all supervisors perform their duties with an earnest and responsible attitude. The procedures of calling and holding meetings conform to the Company Law, the Articles of Association and other related laws and regulations. Bringing vocational qualifications to their assignment, all supervisors can actively attend meetings of the Board of Supervisors and fulfill their duties, thus protecting the legitimate rights and interests of the Company and

In 2016, TCL further revised the management system and continued to improve its governance. By formulating the Administrative Measures of the Delegation and Performance of Directors and Supervisors from Joint-Stock Companies of TCL Corporation Limited, TCL strengthened its management of the investments of joint-stock companies and improved the regulations on the delegation and performance of the directors and supervisors assigned by investors. This way, the Company can protect the legitimate rights and interests of the investors. To regulate the investment decision-making process, enhance project management, reduce investment risks and increase returns on investment, TCL revised the Investment Management System of TCL Corporation Limited, established an Investment Management Committee and formulated corresponding rules of procedure. This enables investors to make more well-grounded choices for investments of good quality.



Protection of Investors' Rights and Interests

Since being listed, TCL Corporation has placed great importance on information disclosure. TCL strictly abides by and executes the relevant regulations of information disclosure, which is carried out in a timely manner, and guarantees the authenticity, accuracy, and integrity of the related information. TCL will continue to adhere to the principles of "openness, equity and fairness" and will actively publish information, so as to protect investors' legitimate rights and interests, interact with investors effectively, and win their trust and support.

TCL continues to generate profits for shareholders and protect their legitimate rights and interests. In 2016, TCL extended the shareholder return plan of 2014-2016, implementing continuous and stable policies of profit allocation based on the company's state of business and development goals. It also guided investors to foster a concept of long-term rational investment.

TIMELY PASSING ON OF INFORMATION TO INVESTORS THROUGH SOCIAL MEDIA

On our interactive internet platform 

350

Inquiries from investors were answered

On our investor relations WeChat platform 

239

Messages were sent over the course of the year

 Notes sent out

426

In 3 opinion leading platforms developed on the Xueqiu Investment Community

In August 2016, the TCL Group's Investor Relations Director paid a visit to the Dazhuhui Road Show investment platform specifically to introduce to investors the transformation path of TCL Group and the company's latest state of business. Within the framework of active promotion of TCL's "Double+" strategic transformation, the Director engaged in a profound exchange with investors on topics such as in-depth analysis of the industrial layout and its main players, strategic cooperation with the leaders of the industry, further strengthening of the competitiveness of financial services, and the expectation for TCL's main competitive positions to consolidate throughout the second half of the year. Investors' questions were answered, while TCL gained better insight into the investors' focus and investment suggestions were gathered, which all lead to very good communication results.

Total number of shareholders (Accounts)	1 12,213,681,742
Average number of shares per account (Shares)	512,718
Number of individual shareholders thereof (Accounts)	511,766
Average number individual shareholdings (Shares)	4,830,213,989
Number of institutional shareholders thereof (Accounts)	952
Average number of institutional shareholdings (Shares)	7,383,467,753



Regulatory Compliance

TCL Corporation advocates compliance management and requires that the Corporation and all member companies abide by the laws and regulations. TCL aims to strengthen internal control over signing and implementation of contracts, to regulate contract management, prevent and control operational risks, and safeguard the Company's legitimate rights and interests. Hence, TCL has formulated the No. 10 Specific Regulation on Contract Management of Internal Control at TCL Corporation, in which the drafting, signing, implementation and other contents of contracts are specified, in accordance with laws and regulations such as the Contract Law of the People's Republic of China and the Basic Regulations on Internal Control as well as the Corporation's Internal control regulations.

Throughout all business operations, TCL Corporation creates a fair and equal competitive environment pursuant to the laws and regulations respective countries where investments are made. In 2016, TCL submitted three anti-monopoly declarations. These cases – two domestic and one international – referred to the merger of Speedex and CJ Corporation, the joint construction of factories with Brazilian local enterprises, and a joint venture with Hulzhou TCL Taidong Petrochemical Investment Co., Ltd. All applications passed the anti-monopoly examinations by the governments of China and Brazil and met the requirements of the Anti-Monopoly Law of the People's Republic of China as well as the Measures on Business Operator Concentration Reporting of the People's Republic of China. In addition, the Corporation has pointed out monopoly-related risks to the relevant enterprises and staff, highlighting the importance of combating monopolies, and has eradicated the possibility of cartel alliances for a clean business environment. TCL also publishes articles about anti-monopoly efforts on the internal periodical and advises concerned enterprises and staff on how to abide by the anti-monopoly law.

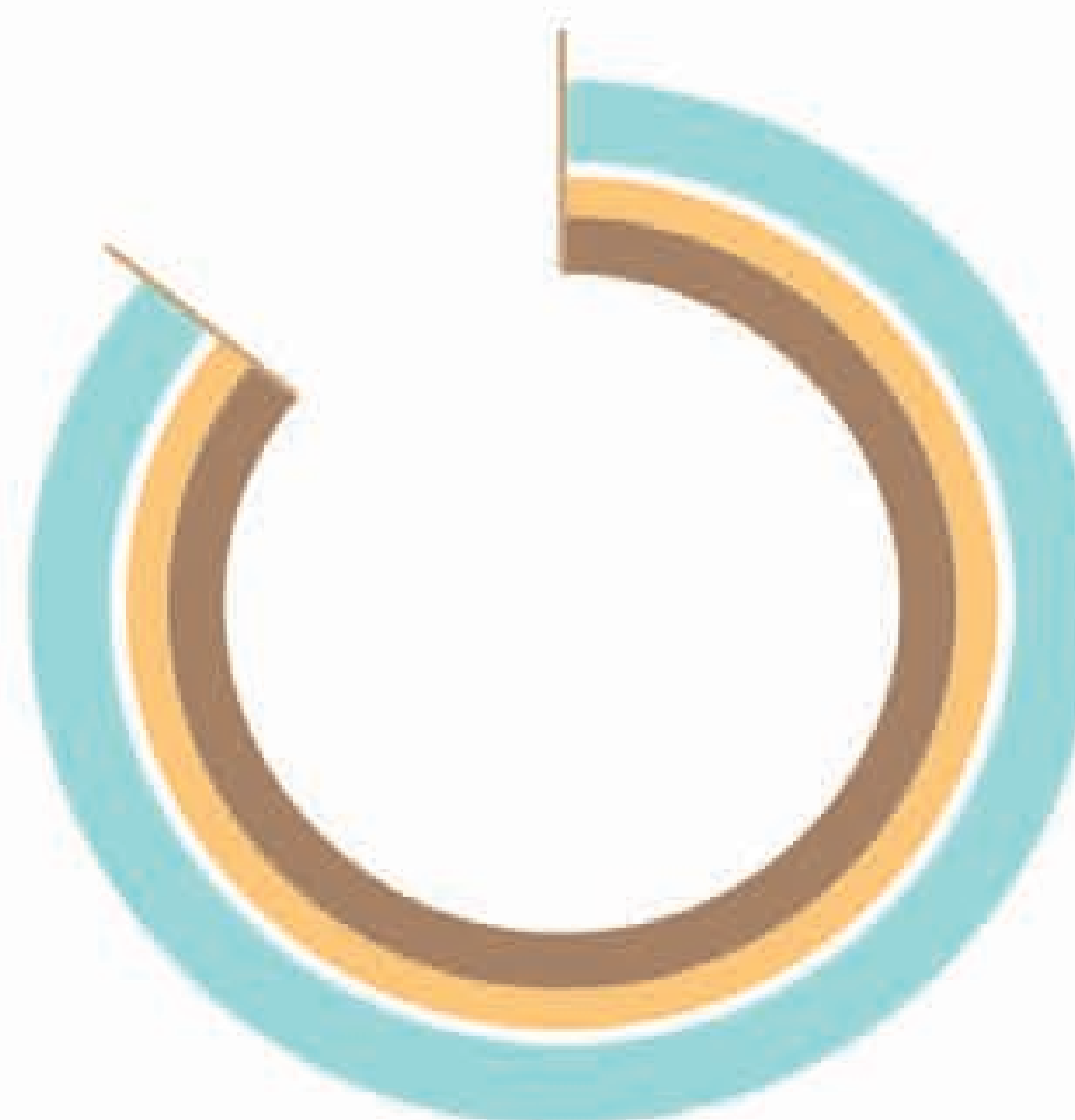
As an additional step in improvement of the Company's standardized operations, and to further strengthen self-discipline among middle and senior management and other concerned employees, TCL has stipulated The Guidelines on Training in Standardized Operations of TCL Corporation Limited in accordance with the Company Law, the Securities Law, and other regulations, TCL formulated to institutionalize all internal training. In 2016, the Group's legal department organized 18 training courses on legal matters according to the Guidelines covering topics such as laws on safe production, protection from legal risks in advertising, common legal issues in e-commerce, basic legal knowledge on intellectual property rights, operational guidelines for contract review standards, employment risk prevention, and export trade risks and risk prevention. 43 classes were held in total at a duration of around 90 minutes per class, educating employees of ten affiliated enterprises 655 times.



Risk Control

Our Basic Regulations on Internal Control of TCL Corporation as well as ten special regulations – all based on a match between our business environment and the national Basic Regulations for Internal Control in Enterprises plus the Supporting Guidelines for Internal Control in Enterprises – provide TCL Corporation with a well-rounded risk control system. We consult a professional accounting firm, and have established internal standard processes for management of twelve core business areas, including procurement management, sales management, R&D management, asset management, information systems and financial reporting. A system of “point-and-click risk control” applying information for internal control development and self-assessment has proved useful to enhance the efficiency of internal control.

It is safe to say that after years of development of internal risk control, beginning from the initial introduction and maturing into the current stage of effective implementation, TCL now has sound internal control processes in place. To achieve further progress in internal control implementation, the Corporation advised subordinate enterprises in tax opportunities and risk mapping in 2016, for enhanced management of major operational risk areas such as quality, services, receivables, inventory, contracts, credits, exchange rates and information exposure, and also introduced special risk management on emerging online business during business transformation. Altogether, the Corporation held seven training sessions with ninety-five attendances for subordinate enterprises, providing education on methods of internal control/self-evaluation and risk assessment.



Company
Social
Media
Marketing
Investment
Relations
Corporate
Governance
Sustainability
Employee
Hedging
Strategy
Business
Development

Anti-Corruption

TCL Corporation has always attached importance to building a clean company by preventing and punishing corrupt behavior. Mr. Li Dongsheng, Chairman of the Corporation, explicitly stipulated that the Corporation should take strong measures against illicit behavior which violates regulations and damages the Corporation's interests. Timely revision of our supervisory system, including release of the Measures of Performance Accountability of the Staff Members of TCL Corporation Limited in May 2016, have given a clear signal to management and employees towards discipline and disapproval of corruption, and helped establish a sound supervision system. The warning function of law enforcement has significantly strengthened awareness of the issue within the company.

TCL Corporation advocates fighting corruption and encourages all of its staff members to assist in this. Each subsidiary and individual is entitled to report to the Corporation any cases of violation of laws, regulations or good business conduct. We also accept complaints and hints from outside the Corporation, and will treat personal data of the whistle-blower as well as the reported content with utter confidence to protect the legal rights and interests of informants. Various channels such as telephone or email (tclqb@tcl.com) are open for reporting to all stakeholders inside and outside the Group. For a very direct, convenient and fast way to make requests or suggestions, they may also refer to our WeChat Reporting platform.



Punishment

Submitted cases will activate a process of adamant investigation, clearing up of facts, clarifying duties, and suggestions for handling, to recover the company's losses and create a healthy environment for the company to develop.



16

Cases of complaints in total in 2016



6

Cases were investigated in 2016



4

Cases concluded in 2016



5

Employees received a punishment in 2016



Information Security Management

TCL aims to ensure the reliability, stability and security of the overall information system; to guarantee the integrity and accuracy of data, lessen the possibility of human error in internal control, and channel information to the right place. In accordance with laws and regulations such as the Basic Regulations for Internal Control in Enterprises as well as the Basic Regulations for Internal Control of TCL Corporation Limited, the Corporation has formulated the No.8 Specific Regulations for Internal Control of TCL Corporation Limited: Information System. Our Information Management Committee works on mid- and long-term Group level plans regarding information handling, approves major information-based systemic projects, and supervises their implementation. Any customer-related information obtained from the e-commerce platform or through other channels will be protected from exposure. The Personal Information Protection Law governs our approach to protecting the privacy of our stakeholders on all company levels.

Extensive security management accompanied the connection of the Group Headquarters to the terminal in 2016. To ensure the availability and confidentiality of data on the terminal, the Corporation formulated the Security Management Measures Concerning the information Terminal of the Group Headquarters (Provisional). All electronic communication equipment interfacing the Headquarters' network or accessing resources at the Headquarters' intranet was standardized. This included measures such as unification of hardware configuration, software installment standardization, and special management of user names and passwords.

In addition, we provided our information security specialists with systematic advanced training. Contents covered standardization of TCL information security, structure and hierarchy of, and requirements as well as duties in information security management, the ISO27001 information security management system, and information asset management.

6

CUSTOMERS FIRST

CONTINUOUS TECHNOLOGICAL INNOVATION
ENSURING PRODUCT QUALITY
DEVOTED TO OUR CUSTOMERS

ALL ABOUT CUSTOMERS



OPENING



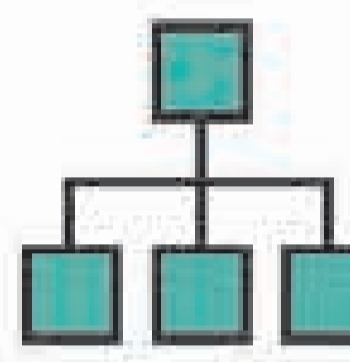
ABOUT TCL



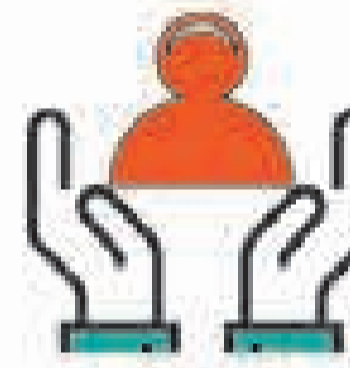
MILESTONES



GOVERNANCE
OF RESPONSIBILITIES



CORPORATE
GOVERNANCE



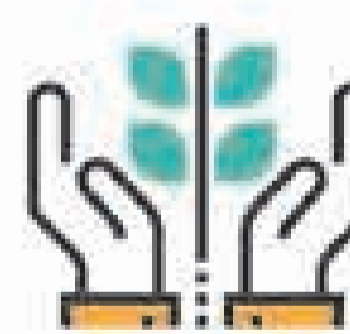
CUSTOMERS FIRST



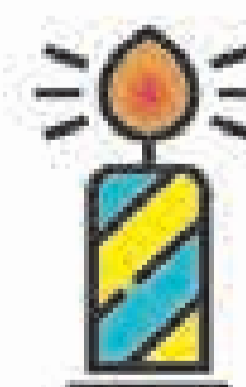
FACILITATING
STAFF DEVELOPMENT



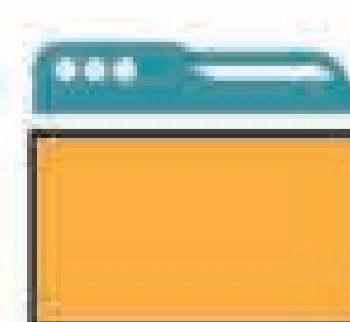
FORGING A RESPONSIBLE
INDUSTRY CHAIN



BUILDING A HARMONIOUS
ENVIRONMENT



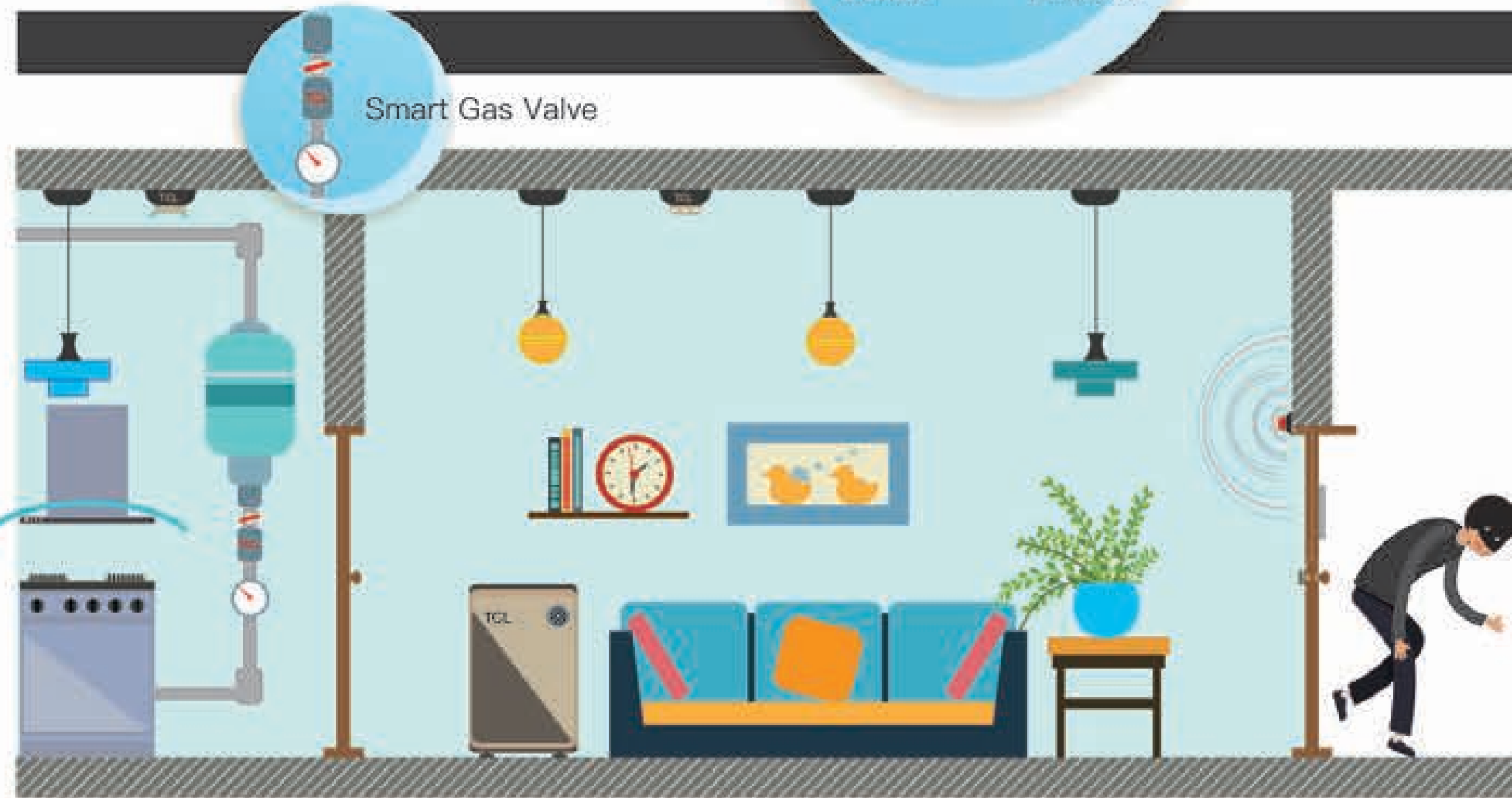
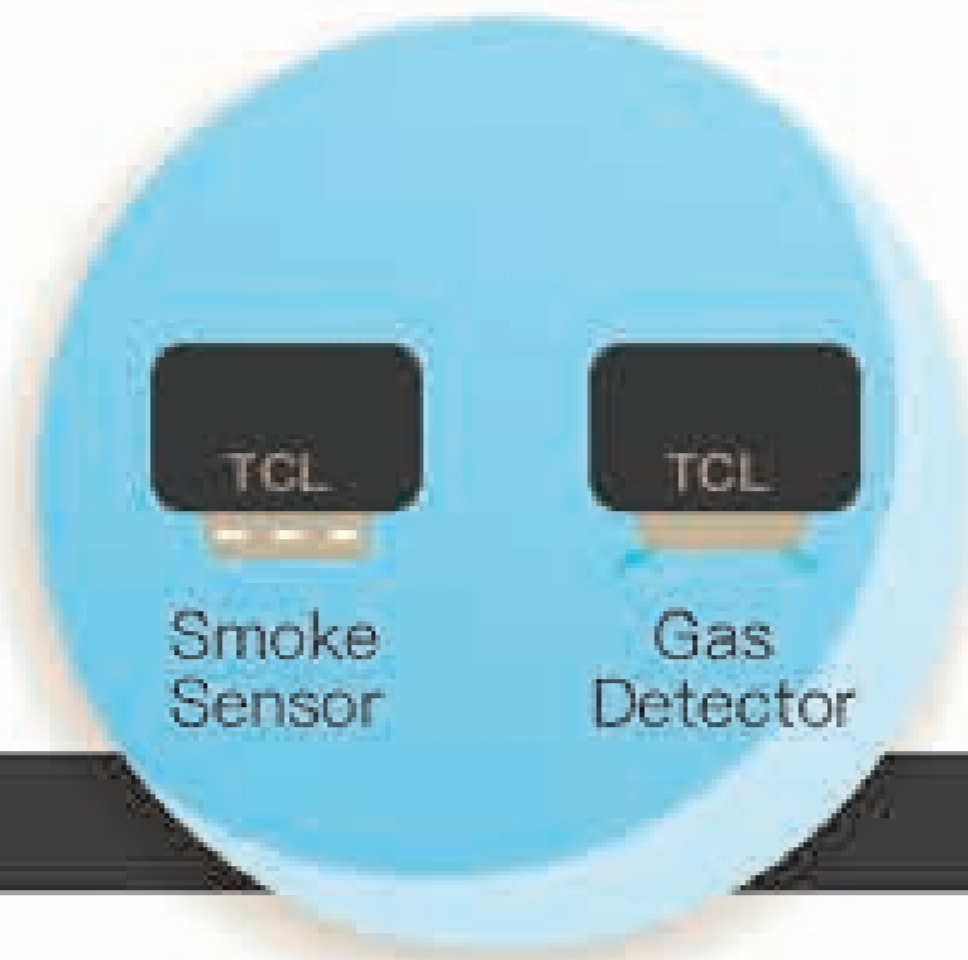
FOSTERING SOCIAL
WELFARE



APPENDIX

Smart Home Appliances Solution

With new technology and the Internet era, TCL focus smart products and Internet application services. Innovations is the genes in TCL. From smart home, integrated medical solutions to sales service to the industry chain of finance, we focus on the quality of products and keep innovation. We provide great customer service and protecting the privacy of our customers. Both of the products and services are customer oriented.

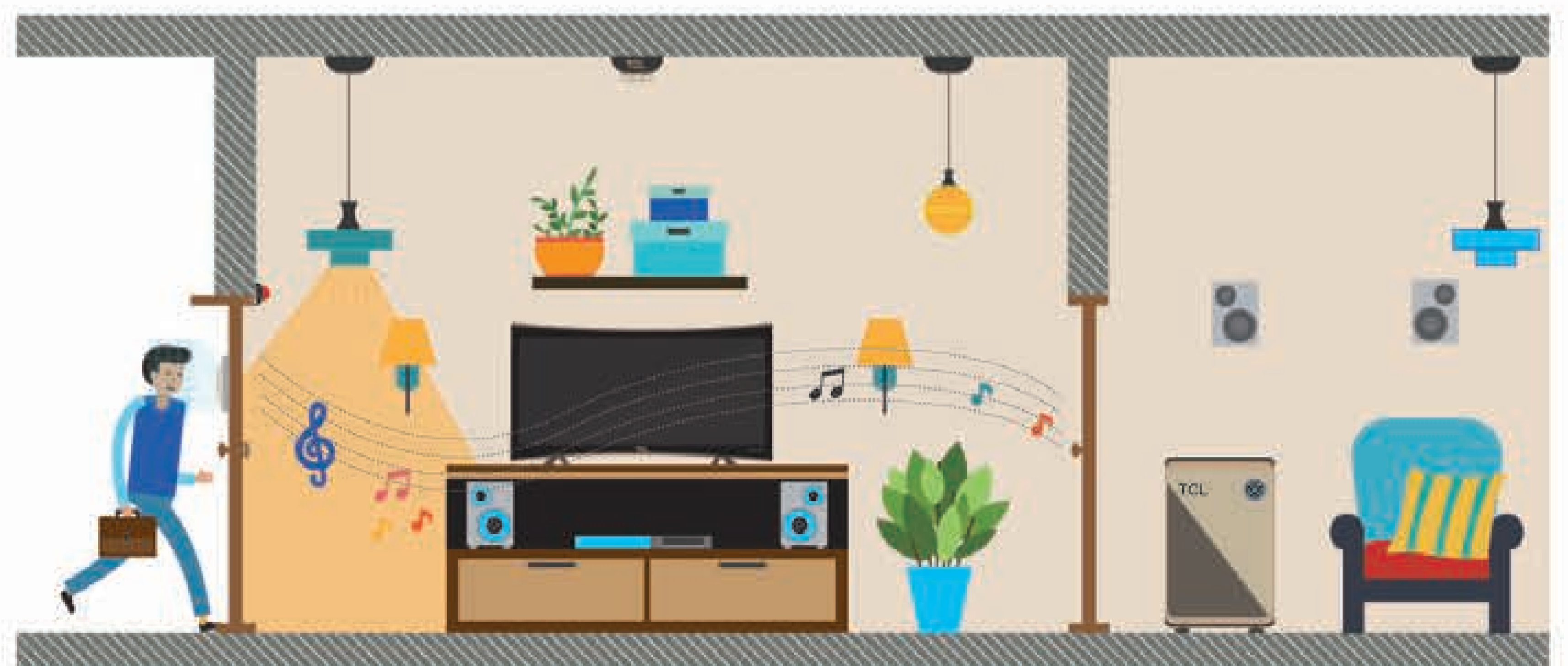


Smart security, intelligent community

To satisfy demand for smart living, TCL launched the series of smart households: smart protection products, such as smoke detectors, gas leak detectors, smart water valves, infrared sensors, smart gas valves. In the future, an intelligent community — products, services and system platforms — are integrated into one densely interweaved community service and communication platform.

Smart background music

In TCL's smart household, users may combine different sources of music and have music running at home anytime and anywhere. When the smart system senses that somebody returns, it will play music; and facial recognition will switch different music. The system can automatically send an alarm during intrusion.

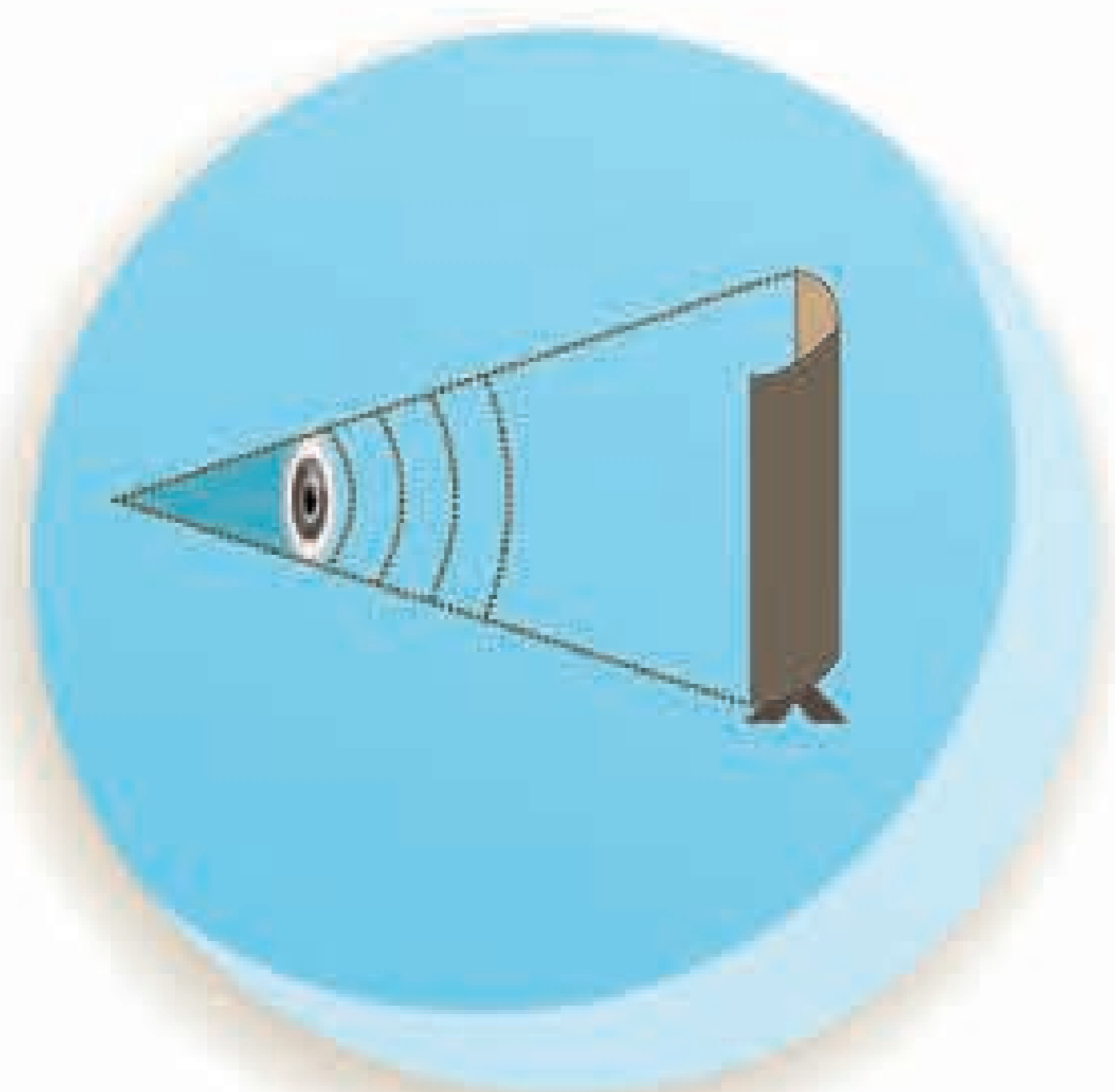


Smart lighting

TCL's smart lighting control combines the light sources into one system. Interlinked human body sensors produce effects for the living room, the bedroom, the bathroom etc., and will dim when no light is needed: environmentally friendly, low-carbon.

Curved-screen TV

TCL 4000R, in comparison with regular displays, has greater spatial depth and smart technology, and makes the images feel more real and comfortable. LED TV with eye-protecting blue ray's features has a natural light system which decrease of TV blue light output. Users who spend a long time in front of the screen may securely continue to watch.



Opening
About TCL
Milestones
Responsibilities Governance
Corporate Governance
Customers
Employee
Industry Chain
Environment
Social welfare
Appendix

Wi-Fi
Wechat remote control
ECO key of energy saving
PM2.5 purification
Dinuclear titanium filter to cull formaldehyde

F1 air conditioner

Smart Care air conditioner

Developed especially for elderly customers, "Care Button" will set the machine to produce the most suitable environment to avoid health risks. S-shaped air deflector and the smart design of human senses detectors illustrate gentleness and comfort. Further smart elements include: power off when the person leaves, Braille and night lighting keys.

Online food shopping, home delivery by simple click
Online cooking course
Connected with other home appliance

Refrigerators

15.6 inches high definition panel

Water purifiers

Electric kettles

With three years of research, TCL came up with original one-piece frequency converter air-cooling technology. Utilization of the dynamic force is even higher in a TCL refrigerator, while wear and tear remains low, energy consumption can be cut by 40%. Special features include fast refrigeration, small temperature differences, and low-noise rattling. In the future, TCL will field systems that trace the shelf-life of groceries and send a report for expired food.

Through innovation, TCL explore the sustainable development of drinking water. Following researches, TCL's healthy water purifiers are equipped with American-imported reverse osmosis (RO) membrane technology from the Dow company. The filter mesh reaches 0.0001 micrometer, allowing the degree of desalination to reach 98%, and the degree of sterilization to be 99.99%.

With uncompromising attention, TCL's electric kettles use food-grade 304 stainless steel with excellent heat and corrosion resistance and dry running protection provide utmost safety.

Electric Water Heater

Water purifiers

Electric kettles

Dirty-free washing machines

Smart tumble dryers

The TCL dirty-free washing machine with its fully sealed washing drum is greatly designed and expert crafted. With our patented original fully sealing one-way water seal technology, and two further patented technologies — the washable and detachable all-steel impeller as well as the one-piece all-steel drum head — "dirty managing" becomes dirty-free laundry. Moreover, no water entering the barrel reduces water conservation of up to 36 liters in one single wash, about 30% of water saving.

Air purifiers

TCL's internet-enabled smart purifier applies a four-layer filter gauze and anion interception of microbes to filter 99.2% PM2.5. WeChat remote one-key communication guarantee for clean air.

Distance learning

TCL established the OPEN Edutainment Company to develop China's leading smart education cloud platform. The "MOOC China" alliance, where learners may collocate their own curriculum, offers online learning resources and expert service.

Distance learning

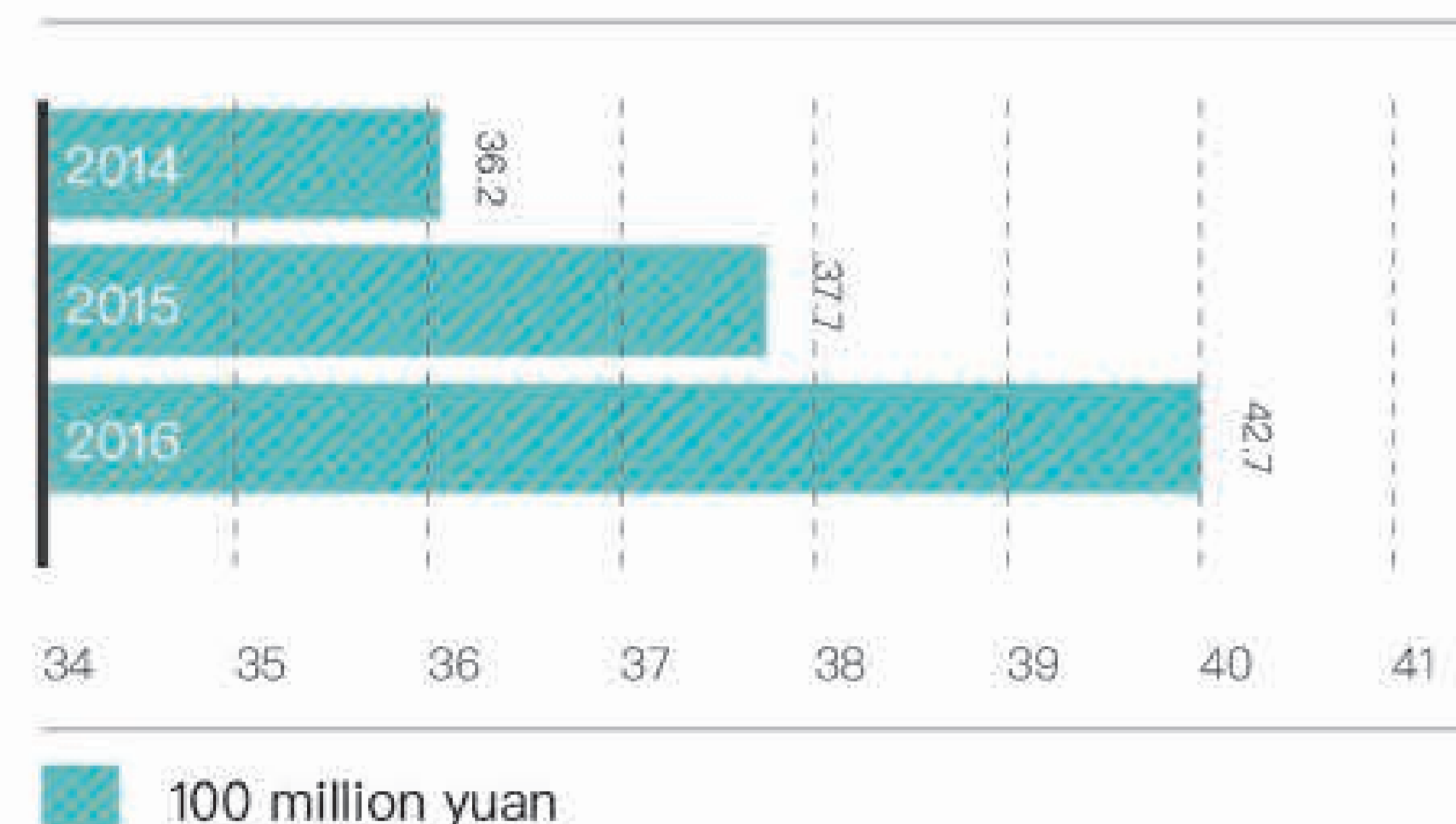
- Opening
- About TCL
- Milestones
- Responsibilities
- Corporate Governance
- Customers
- Employee
- Industry Chain
- Environment
- Social welfare
- Appendix

TCL's Innovation Gene

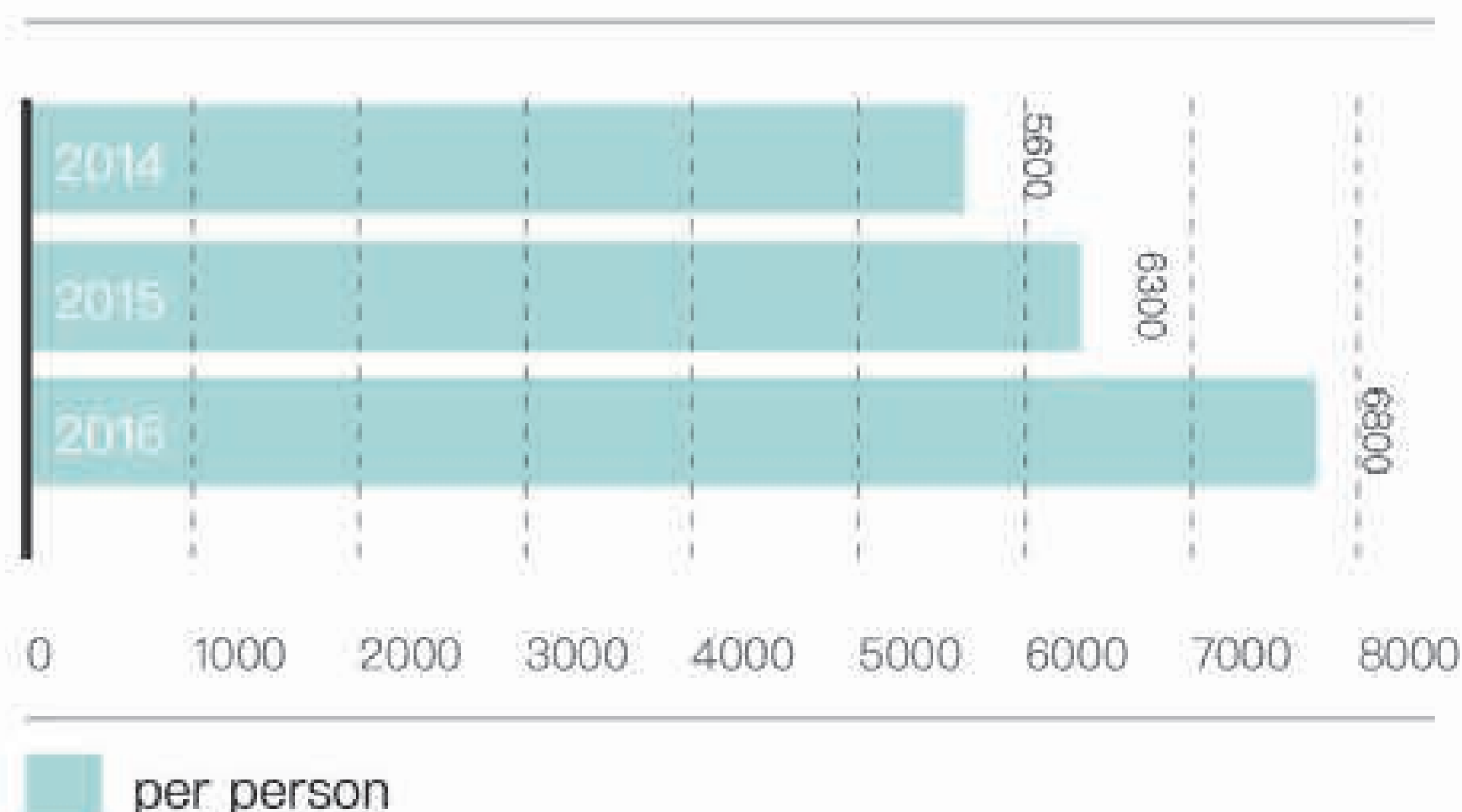
Founded in 2005, TCL's Industrial Technology Research Institute is our hotbed for innovation strategies and development in industrial technology. Here, our core technologies undergo research and development and the results are being transformed into products that meet our consumers' needs. The Institute significantly helps advance technological progress and raise our core competitiveness.

Two strategies determine the work of the Institute: our "3C Integrated Digital Home Systems and Master Software Platform Development" and our endeavors towards New Display Technologies. Supported by research concerning user experience, the focus lies on exploring intelligent terminal technology, digital video and algorithm-based software, master software technology platforms, cloud frameworks and cloud computing, and further innovative products and services. In 2016, TCL's R&D investment amounted to over 4 billion RMB; ca. 6,800 persons were employed in R&D; and the number of registered patents reached 1,942. 2016 also saw significant progress in innovation through the Institute in the areas of supporting technologies for Internet operation (such as live broadcast identification and credit card payment), smart home appliances (such as platform systems for TCL home appliances, smart refrigerators and smart washing machines), artificial intelligence + mass data (e.g. credit investigation systems and user image display), innovative products (for example, VR and stream projection) and intelligent basic terminal software technology (e.g. system security research).

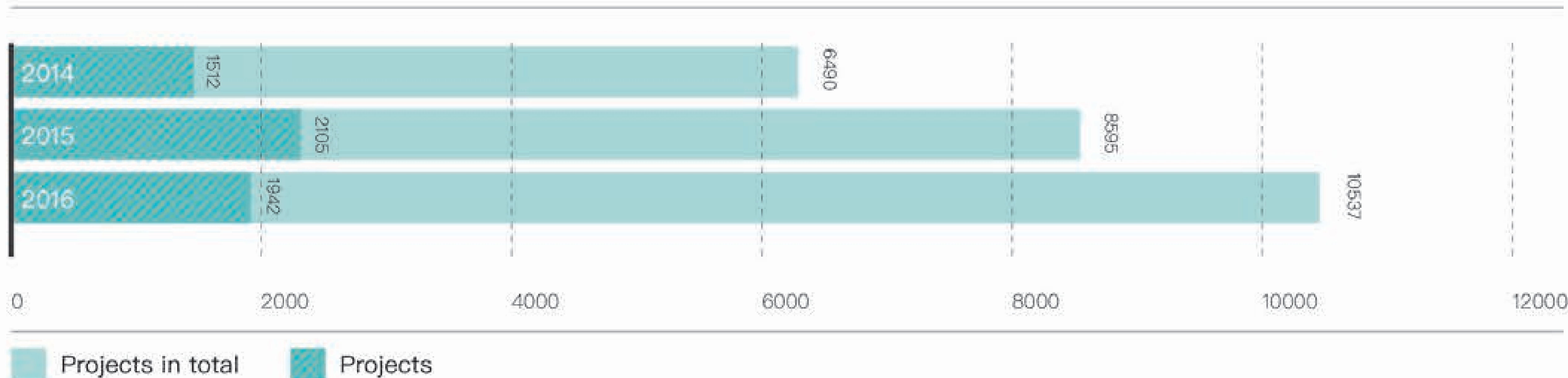
R&D Investment



NO. of Researchers



R&D Projects



2016 PCT Applicants List

The 2016 Patent Cooperation Treaty (PCT) Patents Application Ranking released by the World Intellectual Property Organization (WIPO) shows CSOT (China Star Optoelectronics Technology Co., Ltd.) ranking number 16 globally, which places it fourth among top Chinese corporations for the third consecutive year.

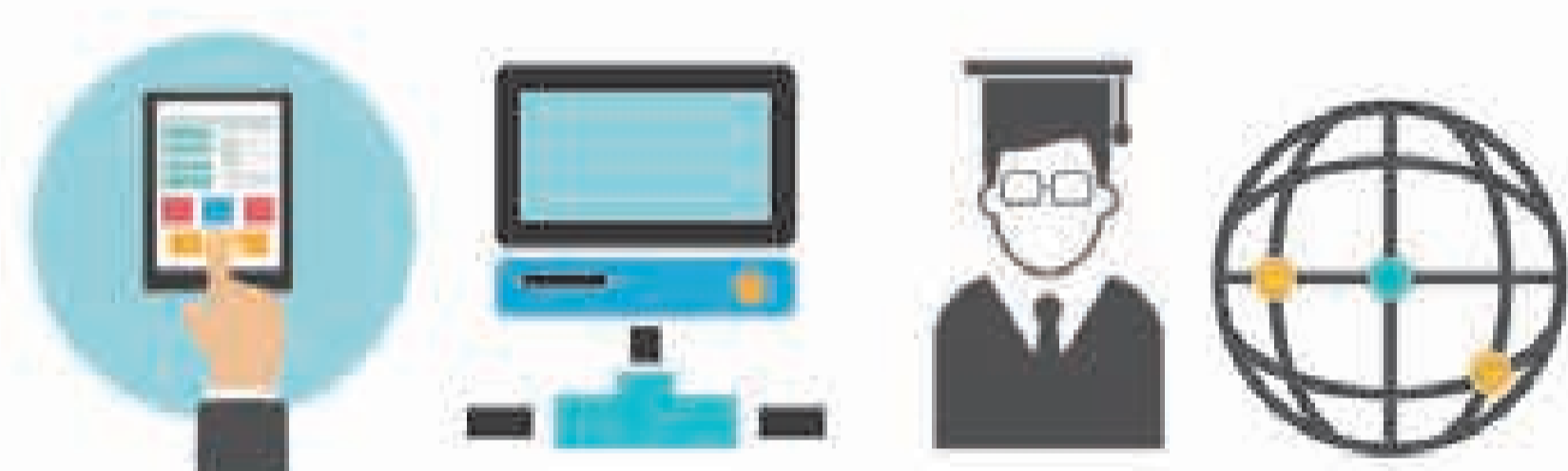
Annex 2: Top PCT applicants

2016 Ranking	Position Changed	Applicant's Name	Origin	Published PCT applications	
				2015	2016
1	2	ZTE CORPORATION	China	2,155	4,123
2	-1	HUAWEI TECHNOLOGIES CO., LTD.	China	3,898	3,692
3	-1	QUALCOMM INCORPORATED	United States of America	2,442	2,466
4	1	MITSUBISHI ELECTRIC CORPORATION	Japan	1,593	2,053
5	2	LG ELECTRONICS INC.	Republic of Korea	1,457	1,888
6	4	HEWLETT-PACKARD DEVELOPMENT COMPANY, L.P.	United States of America	1,310	1,742
7	5	INTEL CORPORATION	United States of America	1,250	1,692
8	6	BOE TECHNOLOGY GROUP CO., LTD.	China	1,227	1,673
9	-5	SAMSUNG ELECTRONICS CO., LTD.	Republic of Korea	1,683	1,672
10	-2	SONY CORPORATION	Japan	1,381	1,665
11	-5	TELEFONAKTIEBOLAGET LM ERICSSON (PUBL)	Sweden	1,481	1,808
12	11	MICROSOFT TECHNOLOGY LICENSING, LLC	United States of America	880	1,528
13	0	ROBERT BOSCH CORPORATION	Germany	1,247	1,274
14	5	SHARP KABUSHIKI KAISHA	Japan	1,073	1,205
15	1	PANASONIC INTELLECTUAL PROPERTY MANAGEMENT	Japan	1,185	1,175
16	11	SHENZHEN CHINASTAR OPTOELECTRONICS TECHNOLOGY	China	710	1,163
17	-6	SIEMENS AKTIENGESELLSCHAFT	Germany	1,292	1,138
18	-9	KONINKLIJKE PHILIPS ELECTRONICS N.V.	Netherlands	1,378	1,137
19	-1	HALLIBURTON ENERGY SERVICES, INC.	United States of America	1,121	1,097
20	12	OLYMPUS CORPORATION	Japan	614	1,077
21	1	NEC CORPORATION	Japan	895	1,056

Strengthening Innovation

TCL's Industrial Technology Research Institute nurtures a premium core team. High-caliber experts from high-tech backgrounds ensure TCL's leading position in technological innovation. Our talent is recruited through the "Thousand Talents Plan", the "Pearl River Talents Plan" and the "Shenzhen High Level Leading Talent Plan". On the basis of the concept "Respect for Talents, Respect for Science", the Institute is devoted to providing a first-class technological research environment — including space for independent research — as well as tangible prospects for application of the results. Specialized work teams and sufficient funding help our model thinkers perform to their full potential on the grand stage of TCL and facilitate breakthroughs. To motivate our employees, TCL has established many incentive programs for talents such as the TCL Patents Incentives and the TCL Postdoctoral Research Program Management. Further incentives include rewards such as the Outstanding Contribution Award, Technological Innovation Award, Patent Award, Excellent Employee Award, Star of Creativity, and Model in Technology.

TCL Multimedia smart television development team



TCL Multimedia possesses China's largest smart television development team and is China's only enterprise where "liquid crystal panels + modules + complete machines" are all integrated. At TCL Multimedia, over 800 researchers from all over the world work with multiple national and international authorized certification and testing qualifications as well as laboratories. In terms of our active R&D capacity, we are the leaders of the industry.

TCL Hefei laboratories and test centers



The TCL Home Appliances (Hefei) Industrial Park has nationally certified laboratories and test centers. It is a cluster of top R&D technicians who have earned excellent reputations in the field of refrigerators and washing machines at home and abroad. The specialized R&D, technology and management teams consist of nearly 600 members, including 5 leaders in the industry. TCL Home Appliances has independently designed and formed an independent production-research chain for TCL domestic appliances. In 2016, it successfully obtained approximately 200 patents related to design, washing technology and frequency conversion, which perfectly demonstrated its world-class R&D and design capability.

China Star Optoelectronics Technology Co., Ltd. (CSOT)



China Star Optoelectronics Technology Co., Ltd. (CSOT) has built a high-level team of key talents featured in independent management, R&D and innovation, which is comprised of 3 candidates of the "Thousand Talents Program", 11 of the Guangdong Innovation Team and 7 of the Shenzhen Peacock Plan. It has also formed a 3-tier talent echelon to the innovation spirit and sense of self-worth in employees.

Tonly Electronics



As an ODM (original design manufacturer), advocates the "innovation-driven" value and considers its R&D team an important asset, built a professional R&D team of over 700 members, including experienced experts in different fields, which underlies its rich experience and superior strength in technology pre-research, R&D of audio/video (AV) and electroacoustic products and software development and thus, it is capable of acting on the market trend and technology development and providing overall solutions.

25 LEADING MASTERMINDS

1

State Class expert from the national "Hundred-Thousand-Ten Thousand Talents Project"

1

Leader in scientific and technological innovation from the national "Ten Thousand Talent Program"

4

Experts from the national "Thousand Talents Program"

1

Expert from the "Guangdong Talent Program"

1

Leader from the "Guangdong Special Support Plan for Leading Talent in Scientific and Technological Innovation"

11

Members of the "Shenzhen High-level Leading Talent Program"

4

Members of the "Shenzhen Peacock Program"

2

Members of the "Huizhou Swan Program"

Opening

About TCL

Milestones

Responsibilities

Corporate Governance

Customers

Employee

Industry Chain

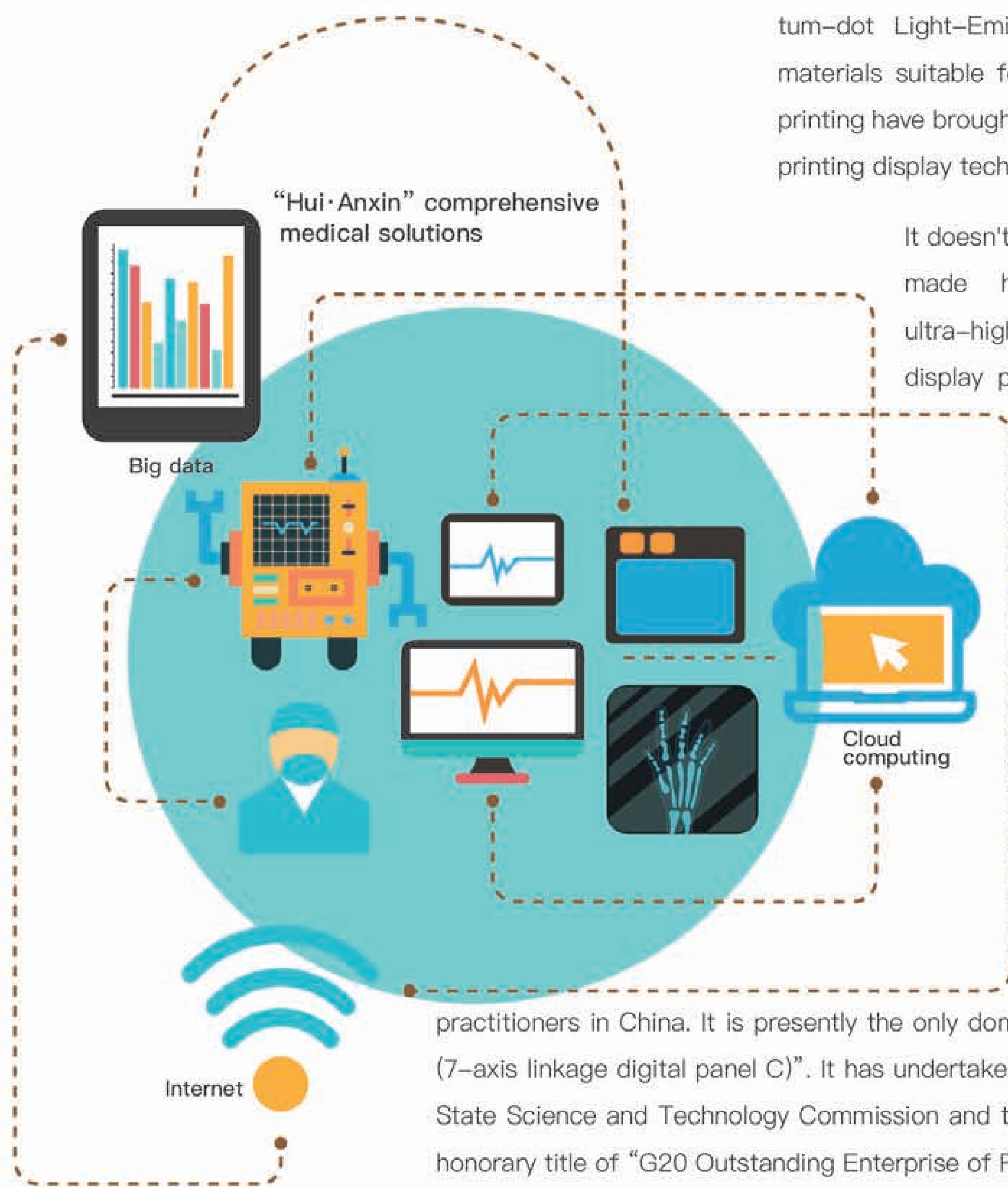
Environment

Social welfare

Appendix

R&D in Innovative Technology

Over the past 35 years, TCL has been committed to independent innovation. We merge the most advanced technology into television manufacture and set the trend in new display technology. With our strategic application the Quantum-dot Light-Emitting Diode (QLED) technology, the development of materials suitable for electroluminescence and an ink formula suitable for printing have brought quantum-dot printing from labs to households: a first in printing display technology.



It doesn't stop at the advanced quantum-dot technology. TCL has made huge breakthroughs in three major areas: 8K ultra-high-definition (UHD) display, supersized liquid crystal (LC) display panels, and printing display technology where "printing televisions the way newspapers are produced" becomes a reality. Against the current background of rapid innovation, we drive the production line of CSOT's 11th generation LCD to a steady progress; and TCL is set out to become a big name in the course of the industrial transformation brought about by "Made in China 2025".

As a large-scale "field army" in the domestic medical equipment industry, TCL Healthcare concentrates itself on the R&D of medical imaging equipment and aims to grow to be the best partner of the leading medical imaging equipment suppliers and diagnostic

practitioners in China. It is presently the only domestic enterprise that has self-developed "surgical robot (7-axis linkage digital panel C)". It has undertaken numerous scientific research projects organized by the State Science and Technology Commission and the Ministry of Science and Technology and received the honorary title of "G20 Outstanding Enterprise of Rapid Growth". Besides, it has obtained plenty of international and domestic patents of inventions, including the "Virtual Grid". TCL Healthcare has also introduced the advanced technology and ideas related to the Internet, cloud computing and big data, in order to provide "Hui·Anxin" comprehensive medical solutions for residents by making every endeavor to ensure their health.

Meeting Needs in Financing

Changing consumption patterns create a new demand for consumer loans. In a speedy answer addressing the diverging demands of different customer groups, TCL Financial Service designed a product system pyramid with options for payment by installment credits, revolving micro credits, and long-term large loans. Our financial technology spurs credit factories and big data risk control systems for improved quality of assets, safer financial operations and better customer service.

helped its customers gain the earnings of RMB **10.39** million

The TCL financial service and wealth management platform (TF) has attracted over **1.06** million users

The reinvestment rate to maturity is up to **81.49**%

the investment user retention rate is **75.68**% which indicates that it has become a safe, reliable and trustworthy investment and wealth management platform.



Environmental Protection Unites with Innovation

Throughout 35 years of business history, TCL never neglected its responsibility of protecting the environment. Intelligence, Health, Environmental Protection, Energy Conservation and Frequency Conversion were our technological compass in navigating research and accumulating experience. TCL gradually developed many core technologies in pursuit of environmental protection: smart house-keeping, complete purification, silver ion sterilization and R32 & R290 environmental refrigerant technologies; technologies for high-efficiency energy conservation, small diameter and micro-channel heat transfer technologies; titanium, DC frequency conversion, jet enthalpy and low noise technologies, and heat recovery in variable frequency air-cooled modules, to name but a few. Many of these technologies and products occupy a globally leading position.

We listen to the demands of the global market. In China, products of efficiency grades one and two are developed extensively, and grade three products are being phased out. In active response to the energy efficiency standards of the EU, our products have reached the top of international standards in energy efficiency. In the US market, many products will meet the highest energy efficiency standard; the standby power is only 0.3W, far lower than the standard requirement.

TCL R290 Technology in Market



NO MORE harm to the ozone layer
GLOBAL WARMING RATIO ↓

The refrigerant R290 (propane) is a new type of environmentally friendly coolant applied mainly in central air conditioning, heat pump air conditioning, air conditioning for homes and other smaller refrigerating equipment. The agent which is currently widely used in air conditioning for homes, R22, emits Freon, which severely damages the ozone layer. The Montreal Protocol distinctly contains the use of R22 and calls for its speedy phasing-out. As a responsible corporation, TCL is responsive to the changing global trends and takes the lead in using R290, a material that is harmless to the ozone layer and has a low global warming ratio.

TCL R290 Product Line

2006 TCL formed the first R290 product line in China

It is the first domestic enterprise that had the R290 technology and is capable of mass production



2013 raised technology input

Since 2013, TCL Air-conditioner (Zhongshan) Production Base and TCL Air-conditioner (Wuhan) Production Base have raised their technology input to approximately RMB9 million in order to carry out the research on R290 alternative technology and completed the reconstruction of product lines with an investment amount totaling RMB19.57 million in 2014 and 2015.

2016 Outstanding Outcome

So far, it has completed the development of 3 series of air-conditioners and obtained 17 certificates related to 28 models, including the frequency conversion and constant frequency certificates.

Ensuring Product Quality

Efficient Quality Management

“Let Quality be the driving force behind the Dual Focus Strategy advancement”: This is TCL’s quality management goal. Our corporate quality management committee oversees the medium to long term planning of our quality strategy, quality control and quality improvement, and reviews the implementation process step by step to ensure an efficient course of action.

With 35 years of experience in the industry of consumer electronics, we understand that high-quality products are a must in order to win our consumers’ trust. When it comes to quality, we will not deviate from our philosophy to “create happy customers, guard smooth operations, promote transformation”. For a solid foundation to excellent and intelligent manufacturing, a high-efficiency quality management operation platform focusing both on customers and smart manufacture was established in 2016.

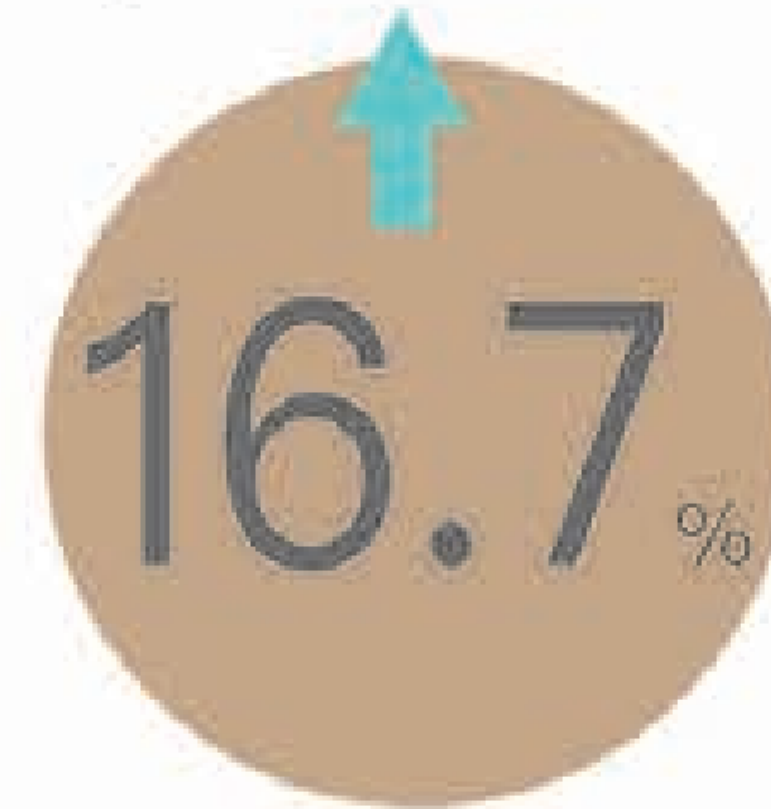
The number of quality-cost improvement projects TCL launched in the Headquarter



The total quality-cost amount was reduced by



The market quality indicators of major terminal products were improved by



A series of quality training activities themed “quality management training for executive staff”, “quality inspection technology & methods salon” and so forth provide continuous opportunities for employees to experience the significance of quality management. TCL also looks for synergies beyond company boundaries and is a member of the China Association for Quality Inspection.

- In the 2016, 36th Quality Management Group Contest of China's electronic information industry, a division of TCL Corporation received the honorable title “Advanced Enterprise”.
- In the National Quality Management Team Representative Assembly of 2016, TCL Corporation received the title “Excellent Enterprise” in the national quality management group activity.
- TCL brand won a “Top 10 Brands in the Air Conditioning Industry” award from the China Household Electric Appliances Research Institute.
- The TCL Improvement Project came in 3rd in the National Six Sigma Project Final Competition.
- One of TCL Corporation’s subsidiary companies, Shenzhen CSOT, was shortlisted in the 2nd “Shenzhen Quality Top 100 Enterprises” ranking.



All of TCL's affiliated manufacturing enterprises follow the corporate quality management strategy and have established comprehensive quality management systems in accordance with the requirements of the ISO9001 system. Relatively independent quality management departments allow them to adjust the overall strategy to their respective environment. Strict adherence to procedures and standards in combination with regular quality awareness and training projects for employees benefit customers and business alike.



TCL Multimedia

TCL Multimedia set up a specialized laboratory for product testing and assaying in 2000. It is the first well-equipped domestic corporate laboratory in the industry, which has obtained the certified testing qualification from the China National Accreditation Service for Conformity Assessment (CNAS), providing quality assurance for TCL's products, the third top seller in the world.

TCL Home Appliances

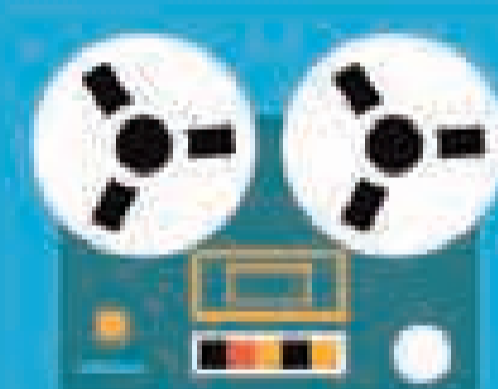


With the quality guidelines of "taking quality as the fundamental and striving for user satisfaction with continuous improvement and innovation", TCL Home Appliances was selected to be the "Excellent Enterprise in the Hefei QC Group Activity". Additionally, it has won the "First Prize of Excellent QC Group of the China Electronic Information Industry" for three times.

TCL Communication



TCL Communication has grasped the core of the "longstanding QC system" of Alcatel and established a comprehensive quality system acclaimed by overseas operators. Meanwhile, it has designed strict QC tests for product life cycle. From prototypes to finished product, there are over 70 hardware tests to ensure safe use in different circumstances.



Tonly Electronics

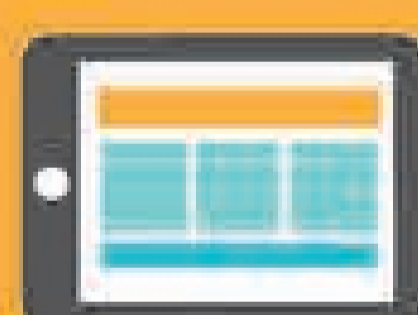
As a globally leading AV supplier, it has developed a well-established internal QA mode, which enables effective monitoring of every business link. In addition to the ISO9001 quality management system, Tonly Electronics has also obtained many other certifications, including the TS16949: 2009 Quality management systems—specification for the automotive industry.



China Star Optoelectronics Technology

CSOT is always "in pursuit of perfection and dedicated to quality production" and consider it the ideology of quality assurance. In 2016, CSOT made improvements to the quality of the TV panel product lines by 29.7%.

TCL Display Technology



TCL Display Technology takes quality as the soul of a product. Hence, not only has it established comprehensive preventive and QA systems, but it also has introduced the five major tools of the automotive industry QC system.

With our resolution to focus on customers, and led by the corporate overall Dual Focus Strategy and the Double+ Transformation Strategy, the year 2017 will see continued improvements in software quality, service experience and production reliability, wherever customer feedback takes us.

Strict Product Security Measures

TCL Corporation and its subordinate industries all cope with the laws and regulations of their respective countries and regions. Heavy investments equipped the Group with facilities and knowledge concerning customer security. Starting with the designing stage, all products must pass rigid tests to ensure the product design is in accordance with security regulations; in the production process, TCL examines the key security features, and conducts sample tests on insulation and pressure as well as drop tests, short circuit tests and other security tests. In 2016, a total of 30 attendances enjoyed professional training for personnel in charge of product security organized by TCL.

TCL Multimedia has employed a

Scratch-Proof Design

for metal TV frames without sharp edges or angles. The user-friendly design has eliminated the potential safety hazards caused by the products.

TCL Communication always ensures that every mobile phone or even a component undergoes a series of tests, including

Hipot Test

EMC Test

Short-Circuit Test

Battery Safety Test

Smart Manufacturing

1

In the 2016 focus of TCL Multimedia were projects such as unmanned craft workshops, intelligent park logistics, non-frame closure screens, and full-chained information management.

2

CSOT's 8.5th Generation LCD panel factories are among the most advanced of their kind. Investments of more than 2 billion RMB into the construction of digital, automatic and intelligent factories and the development of new generation information technologies including cloud computing, big data, Internet of Things, mobile apps and so on have helped digitalization of research and development design appliances reach 85%; 90% of the manufacturing processes are subject to numerical control; and the cost of production as well as the ratio of deficient products were drastically reduced. At CSOT, digital technology lies at the core of an optimized production system.

3

In 2014, TCL's Air-Conditioner Manufacturing Center started a comprehensive restructuring process with an emphasis on automization. Six fundamental areas, including industrial layout, product standardization and technical standardization, underwent 87 automatization projects which during the first two years required a total investment of more than 27 million RMB. Through this upgrade in automization and high-efficiency information handling, labor cost of 102 jobs of manpower could be saved by 2016, reducing cost by 103,000 RMB per capita.

Industry 4.0 — the 4th Industrial Revolution — is challenging enterprises such as TCL into a new wave of innovation and upgrade. We seize the opportunity to increase our production efficiency, improve our workplace environment and assert our industrial primacy. Newly built factories, automatic production lines, and upgrades to existing equipment all attest to the large investments we made for automatization and enhanced IT penetration. TCL aspires to epitomize Chinese smart manufacturing.

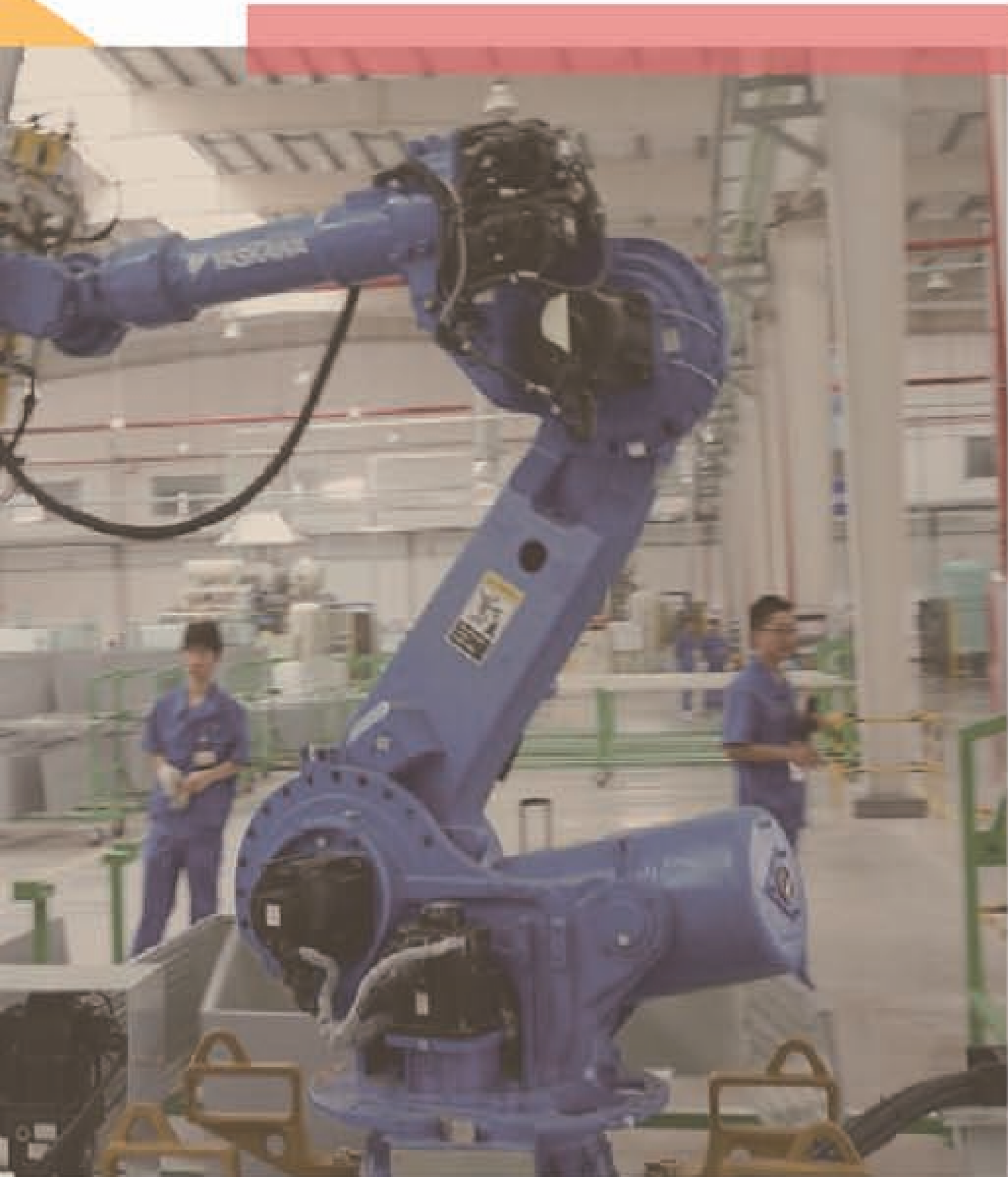
Robot arm takes U-shaped shell from the assembly line



CSOT smart production



Automated Production Line featuring U-shaped Enclosure Sheets



CSOT smart production

TCL also introduced robots into the manufacturing process, hereby saving labor costs, releasing more labor force into technical work, and improving product quality and work efficiency. As a step towards creating a pool of professionals in smart manufacturing for its subordinate companies, and to stimulate active innovation among engineers, TCL launched a robot application programming competition. TCL will continue to promote IT penetration and support the interconnectivity of industrial information system generally. We aim to accelerate the flowering of “Smart Manufacturing”.

4

In what can be called China's largest single plant mobile phone manufacturing base, TCL Communication Technology has been expediting automatization and focusing on independent research and development since 2009. By the end of 2016, TCL Communication Technology recorded comprehensive achievements in automated key production and testing procedures.

5

Concerning TCL's refrigerators and washing machines, automated manufacturing ensures high quality and production efficiency. TCL also invested heavily in robots imported from Germany for applications such as the transport of refrigerators in U-shaped enclosures, and washing machine riveting. In the first example, previous heavy labor is now carried out by robots, which relieves the work force and decreases disruptions in production due to frequent personnel change. Automatic processes also accelerate the pace of production. A TCL refrigerator production line can produce 3,600 refrigerators per week; the annual production capacity reaches 180,000.

Devoted to our Customers

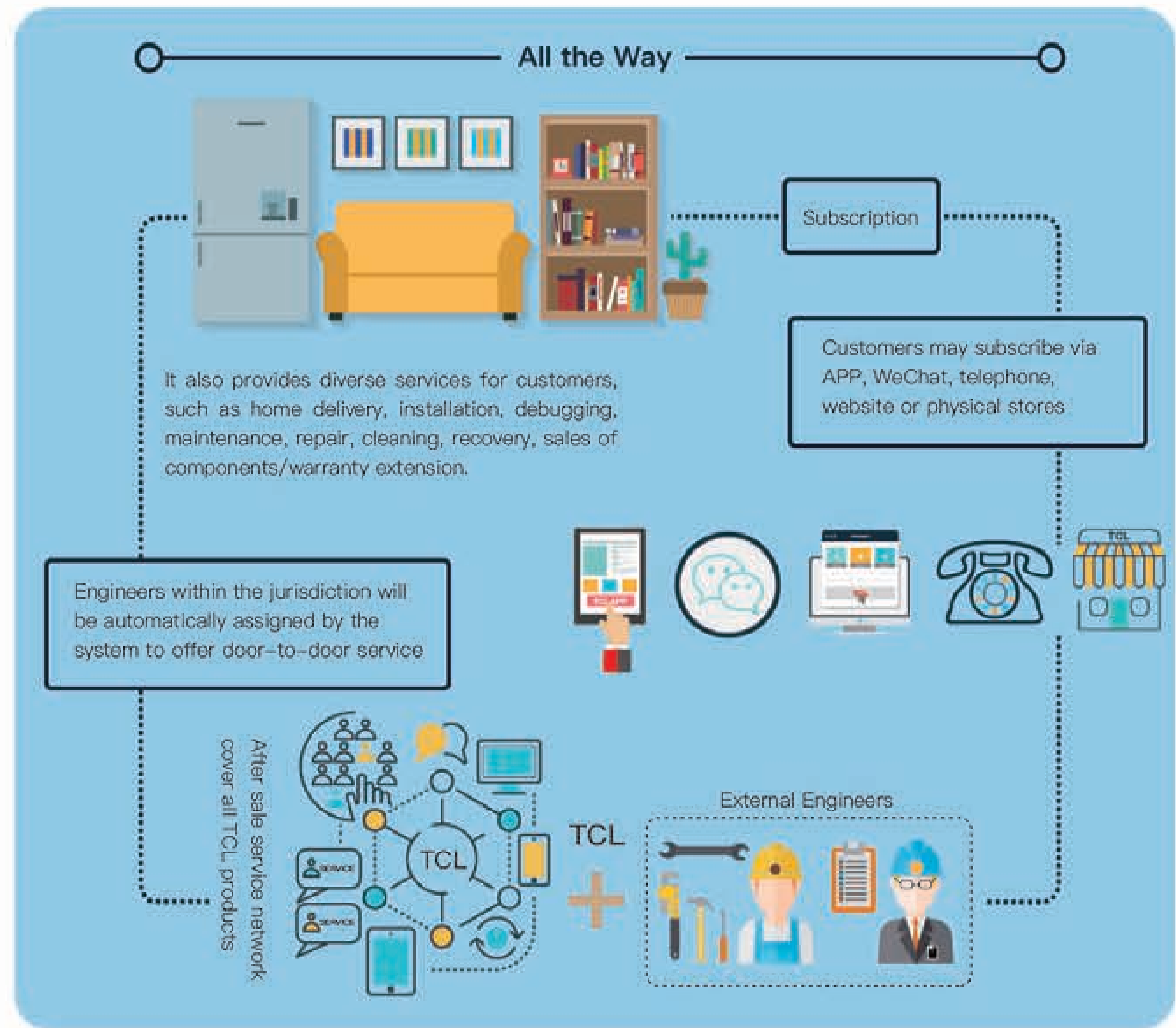
Providing an even better service for our customers is a major part of the “Double+” strategy. We upgrade our products through the Internet, big data, cloud computing, and intelligent construction. Turning opportunities in Internet development to marketability, we open up an ultimate experience for our users.

O2O E-Commerce Platform

Focusing on users and services, our O2O (online to offline) e-commerce platform features services, logistics, e-business and user operation. Key abilities in the integration of online and offline sales, Internet marketing, user operation, user services, logistics, and IT/big data are constantly improved in a process of adjustments in the organizational structure and the establishment of a flexible and flat Internet organization centering on users — always striving to create a superb experience for our users.

Caring for Users “All the Way”

In 2016, TCL founded “All the Way” smart home appliances service provider.

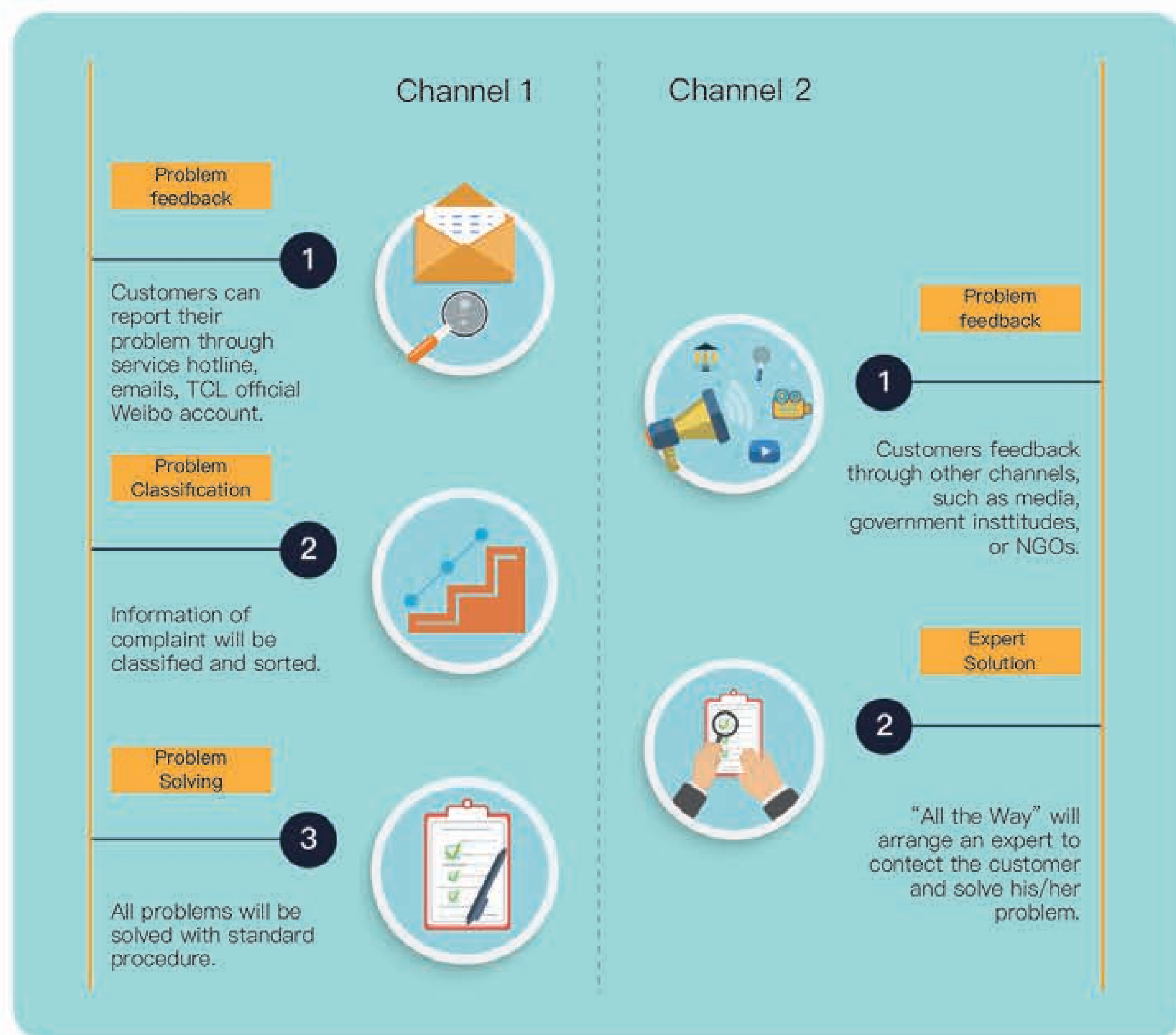


“All the Way” regional call center



There are five regional call centers providing 7x24h inquiry service and responding to user complaints via service hotline, email and TCL's Weibo Account in order to satisfy consumers' needs to the greatest extent and fulfill its commitment of taking consumers' interests as the first priority

7*24 HOURS UNSTOPPED PROBLEMS TAKING



The "All the Way" service network covers

98 % of villages and towns nationwide

Except Tibet and Xinjiang, the coverage is up to

100%

There are

7000 outlets

20000

Engineers on standby

In 2016, the customer complaint rate of TCL's "All the Way" was only

0.04%

Improvement from last year

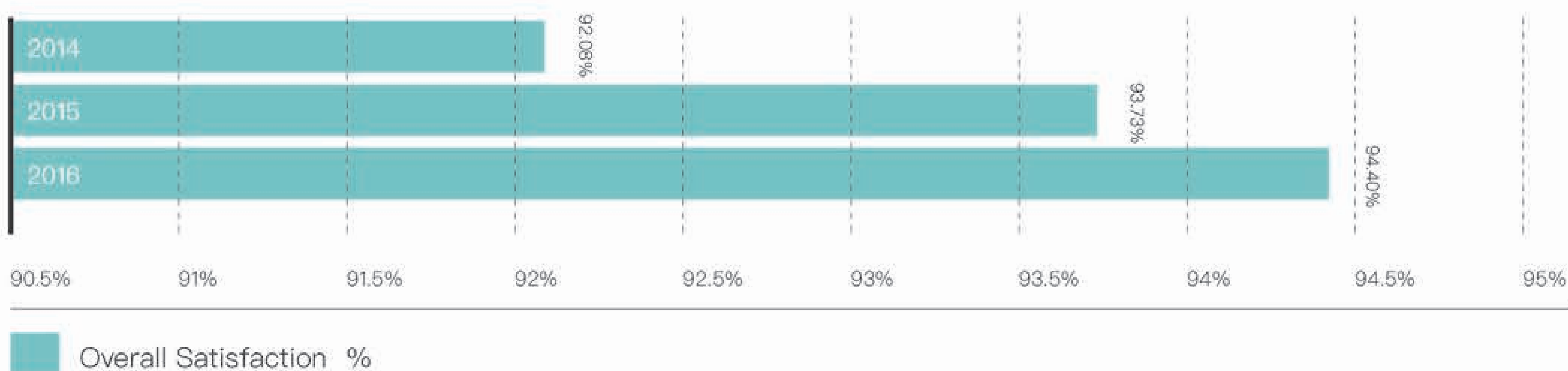
20 %

Complaint resolved

100%

Overall Satisfaction

All the Way" services include an online evaluation system for users to assess efficiency and professionalism of our services. This user evaluation enables us to establish a data base to back our innovative service model and develop even better services.



Building a Customer Online Community

“T-fans Community”, an interactive platform for TCL’s fans around the world, was founded in 2014 when TCL turned into an Internet company. Under the community’s theme of “Live with colors, love and pride”, our group set up different sections such as “T-fans Academy”, “Event Hall”, “T-fans Community”, or “Credit Redemption”. We want our fans to be able to interact, and to be able to enjoy the accumulated benefits of special offers and events. And we show how online shopping can be made easy through simple procedures and additional service.

To express our gratitude toward our fans, we have called it “T-fans Festival”: our annual foundation stone ceremony on September 28. Every year, we throw an appreciation party and host activities to celebrate the T-fans Festival. By 2016, more than 7 million fans had joined the T-fans Community.



2016 T-fans Activities

Responsible Marketing

TCL is a native speaker of the newly emerging marketing language. In response to the influence of Weibo and WeChat, we issued our “TCL Group Information Management Measures Concerning Weibo and WeChat”, requesting associated enterprises to implement these provisions and turn in information records. They serve as a means to channel the communication with our users and regulate the interaction with our investors, while also providing a platform for normal information disclosure to prevent information leakage. Since the promulgation of the new Advertising Law, our advertising management has been consolidated from top to bottom; publicity language, celebrity endorsements and Internet advertising shall strictly remain in line with the regulations.

Customer Privacy Protection

Customer privacy protection is the basis of our customers’ trust. We take the protection of customer information very seriously. Specially assigned employees take charge of the access to the internal system and set separate permissions on system queries to prevent illegal theft of data. All application system, hosts and database systems are scanned regularly with particular tools for detection of vulnerabilities. Wherever a security issue is laid open, we will solve such issues one by one in a timely fashion.

7

FACILITATING STAFF DEVELOPMENT

SAFEGUARDING EMPLOYEES' RIGHTS AND INTERESTS
HEALTH AND SAFETY
EMPLOYEE DEVELOPMENT
EMPLOYEES' LIFE

STAFF



OPENING



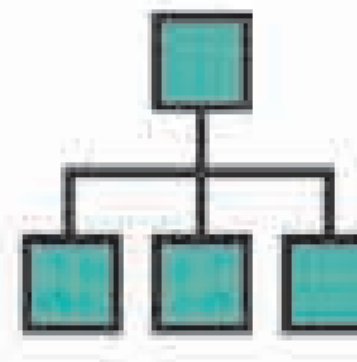
ABOUT TCL



MILESTONES



GOVERNANCE OF RESPONSIBILITIES



CORPORATE GOVERNANCE



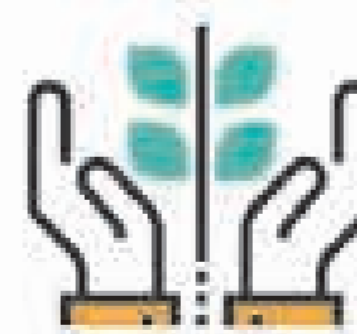
CUSTOMERS FIRST



FACILITATING STAFF DEVELOPMENT



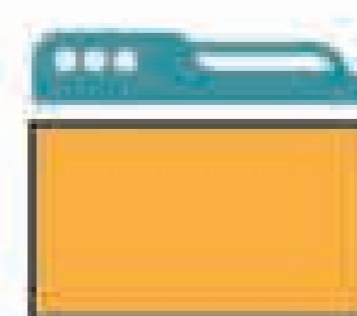
FORGING A RESPONSIBLE INDUSTRY CHAIN



BUILDING A HARMONIOUS ENVIRONMENT



FOSTERING SOCIAL WELFARE



APPENDIX

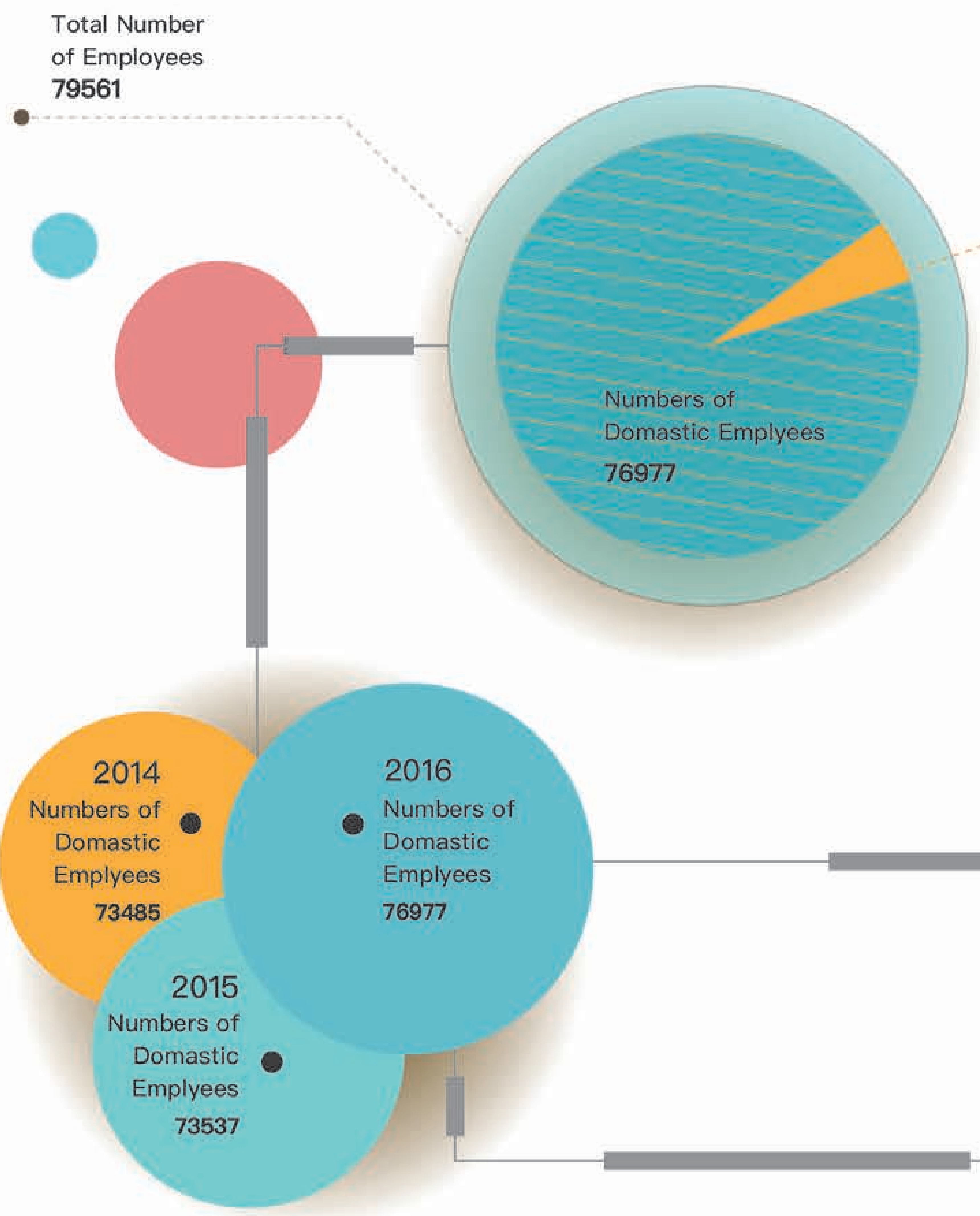
Our employees are our precious asset. At TCL, we express this through creating a harmonious and friendly atmosphere for mutual benefit, and through safeguarding the rights and interests of employees. In all of our undertakings, we strive to maintain smooth communication, protect the occupational health and safety of employees, and open up interesting career development paths. A welcoming and comfortable work environment is a precondition for a good work-life balance: What counts for our business success are achievements in both individual personal goals and business strategy.

Employees' Rights and Interests

Pursuing a non-discriminatory labor policy and embracing equality, TCL Corporation is committed to creating a multifaceted and inclusive work environment backed by a sound remuneration and benefits system. We safeguard the basic rights and interests of employees. Active communication with our employees enables us to understand staff requests and respond swiftly. At production bases of the entire TCL Corporation, responsibility management is implemented according to the SA8000 Standard – TCL's affiliated enterprises were the first batch of enterprises to be certified in China. Following an update of SA8000, our Hefei production base again was part of the first certification batch in 2016.

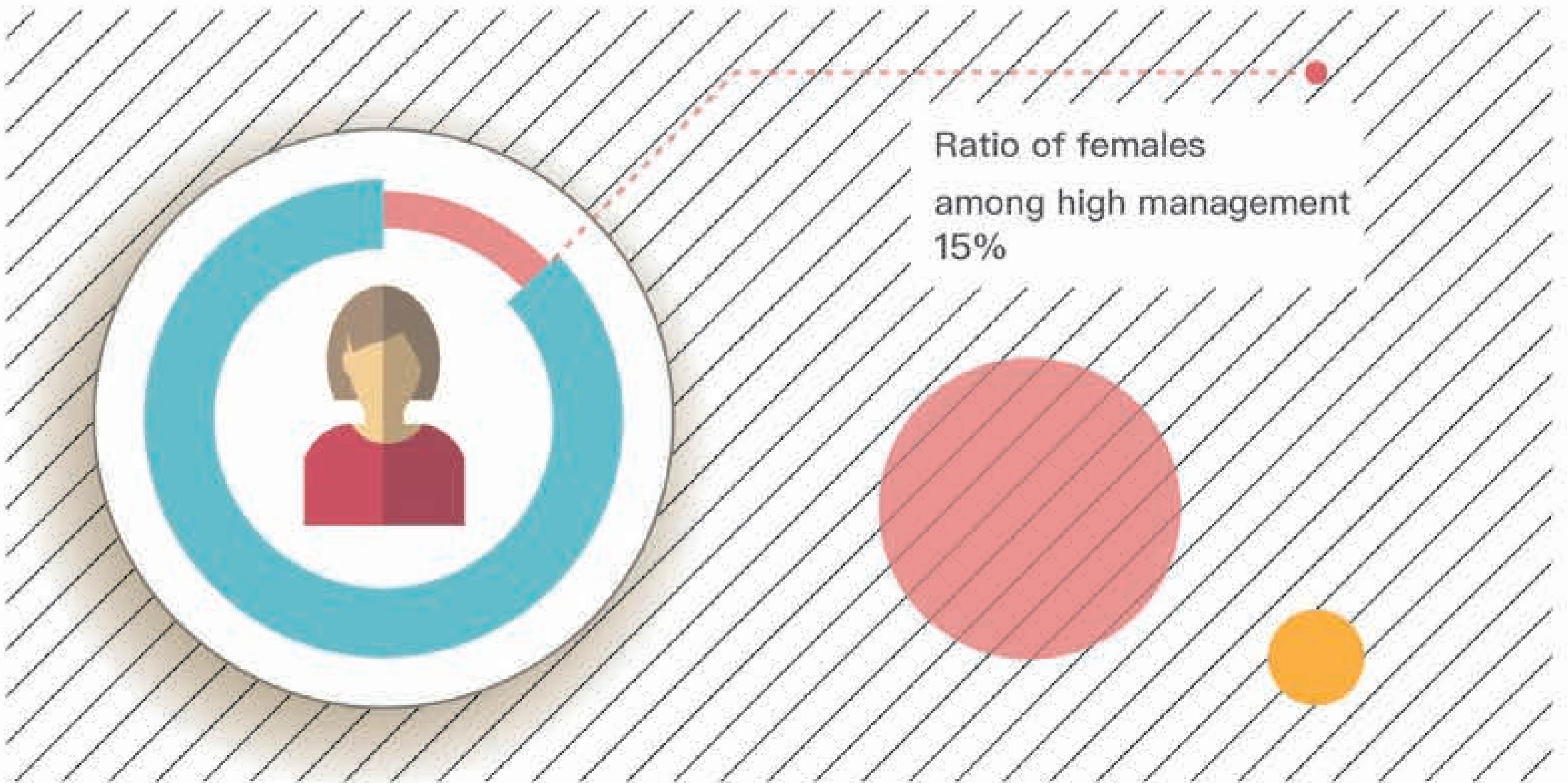
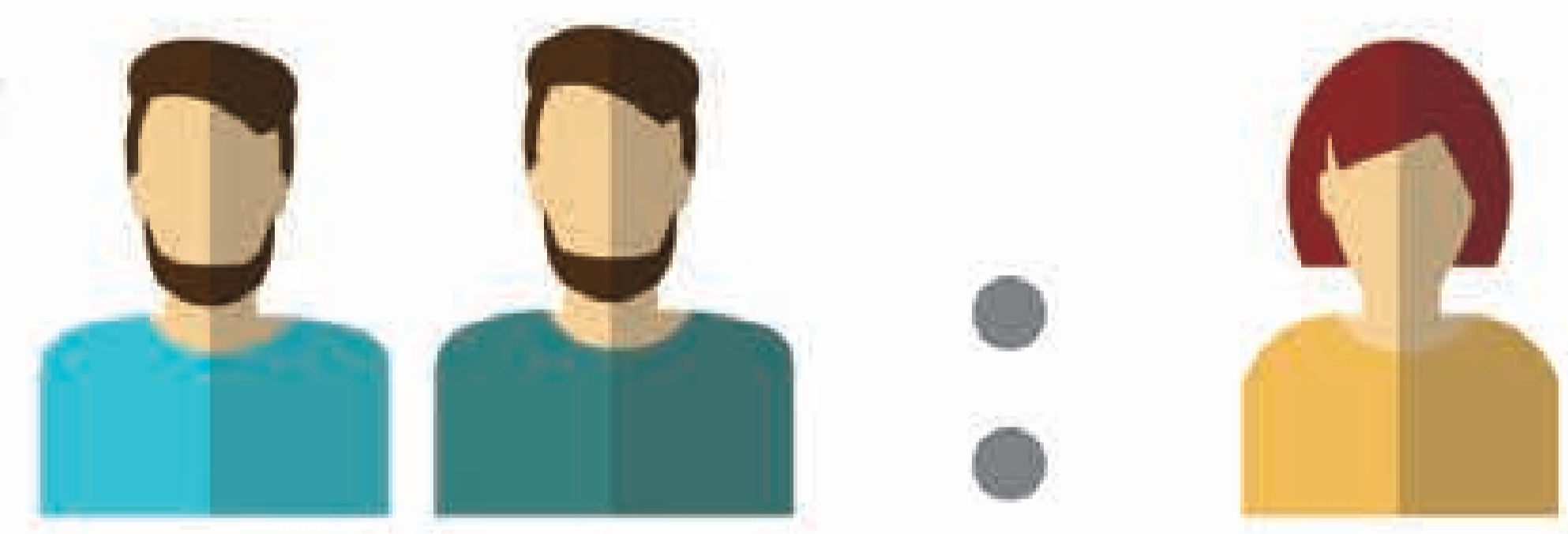
Diversified Work Environment

As a matter of course, Chinese and international law dictates the basis on which TCL has established a robust, non-discriminatory and 'equal pay for equal work' human resource management system with female employees and local workforce as an integral part of our staff. At the locations of our business, TCL plays an important role in opening up job opportunities. We strictly prohibit the use of child labor (this includes an interdiction to our employees to induce children to work), and demand that our suppliers adhere to the same standards. Regarding minor workers, TCL will maintain a separately register, organize physical examinations, and allocate them to appropriate jobs. TCL firmly prohibits forced labor, restriction of personal freedom, and sexual harassment in the workplace. We safeguard our employees' rights and interests.



Sex ratio for management and professionals

2 : 1

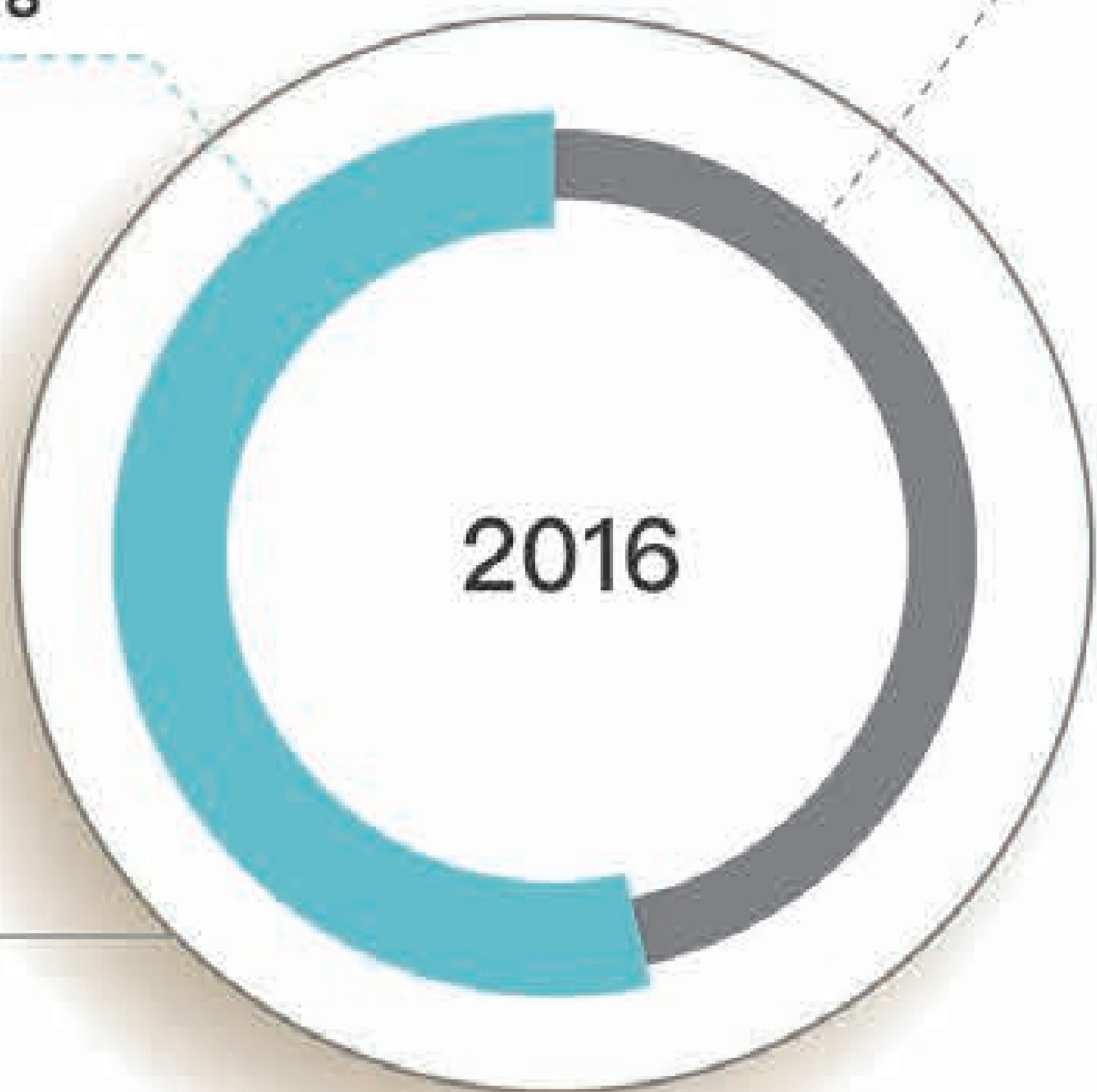


Numbers of Overseas Employees
2584

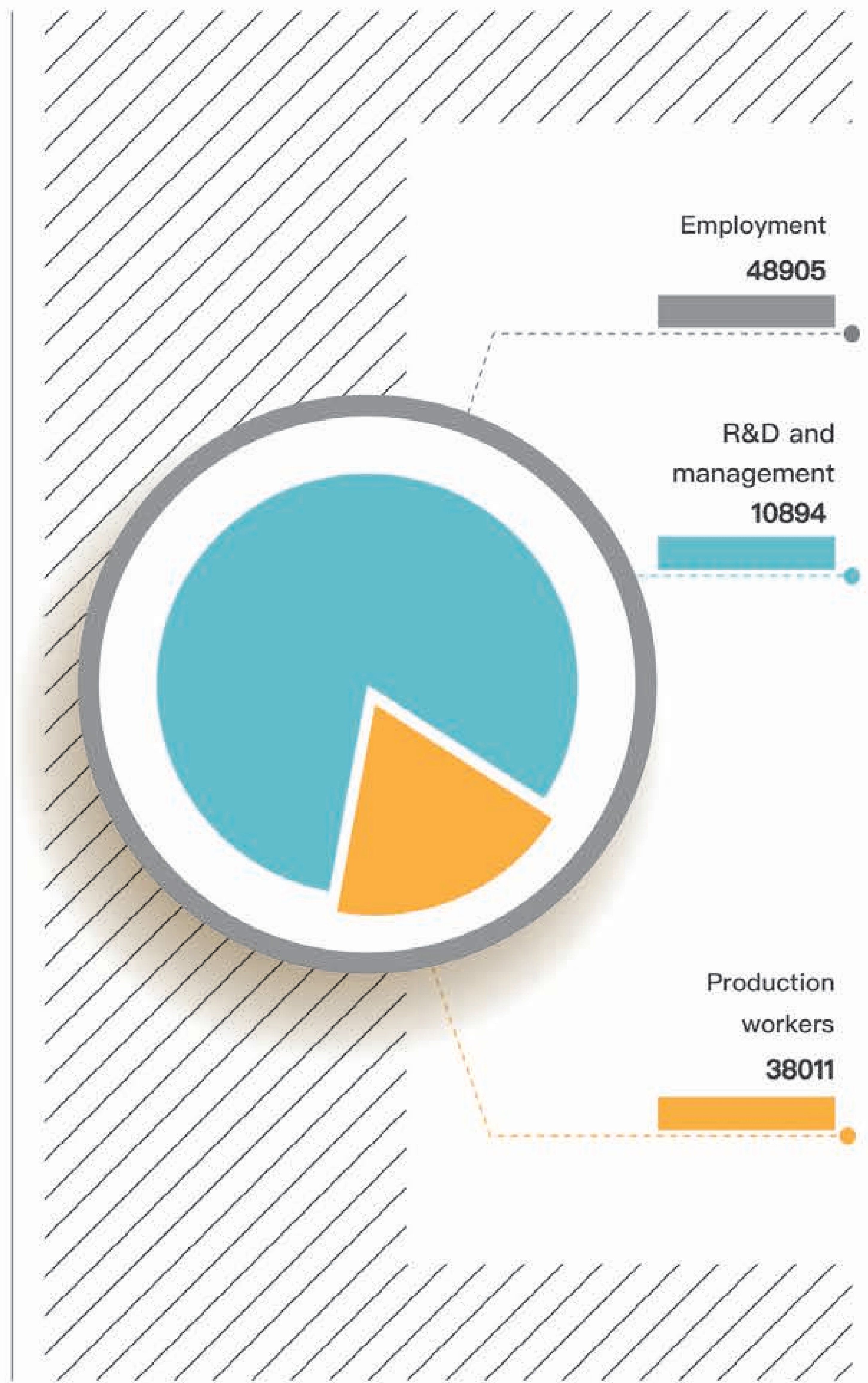
includes non-Chinese employees works overseas, does not include non-Chinese employees works in China

Numbers of Technology and management
38778

Production workers
38199

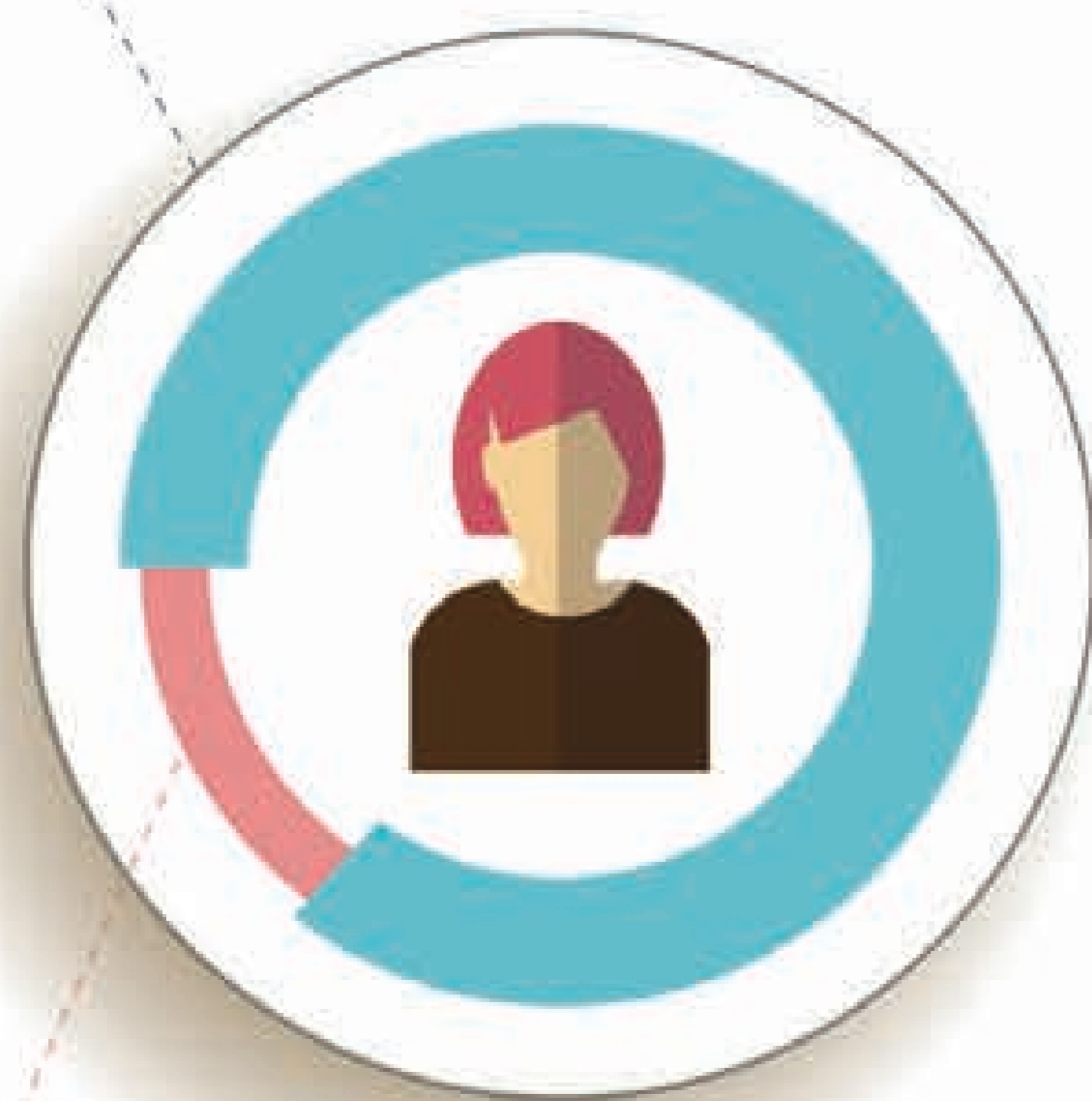


Employees with disabilities
835

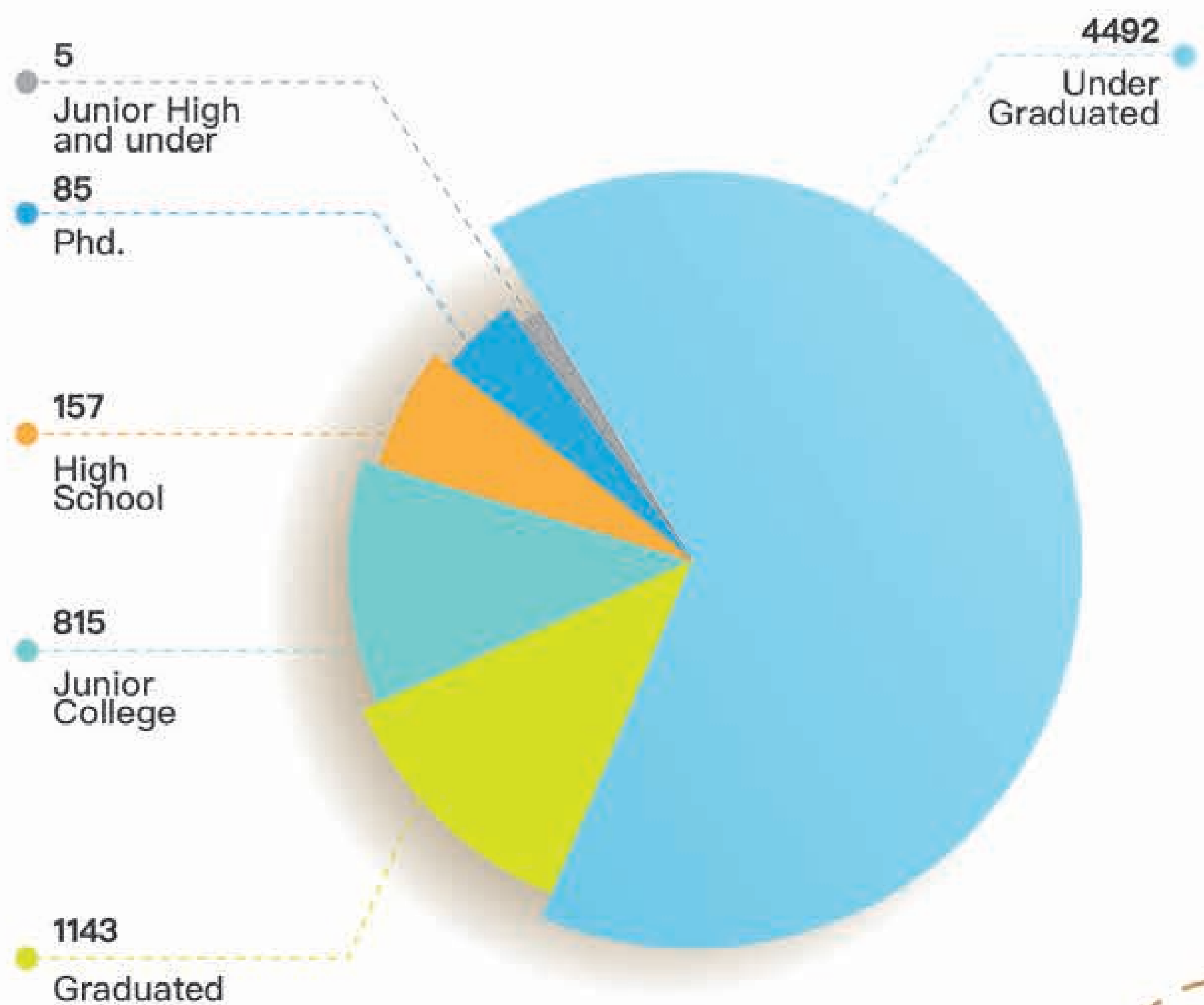


2016 domestic R&D employees includes research staff, production manager and project manager

Product and R&D employees in total **6697**



Females in total **1863**



EMPLOYEES ALL OVER THE WORLD

As a highly internationalized giant corporation, TCL particularly respects diversity and provides foreign employees with a favorable environment for them to better understand Chinese culture. TCL's overall proportion of foreign employees is almost 8%, and the proportion of foreign employees in a few industries has reached 25%. The proportion of local employees in overseas factory staff is over 80%. With employees of different nationalities and areas of expertise on jobs such as global R&D, manufacturing, or marketing, TCL focuses on training overseas executives so that foreign employees gradually assume responsibility in international management.

● Staff-Centered Care at the Factory in Vietnam

TCL (Vietnam) Co, Ltd., established in 1999, has some 122 employees at present. It adheres to the local law, and provides the staff with relatively generous remuneration and comprehensive insurance packages. In a situation-driven approach for gaining in-depth understanding of local customs and cultural differences, a new and creative apprentice training mode. Combining the thinking pattern of TCL with that of Vietnamese employees to provide Vietnamese employees with targeted guidance and training not only enhances efficiency but also strengthens the staff's enthusiasm and consolidates the confidence of all employees in the company's development and personal development. In addition, the company follows a staff-oriented management by providing free working meals, visiting ailing employees, organizing travels etc.

● Win-Win at TCL Operations Polish Factory

The management of TCL's Polish plant comprises both Chinese and local employees. Its open-mindedness to cultural differences has brought about many creative projects. Based on the characteristics of China and Poland, the company has developed a "business-oriented approach" to help employees realize that apart from developing strategies and plans, they also need to deliver top-down implementation in teams. The working theme is already rooted in the hearts of all employees through training: positive and active – simple and efficient – team-based – company-driven. At TCL Poland, outstanding employees are selected to visit China every year to foster profound recognition of what part each of our staff play in TCL's internationalization strategy.

● TCL Employees in Australia

Sean, the Human Resource Manager at TCL Electronics Australia, has been working there for eleven years. His every action is guided by the desire to motivate the staff through innovative approaches. His primary goal is to boost his colleagues' mood at work, for which he often serves as the "bond" between the general manager and other employees, making efforts for the benefit of everyone. In his blueprint, a flexible work system may become reality one day. Employees who face special circumstances ought to be able to work from home, which would give them the freedom to handle both work and their private life efficiently. He is considering supplying simple breakfasts in the company to improve happiness in the workplace, as well as to encourage the staff to arrive at the company and start their work earlier. Although Australians usually draw a clear line between work and home, Sean, who regards the company as "a big family", organizes birthday parties for employees every month, and each department also hosts their own par

Opening

About TCL

Milestones

Responsibilities Governance

Corporate Governance

Customers

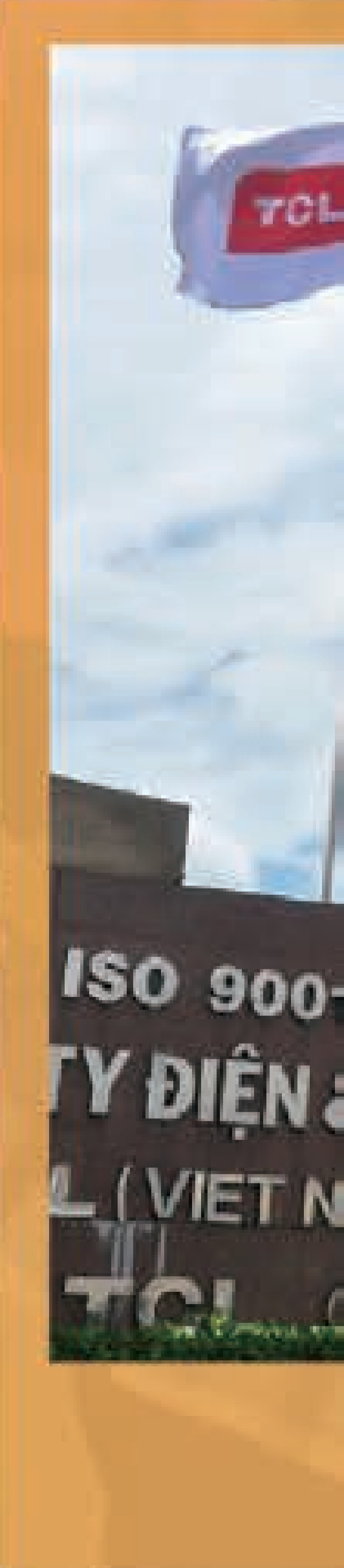
Employee

Industry Chain

Environment

Social welfare

Appendix





Sean,
Human Resource Manager
at TCL Electronics Australia



TCL (Vietnam) Co, Ltd.



TCL Operations Polska Sp. Z.o.o.

OPEN COMMUNICATION

In order to better listen to the staff and ensure a smooth exchange of information, TCL Corporation has established diversified communication channels and mechanisms. The labor union safeguards the vital interests of employees, participates in corporate management on behalf of the staff, and conducts various types of public opinion surveys that reflect the needs of employees. The present union membership rate reaches more than 90%. TCL provides employees with communication channels such as the monthly conference, email and telephone communication, WeChat platforms, dormitory visits, the staff forum BBS, employee questionnaire surveys and other methods that identify problems, so that solutions can be sought early enough and progress of the company and staff development can be coordinated. In addition, based on their own circumstances, different industrial departments have also opened their own channels such as "From the Frontline".



Discussions at "From the Frontline"



From the Frontline

“From the Frontline” is designed to give frontline sales representatives the opportunity to communicate directly with the management of the company and convey user's opinions. In July 2016, the third season of TCL Multimedia “From the Frontline” was held in TCL Technology Building (Huizhou) Co., Ltd. Nearly ninety six-star sales representatives from TCL Multimedia and a number of top executives from TCL Corporation attended these activities. The conference reviewed all issues raised by sales representatives, covering products, marketing channels, sales services and personal development. The company got to fully understand the demands of users and frontline sales representatives, and actively sought for improvement and solutions.

Remuneration and Benefits

TCL fully respects the legal provisions concerning employee salaries and offers competitive remuneration and benefits, with the entry level salaries of frontline staff being generally higher than the local minimum wage by more than 15%. Management at all levels evaluate individual employees' performance levels according to the standards, and manage and encourage them according to the evaluation results.

TCL's different industrial departments have each set up a combination of incentives corresponding to the central regulation, including profit sharing, employee stock bonus, and so on.





In addition to the statutory five insurances and housing fund, TCL Corporation offers supplementary pensions to attract and retain employees, and improve their quality of life after retirement. It also provides commercial insurances including accidental injury insurance and health insurance. Furthermore, it provides employees with allowances for communication, meals and transport as well as other benefits. For holidays such as the Mid-Autumn Festival, National Day, the Spring Festival or New Year's Day, the company delivers holiday benefits, as is the case for birthdays of employees.



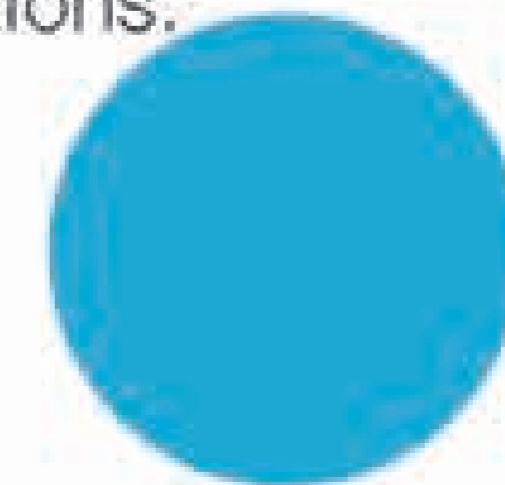
A human-based management system directs TCL in its allocation of a range of special benefits to employees in different positions with different job characteristics. TCL does not encourage or force employees to work overtime. However, where the nature of frontline work entails a need to work long hours, TCL allots overtime benefits, including allowances, midnight snacks and so on. Employees in positions that require much outdoor work with excessive heat exposure enjoy subsidies on and other benefits. To promote employees' health and informal exchange, TCL also provides the office staff with afternoon tea, fruit days, dinner parties and other activities.



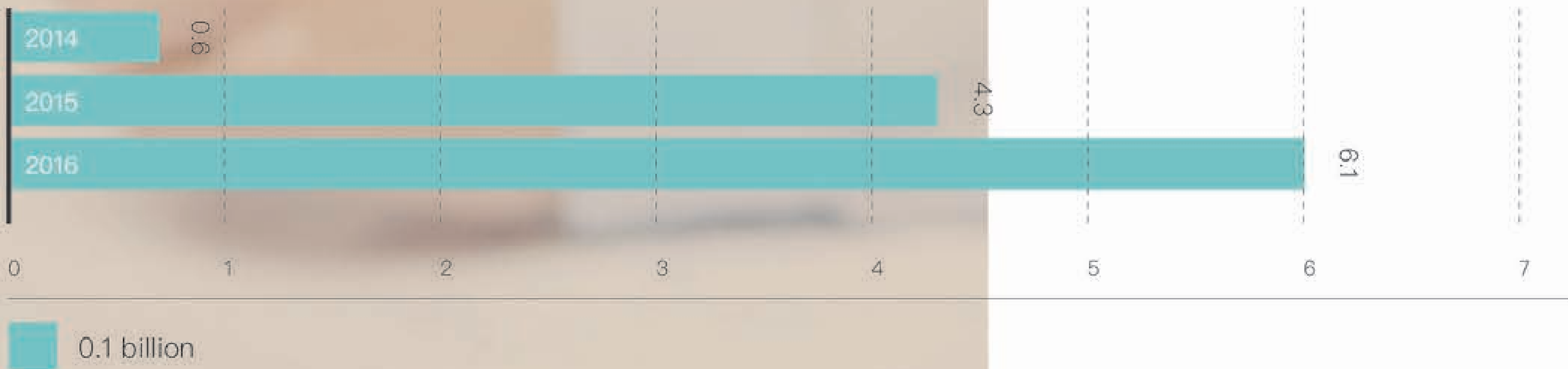
SMART OFFICE SYSTEM



In 2016, TCL entered into cooperation with Cisco in building a cloud-based video communication and collaborative office system to achieve interactive multi-party video conference, real-time data delivery and remote collaboration. It is expected to facilitate the interconnection of the group and the major industries. With the system, the carbon emission due to business trips can be reduced and employees are provided with efficient and convenient work conditions.



Helping employees to resolve capital turnover



Inclusive Finance for Employees

In 2011, TCL stepped into credit loan by establishing Huizhou Zhongkai TCL ZhiRong Technological Small Loans Holdings Limited. For TCL's employees, those who have served with TCL for over a year are eligible to apply for loans, which, under the condition of well preparation of necessary information, the disbursements are generally completed within 1-2 working days with the loan limit up to RMB5 million and the interest on borrowing lower than other channels. Should borrowers have any questions, they are welcomed to inquire professional wealth management advisers. In 2014, 2015 and 2016, the disbursements to employees respectively reached RMB60 million, RMB430 million and RMB610 million. From the date of establishment, the cumulative disbursement amount is up to RMB1.1 billion. Moreover, TCL also launched the "Xingju Project" and "Zhuchao Project" to grant interest-free housing loans to employees.

Health and Safety

TCL is devoted to creating a healthy, safe, comfortable and pleasant working environment. As a manufacturing enterprise, TCL is committed to protect the occupational health and safety of its employees and stakeholders, which is reflected in relevant policies. TCL strives to fulfill the social responsibility of "People First, Embrace Life, Develop Safely".

Occupational Health Management

Occupational Health Management System

In accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Company has established a whole process management system including source control, intrinsic safety, process control and emergency response. Via systemic process control, the company ensures a healthy and safe working environment. The company also actively sets up health records for employees. In 2016, the TCL Corporation headquarters introduced both social insurance and physical health records for all employees. No serious occupational diseases broke out in the Group's major industries.

Measures to Safeguard Occupational Health

TCL has taken a series of measures to ensure a safe and healthy working environment for its employees. Examples of measures to be taken: guarantee good air and lighting in the production workshops; increase ventilation equipment to reduce dust on the sites; carry out site protection measures for posts with hazards, such as dust control, ventilation and noise reduction; provide individual protection for employees in posts with hazards, including setting up standards and conducting regular training for the use of labor protection appliances; purchase and distribute protection equipment, such as earplugs for noise reduction, anti-poison respirators, dust masks and goggles (for welders).

Beijing Medical Company: Radiation Safety and Protection

Beijing Medical Company has a special monitoring Bay room equipped with personal radiation detectors for X / γ rays. Workers involved in a special type of work wear pencil dosimeters, which are examined in the testing agencies every quarter. The company stipulates one radiation-free holiday every month and organizes professional physical examinations every six months. In the meantime, the company work with the Beijing Economic-Technological Development Area to carry out activities such as "Radiation Safety and Protection" training to raise awareness among employees of the importance of safety, and foster employees' understand of their own rights, interests and duties.



Safe Production Environment

TCL Corporation has formulated regulations such as the Management Standards for Safety Production Performance Evaluation, Provisions on the Administration of Safety Production Operation, Administrative Measures for the Investigation and Handling of Safety Accidents in TCL Corporation and Emergency Response Plan for Production Safety Accidents. Based on China's relevant laws and regulations on safe production, these standards help to continuously improve our production safety management.

Production Safety Management

TCL Corporation has set up Production Safety Management Committee (SPMC) and Production Safety Management Committee Office (PSMCO) to administrate the safety management system. The PSMC is fully accountable for the Corporation's production safety, and the PSMCO is responsible for the implementation on a daily basis. Every year, the PSMC signs a liability statement for production safety management with subsidiary companies of various sub-industries. The annual plan for production safety is submitted to the PSMC for approval and implementation.

In 2016, RMBTCL's major industries invested a total of more than 50 million RMB in production safety.

TCL Corporation currently employs 28 nationally certified safety engineers, 10 safety directors at middle management in Guangdong province, and 105 full-time safety management staff members. In 2016, the Corporation and its sub-industries carried out safety training in 62 sessions on Group level and over 500 sessions at the subsidiary levels. 132 employees from the subsidiaries obtained a Chief Safety Director Certificate. 23 subsidiary legal entities passed safety standard certification. No serious personal injuries or severe safety production accidents happened for four consecutive years.

Production Safety Inspection

TCL Corporation implements its production safety inspection plan to eradicate any hidden danger of accidents. We spare no efforts in constantly investing in and improving our production safety and regulate inspections in this regard.

Our affiliated industries have also established their regular management systems to identify latent perils. Every day, week, month, quarter and holiday, safety managers on different levels examine all districts to identify potential danger in every factory. Additional special examination work is carried out to improve, upgrade and maintain safety protection equipment.

Development of a Safety Culture

TCL bases production safety management on publicity and education and encourages all affiliated enterprises to include activities in their routine which help establish a safety culture.



Students Fire Safety Awareness

All affiliate enterprises provide specific training adapted to the posts of employees so as to enhance their safety awareness. For instance, new employees have a triple on-board training (company, workplace and group). On-the-job employees are given training involving job transfer, work resumption, new equipment and orientation, etc. Inspection and management personnel are trained in safety knowledge, identification of potential risks in equipment, management of handling of hazardous articles, labor protection, and relevant laws and regulations such as the Production Safety Law and the Fire Protection Law. For instance, in 2016, the TCL Home Appliance Group conducted safe operation skills training, training in identification of potential risks in equipment, accreditation training for safety management personnel and special operations personnel, legal training in safety, fire control and environmental protection, and training in standards for bestowal of badges in safety culture demonstration. In these 389 training sessions, 19,975 attendances were registered. This helped TCL to enhance corporate safety awareness and to be accepted as a Municipal Safety Culture Demonstration Enterprise. Furthermore, the company carried

out a total of 34 drills focusing on fire protection, earthquake evacuation, equipment, electric shocks, hazardous chemical leakage and on-site disposal, in which 22,357 people took part. All employees were given opportunities to experience how to save themselves and each other, effectively eliminate hidden dangers, prevent casualties and reduce losses in case of emergencies. Also, they can now evaluate the feasibility and effectiveness of emergency plans.



Emergency Drill



Employees at Workshop



Fire Safety Drill

TCL's subsidiary enterprises also carry out safety competitions among all employees. The company organizes theoretical examinations and spot tests of safety knowledge before, after and even during work. The first round takes place on factory levels, whereupon the winners participate in the final Group-wide contest. In 2016, the trade union of TCL Corporation organized a fire protection skill competition, greatly enhancing its on-site response capability for security and protection.

TCL not only helps employees develop a sense of safety, but also cares for their families and neighboring residents. Safety knowledge is spread widely to allow more people to enjoy a safer life. Through well-organized activities such as visits, family open days, and a series of classes and drills on fire prevention, protection and escape for students and parents, their awareness and ability in terms of fire protection are generally strengthened.

Employee Development



At TCL everyone—including managers, technicians and front-line operators—will receive training and find opportunities to be promoted. TCL is committed to helping employees realize their worth and find opportunities to develop.

Multiple Channels to Recruit Talent

Our corporate strategic goals are designed to attract talent for the sustained development of the business. TCL follows open-recruitment and fair competition principles and seeks to diversify recruitment channels. Using practical methods, TCL recruits the talent needed for business development.



TCL's intelligence exchange meeting



School-Business Cooperation

TCL +

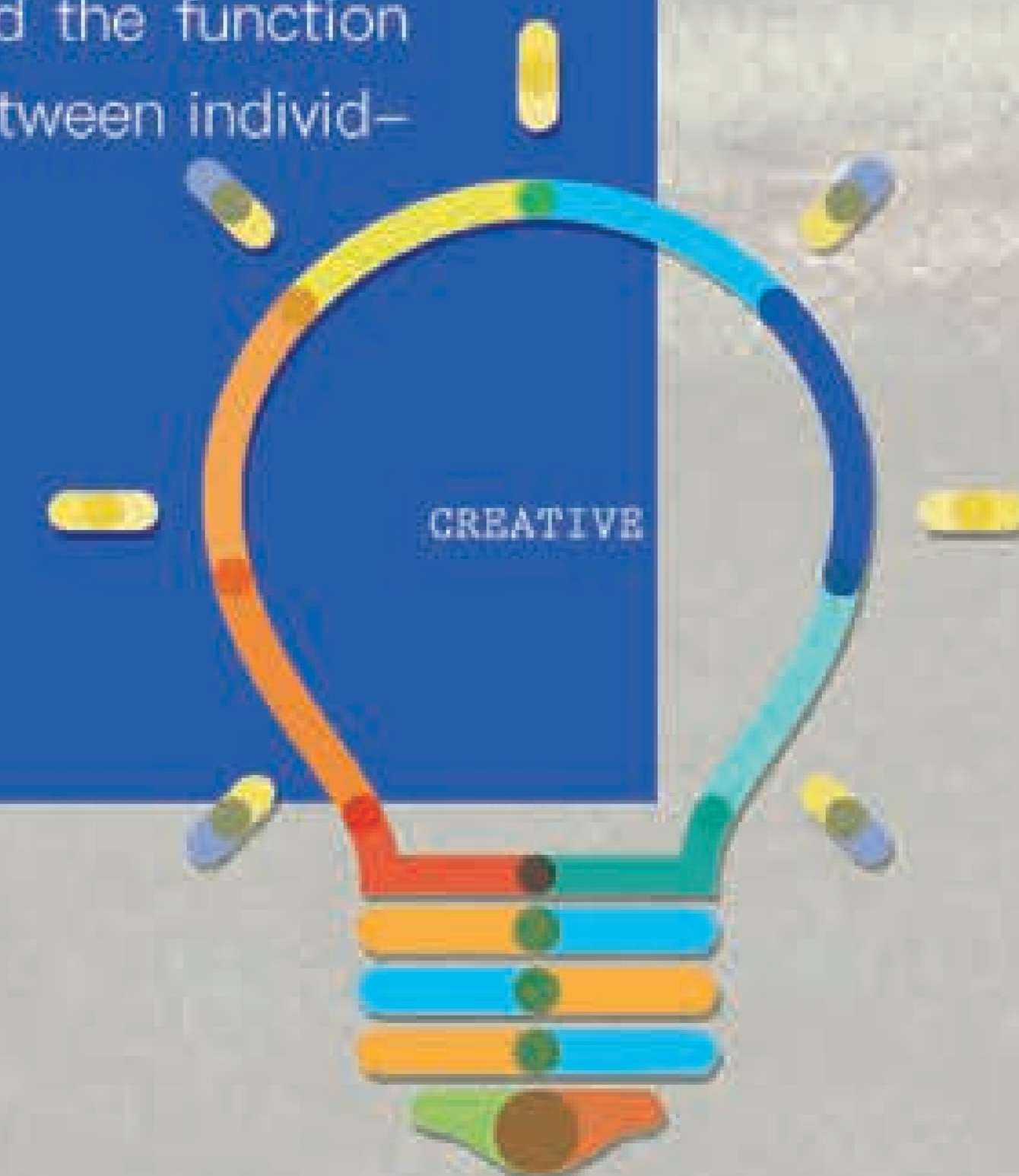


TCL has held on-campus recruitment activities in **20** consecutive years and hired **25,000** outstanding college and university students. In 2016, TCL organized briefing sessions at **35** colleges and universities and created over **100** new positions.

To cultivate creativity among students, the TCL Group has collaborated with various colleges to launch the TCL Creative Club, which supports innovation and start-up activities. TCL not only provides 15,000 RMB to the club yearly but also offers company tours, career counseling and internship opportunities to club members. So far, the group has established clubs at 10 universities.

“Growing And Sharing” College Creative Club Summit

On 25 July 2016, the TCL Group held a college creative club summit, themed “Growing and Sharing.” At the summit, students were taught how to organize campus activities, promote businesses and facilitate team-building. The core members from each of the 10 colleges exchanged views at the summit. The summit helped club members better understand the function of the club, and facilitated exchange between individual campus clubs.



Promoting Industrial Development

Research in Display Technologies

TCL Group's China Star Optoelectronics Technology is a display panel producer new to the market. In 2006, the company signed a strategic cooperation agreement with Huazhong University of Science and Technology. Under this agreement, the company will invest no less than 30 million RMB to cultivate high potential talents and to promote research in display technologies. Together, the company and the university will build an R&D facility and an institute for researching flexible displays and visual health. Company and will work together to solve problems and accelerate the development of electro-optic display technologies in China.

Internal Recommendation

TCL incentivizes internal recommendation, encouraging staff members to recommend coworkers with outstanding talents. When an employee recommends a coworker and this coworker passes the probation time, the recommending person will be rewarded based on the level of the coworker's new position.

Career Development and Promotion

TCL aspires to cultivate talent commensurate with those of other world-class consumer electronics producers. TCL has established a sound system for managing employee career development. The group has two promotion tracks: the management track and the technician/professional track. Each track has five levels of promotion.

Management Channel



Leader

5

Manager

4

Supervisor

3

Experienced /Frist Entries

2

Experienced /Frist Entries

1

Three levels (3 to 5) of the management promotion track are distinct from the technician/professional promotion track. Employees on the technician/professional promotion track can be further categorized based on their focus, i.e. finance, quality control, R&D etc. Some core employees on the technician/professional track, such as R&D staff, have six levels, the highest being the industry's authoritative expert.

A multi-level course system provides employees of TCL with a clear development path. TCL has gradually cultivated talent pools filled with High potential and best-performing employees. TCL also has a team building system, which provides team and individual training programs.

Technology Channel



Staff Training

Based on our strategic development plan and our goal to train employees, TCL has established a training and development system suitable for employees of all levels. This system helps increase enthusiasm and a sense of belonging in employees, while contributing to TCL's long-term growth. In 2016, TCL invested 62 million RMB in employee training (not including investments in professional skill, legal or training), directly benefiting a total of 4,900 employees, 158% more than in 2015.

In 2016, TCL recruited 75 new internally trained and accredited or externally hired instructors. These instructors will work in different sectors to share their expertise and make professional knowledge even more widely available.

Since 2012, TCL Group won the Best Employer in Asia award for 5 consecutive years



TCL University

To support the “Double+” strategic transformation and provide service-centered training, TCL founded the TCL University in 2015. TCL University was established to increase TCL's influence, to better coordinate resources and to attract new employees. By combining the best practices of management and business operations, TCL University created an employee development strategy that equips its students with improved management capacity and high-level business skills. TCL University's training and internships encourage students to actively seek education, contribute to the formation of projects, and facilitate long-term pooling of HiPo workers. The courses also improve the capacity of existing key staff, cultivate pragmatic leaders, product managers, and key international employees, and support the upgrade and transformation of the corporation.

In 2016, TCL University offered 25 training programs and provided a total of 1,991 hours of training. These training programs included 43 independently developed courses, more than twice the figure of 2015. In 2016, TCL University—one of 500 or more corporate universities in the world—won the Best Corporate University in China award.

Cope with Strategy

Company strategy and HR strategy guides corporate university students development strategy

Close to Service

Wisdom of TCL management and best practice from business guide university operation



Transfer TCL core value into practice and capability

Inherit the Culture

Create a communication platform for employees with wisdoms and capability of all TCL to help innovation projects

The Third Space

TCL University

2000

The TCL training school was founded.



2005

The training school was renamed TCL College for Leadership Training.



2015

The TCL University was founded to support the "Double+" strategic transformation.



The Eagle Project

TCL spent 10 years building a multi-layered and all-encompassing training system called the "Eagle Project." The Eagle Project consists of smaller scale programs, such as "Baby Eagle," "Young Eagle," "Flying Eagle," "Vigorous Eagle," "Elite Eagle," etc. respectively for interns, entrants, junior managers, middle-level core members, and senior employees. Our training system, which facilitates interlevel and intersectoral guidance, is designed to increase exchange between managers and workers, contribute to our company's knowledge base and coordinated work capacity, and cultivate top-level employees for various fields.

The project aims to attract promising talent to the corporation. It designed a system characterized by "training – cultivation – development – employment". It provides individually tailored training to meet the needs of the corporation's future development.



Flying Tie
(Backup development)



Eagle Tie
(On position improvement)



New Appointed Tie
(Newables competence)



TCL Eagle Training System



Taking off Project



Flying Project



Hovering Project



Elite Eagle



Vigorous Eagle



Flying Eagle



Young Eagle



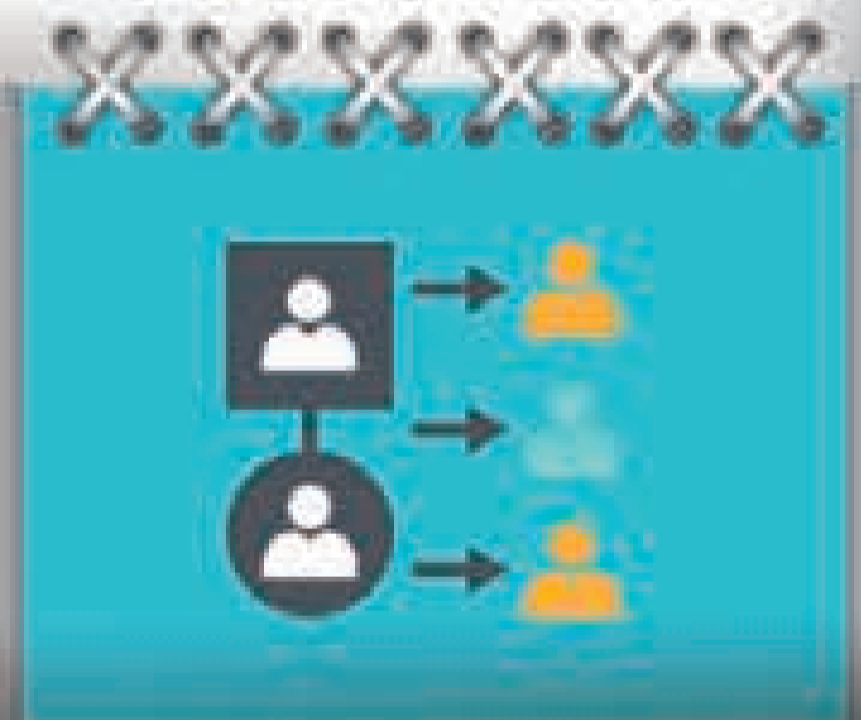
Senior Management of the Group



General Manager



Head of Department / Director



Manager (Base level Supervisor)



Staff Member

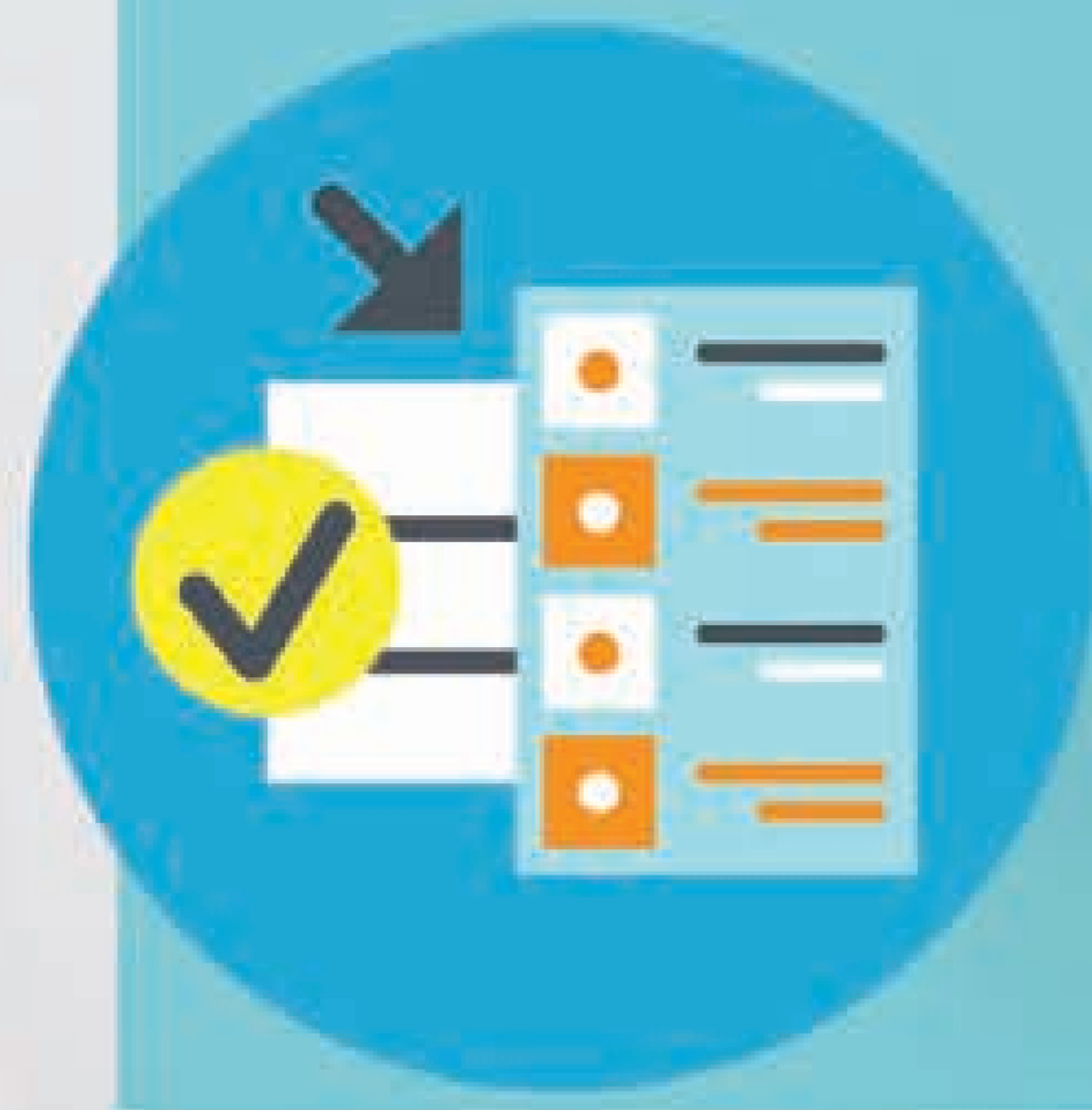


University Cooperation Supervisor

EAGLE

GDP (Group Development Program)

1



Based on an early overall assessment with tips on planning and needs from the "Aoxiang Talent Development Project", GDP designed an 18-month team study session for systematic learning on topics including "Strategic Business Year" & "Leadership Year", "Customer Orientation", "Strategic Orientation", "Reform and Innovation", or "Talent Training". Action learning projects will also improve competence and serve as a way of evaluation.

THE FYAS PROJECT



Young Eagle

A program for young entrants who are energetic but inexperienced. Based on these characteristics, a series of activities help them adapt to the workplace.

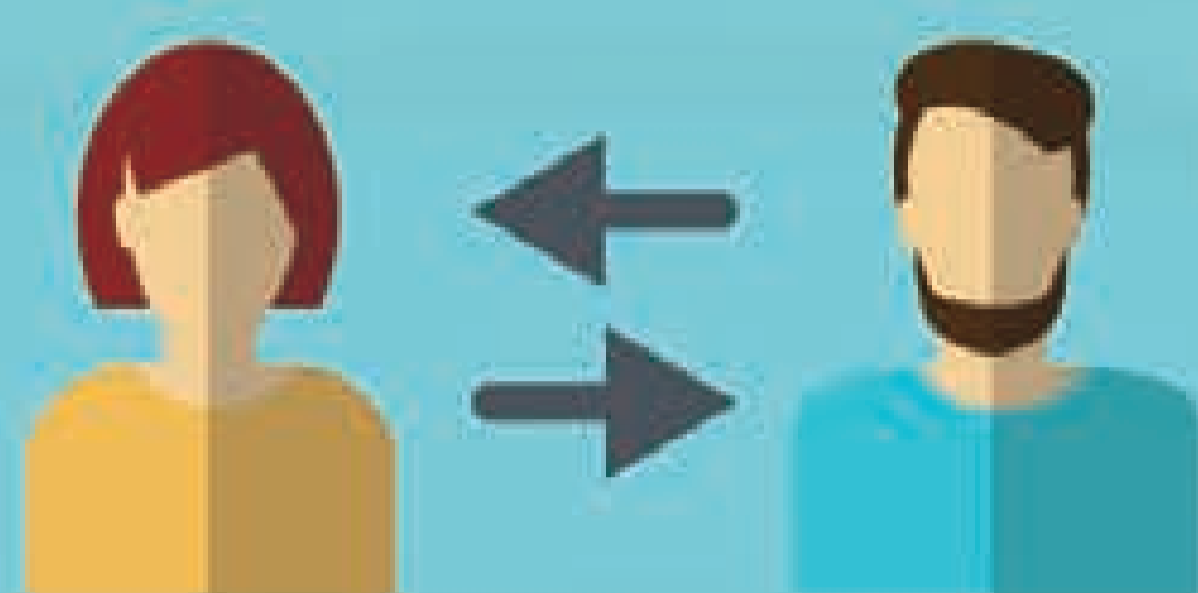


IDP (Individual Development Program)

2

This is an individually tailored program designed on the basis of assessments of HiPo's, including their strengths, weaknesses and personalities, the corporation's needs and the person's individual development needs.

For the convenience of employees interested in training courses, TCL University opened a WeChat official account through which employees can view TCL open courses and register for courses. The university recruits trainers through direct application, primary selection, special training, and assessment. Now it has a total of 38 trainers. The official account provides channels for multi-directional interaction. Employees can use the official account to leave their feedback, or exchange ideas. This platform facilitates shared learning.



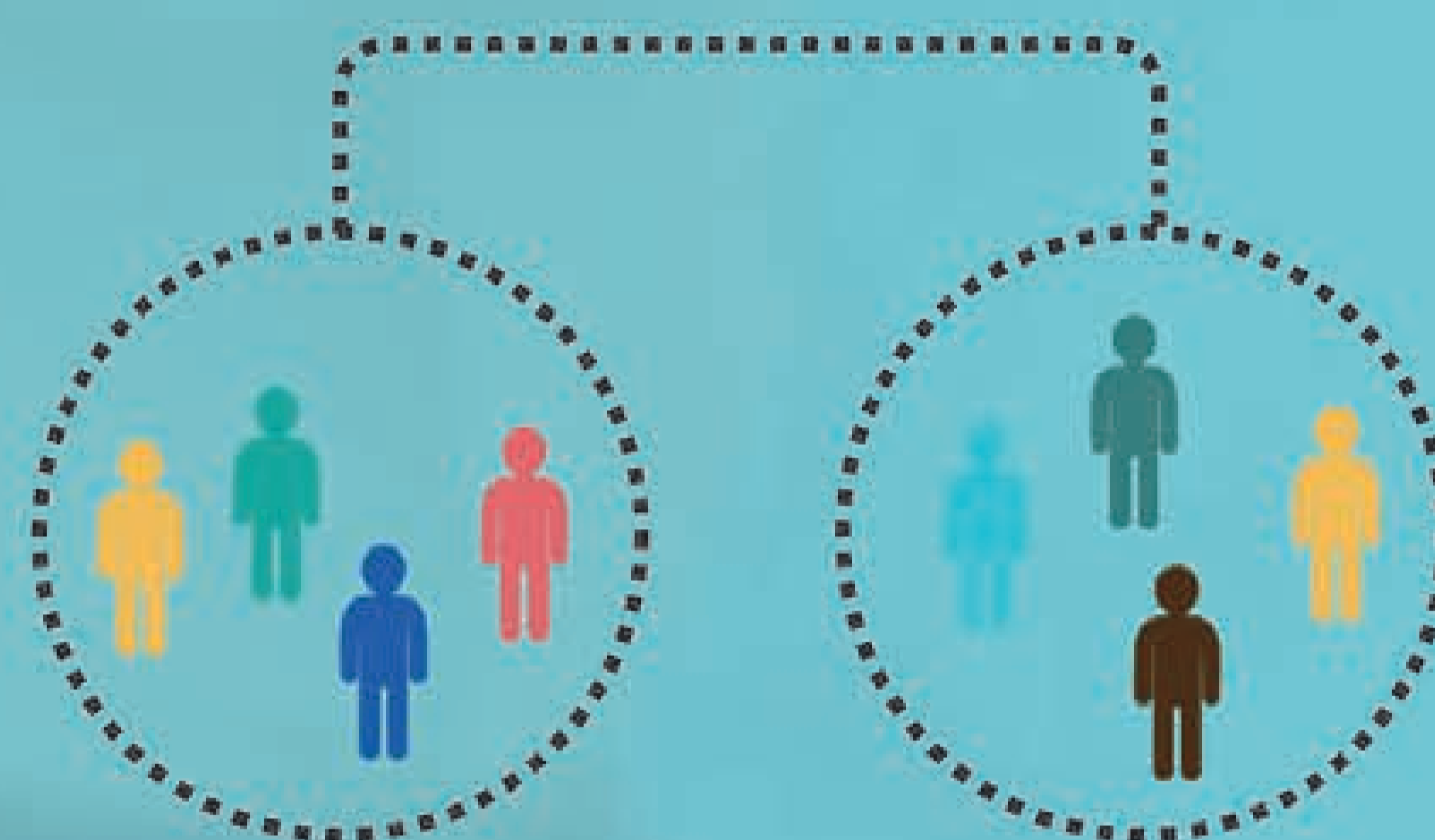
Coaching

3

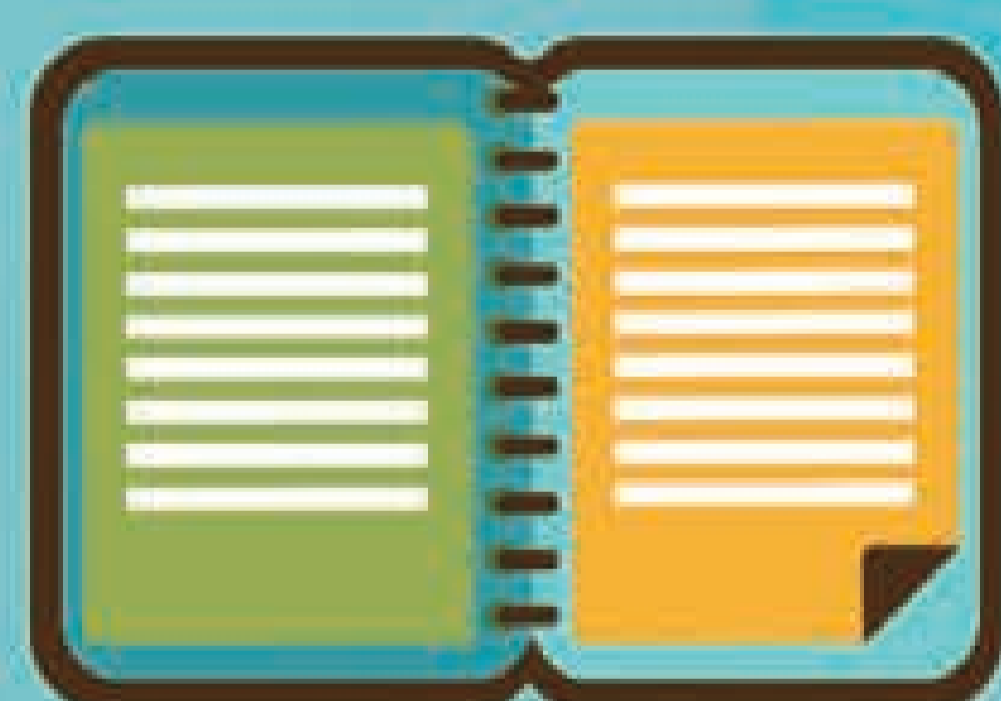
Each studying person has three professional coaches and will have **one-to-one coaching at least once a month**. Through guidance, company, support, encouragement and scrutinizing, the coaches help their clients solve profound questions, inspire their actions and stimulate their commitment.

Action Learning

4



In line with the Group's "Double+" transformation idea and the principle of putting users first, participants are divided into **two action-learning groups**.



During the training, studying persons are given opportunities to **participate in important activities** such as new product release conferences and external exchanges.

5

Glimpse into Senior Management

Employees' Life

Cultural and Sports Activities

To enrich the lives of our employees, subsidiaries of TCL have established around 100 cultural and sports clubs. For example, there are soccer, basketball, yoga, swimming, fishing and dancing clubs. We have built dance studios, fitness centers, swimming pools, table tennis rooms, small cinemas, and libraries. We organize cultural activities to enhance team cohesion and contribute to our employees' wellbeing. In 2016, the TCL badminton teams participated in the 5th Huizhou Sports Meet. The men's team came in 3rd place and the women's team came in 5th place. Individuals from our teams earned 4th place medals in both the men's singles and women's singles competitions. In addition, the corporation also holds outdoor activities to facilitate teambuilding.

Eagle's Gobi Journey

To strengthen resilience and team cohesion in the TCL workplace, the corporation organized a hiking activity, titled the "Eagle's Gobi Journey." The goal of this activity was to foster goalsetting, confidence, team coordination, action, implementation, resilience, and determination.

In September 2016, such hiking activities took place in Guangzhou, Huizhou, Beijing, Shanghai and Wuhan, with over 3,000 TCL employees participating in total. The combined distance covered by these employees was 73,000km, almost twice the circumference of the earth. This activity was a historical milestone as it spread the spirit of the eagle to the different branches of TCL, and provided momentum for the future transformation of the corporation.

The Eagle's Gobi Journey

Employees Sports Club Meets



In 2016, TCL's enterprises organized various sports club meets, including events for ball games, darts, rope jumping, and 11-legged racing. Over 80 runners participated in either a full or half marathon. Through these activities, employees not only improved their physical fitness but, most importantly, had fun! The club events also contributed to team cohesion.

TCL Networking Party



The TCL Labor Union always treats employees as "customers". It will accommodate the needs of young employees by providing safe and effective networking platforms, also to solve one problem of ever-increasing dominance — finding a lifetime partner! The networking party not only highlighted young people's responsibility to establish a family but also provided a platform for mingling. All of the participants were TCL employees, and 18 couples were matched during the party.



Care for Employees' Livelihood

Improving the Room and Board Coverage

TCL takes room and board seriously, as it aims to provide a healthy, nurturing living environment for employees. In 2016, TCL purchased new air conditioners, fans, doors, and wardrobes for the employee dormitories; we provided water dispensers and coin laundry machines in the communal rooms on each floor, and equipped the TV rooms with smart TVs and comfortable seats. The dorms also have Wi-Fi.

In staff canteens, TCL only uses certified chefs and managers. The dishes are made from TCL's Happy Farm produce, which is completely pesticide free. The menu is designed based on the opinions collected from employees. It includes more than 80 dishes, which are served for breakfast, lunch, dinner or for a late-night snack. Updates made to the menu are viewable through WeChat. In addition, we provide pregnant women with fresh fruit free of charge. If an employee has a psychological problem, the corporation will provide assistance to the individual and his or her family members.



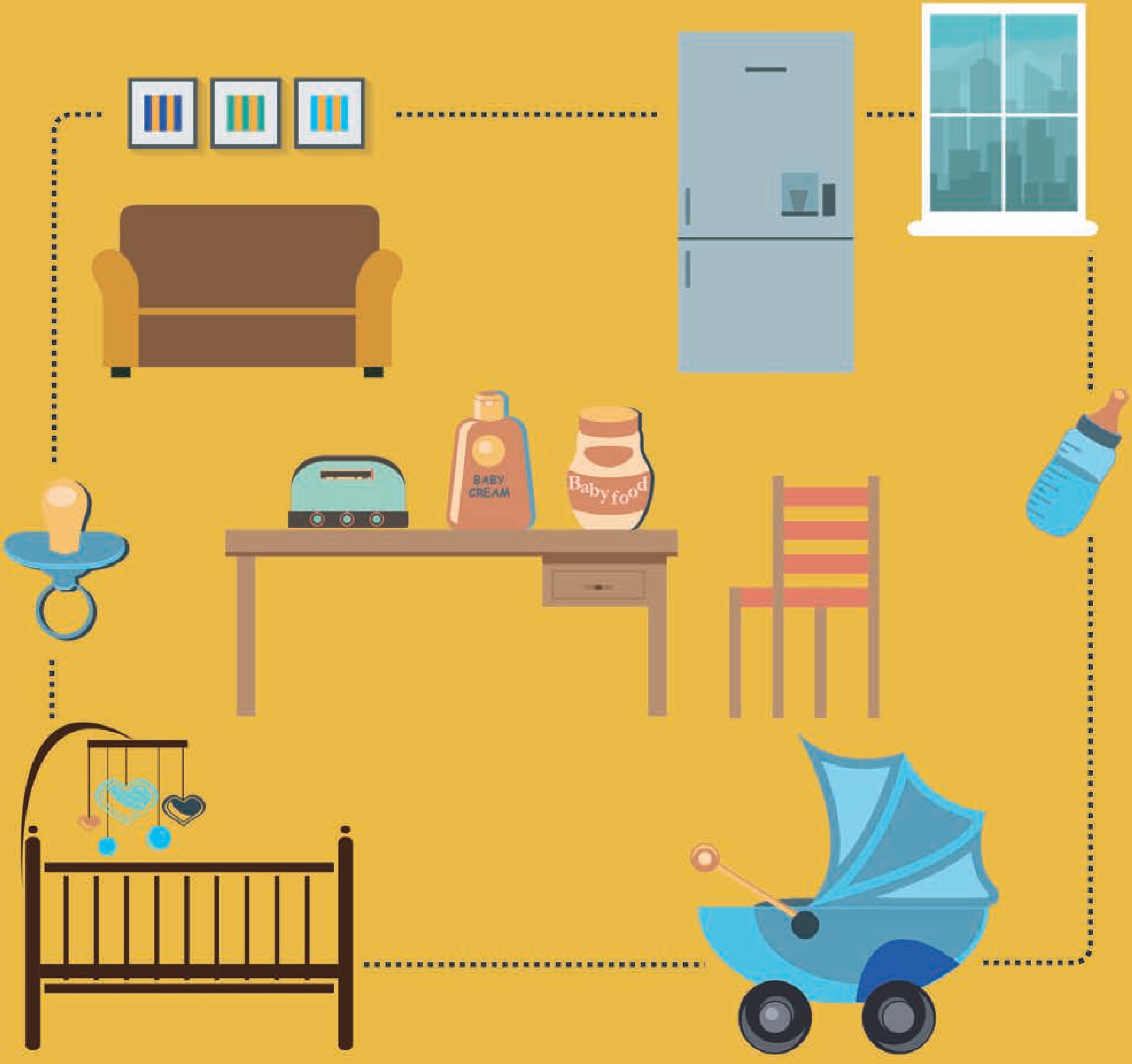
Employee Dormitory

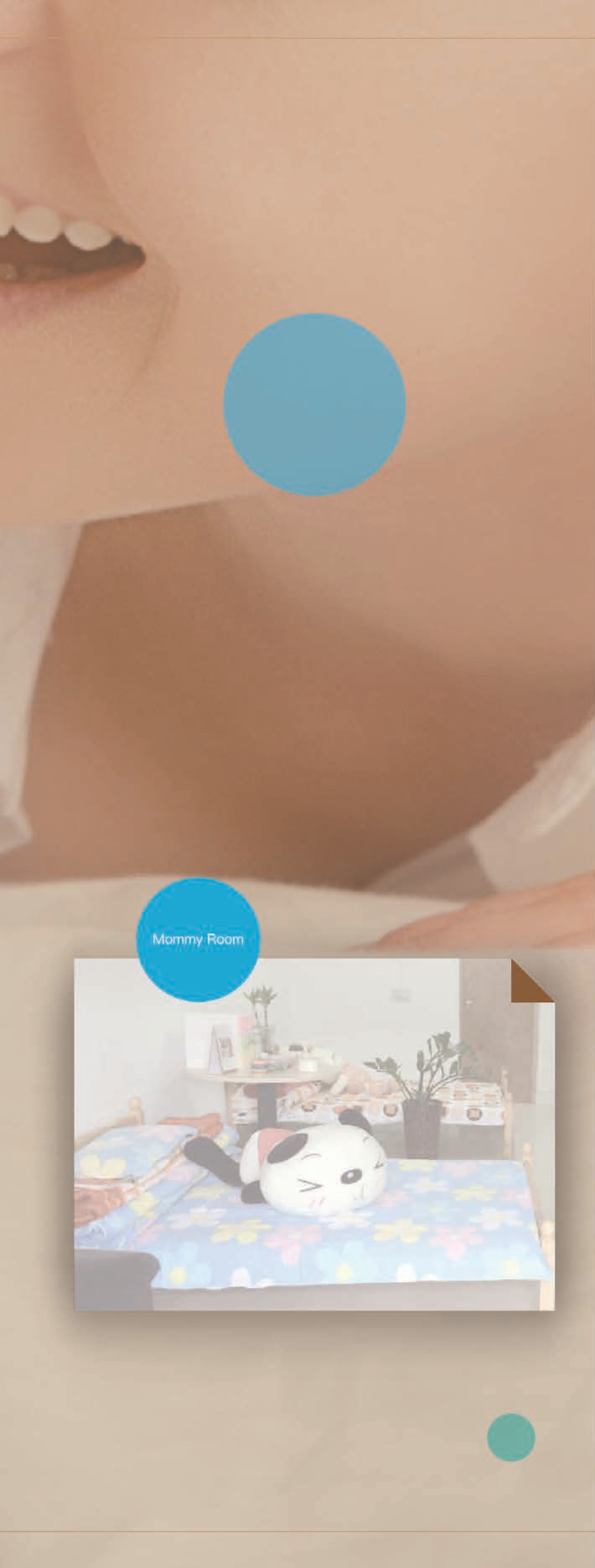
Facilitating Transportation

TCL provides shuttle buses so that employees may have a safe commute to and from work. TCL also arranges special buses for employees on night shifts. Before and after the Spring Festival holiday, TCL invites salespersons from the bus station to come sell tickets at the workplace. Thus, employees can conveniently buy their tickets home for the holiday. Some companies even set up special teams to buy tickets for the company. Furthermore, TCL will arrange buses to take staff members to the bus or train station. This way TCL can make sure that every employee feels cared for.

Employee Commuting Station







Mommy Room



Caring for Female Employees

There are relatively few female employees at TCL. To safeguard the legitimate rights and special interests of women, TCL has worked to promote “self-care rooms for mothers” since 2014, which provide convenient services to female employees. Since the adoption of the Two-child Policy, the number of pregnancies has risen. So, in 2016, TCL further increased its efforts to opening self-care rooms for mothers.

The opening of the fifth self-care room for mothers

The labor union of TCL Electronics was the first company to establish a self-care room for mothers—a model for other businesses in Huizhou. In 2016, the labor unions of TCL Battery and TCL Display also established “self-care rooms for mothers.” TCL TONLY also established its own caring room, following the opening of a room at TCL TV. TCL’s self-care rooms not only provide a private, clean, and comfortable environment for mothers but are also equipped with necessities for expectant mothers, such as breast pads, fridges, sofas, and tables. These amenities are appreciated exclusively by our female employees.




Furthermore, TCL offers help to employees facing financial hardship. Every year, TCL organizes an activity to help employees in need alleviate their immediate hardship. In 2016, the TCL labor union helped **119** employees by donating a total of **181,500** RMB. Of this donation, **90,500** RMB went to the Municipal Labor Union’s fund, **41,000** RMB went to the Party’s Working Committee, and **50,000** RMB went into temporary assistance.

8

FORGING A RESPONSIBLE INDUSTRY CHAIN

MANAGEMENT OF SUPPLIERS TO PRODUCTION
MANAGEMENT OF SUPPLIERS
OF MATERIALS NOT RELATED TO PRODUCTION
COLLABORATIVE DEVELOPMENT ALONG THE
INDUSTRIAL CHAIN

INDUSTRIAL CHAIN

	开篇 OPENING
	ABOUT TCL
	MILESTONES
	GOVERNANCE OF RESPONSIBILITIES
	CORPORATE GOVERNANCE
	CUSTOMERS FIRST
	FACILITATING STAFF DEVELOPMENT
	FORGING A RESPONSIBLE INDUSTRY CHAIN
	BUILDING A HARMONIOUS ENVIRONMENT
	FOSTERING SOCIAL WELFARE
	APPENDIX



Throughout the 35 years of our development, we at TCL have seen great achievements, inseparable from every partner in our supply chain. Suppliers are a key part of our company's innovative chain. Through coordinated steps of innovation taken within the Group as well as in supplier companies, TCL Group continues to improve the management of its supply chain, so that its products and services are in line with the requirements of sustainable development. In this way, we can contribute to the harmony of the production environment.

MANAGEMENT OF SUPPLIERS ON PRODUCTION



Responsibility-Oriented Procurement Management Policy

TCL has established a sound procurement system and strict procurement standards. TCL prioritizes long-term partnerships with suppliers and requires excellent products and services. TCL has formulated policies such as the "Procedures of Supplier Selection and Control," the "Procedures of Procurement Control," the "Processes of Suppliers' Development and Management," and the "Management Practices of Product Quality Extension" to guarantee that the quality, delivery, and service of our products are at or above par.

We are committed to managing our suppliers in a socially responsible manner while promoting the sustainable development of the company. TCL has adopted a unified policy for managing its suppliers while establishing management mechanisms for different suppliers according to the characteristics of their products and services. TCL requires suppliers to provide a series of social accountability certificates, including SA8000 and ISO9000 (concerning quality management), ISO14000 (concerning environmental management), and QC080000 (concerning hazardous substance management system and technical standards).



Sustainable Development Review Mechanism

TCL has established a rigorous review system and a standardized review process for suppliers. When deciding to work with new suppliers, TCL will review the quality, environment and social responsibility practices of the supplier according to the "New Supplier Development Plan" and the "Supplier Review Management Practices," in addition to monitoring the suppliers' yearly audits, and evaluating the overall situation. For existing suppliers, TCL carries out regular reviews. TCL instituted the "Annual Qualified Supplier Regular Review Plan," which strengthens the corporation's social responsibility and quality auditing practices during project review, and facilitates updates to our supplier information database. Affiliated enterprises of the TCL Group review their suppliers according to the Group's policies. TCL Communication, for example, requires all suppliers to meet the requirements of the EU Restriction of Hazardous Substances (RoHS), the Chemical Restriction Regulations (REACH) and the environmental laws and regulations of every country. Suppliers are required to sign an Environmental Protection Agreement to meet the Hazardous Substances Control Standards (HSF) and provide third-party RoHS test reports as well as reports that attest the absence of halogen. TCL Display has developed an incoming materials inspection plan, which distinguishes between high, medium and low-risk materials and uses these distinctions while regularly testing potentially toxic and hazardous substances. In addition, TCL Display makes on-site visits to suppliers strictly in accordance with quality and environmental rules. In 2016, 52 suppliers were reviewed, at a completion rate of 100%.

GO GREEN

CSOT Forms a Green Industrial Chain

CSOT has worked hard to form a green supply chain and to develop a green procurement policy. This policy requires suppliers to sign an environmental protection statement in order to be added to the list of qualified suppliers. Aside from these requirements, the CSOT requires that all materials procured are Green Partner (GP) materials, which are not harmful to the environment. CSOT also requires suppliers to collect and recycle raw and packaging materials through a resource recycling system that effectively reduces emissions. In 2016, CSOT expanded the green supply chain project to include more members and to deepen the cooperation between members. CSOT signed a memorandum of cooperation between 13 customers and suppliers, and gradually implemented the ideas of sharing of environmental information and vertical integration of resources.



Suppliers Assembly

Assistance for Improvement

Suppliers have always been important partners to TCL. Through quality training and other forms of assistance, TCL helps suppliers enhance the quality of their products while improving TCL's socially responsible practices to achieve a win-win cooperation. TCL has drafted documents detailing effective methods to help suppliers improve. Regular assessments depict our suppliers' technology, quality and service, and measures for improvement are developed according to the assessment results.. Based on the problems found during the review of the supplier, TCL will guide suppliers to analyze the causes, to identify opportunities for improvement, and to take corrective and preventative steps to solve these problems. After these measures have been taken, TCL will continue to review the supplier and ask suppliers to improve further.



Suppliers Award Ceremony

In 2016, CSOT provided quality counseling to manufacturers that use domestically sourced materials, aiming to stabilize the supply of qualified materials and make their products more competitive by improving processing capacity and testing mechanisms. Thanks to systematic management methods, the number of domestic materials at or above standard quality continues to rise, as the quality of these domestic materials has reached the international level.

Supply Management

Managing Mineral Resources

TCL implements ethical procurement. Since 2013, TCL's industries have participated in the Conflict-Free Mineral Bill. This bill takes a stance on mineral resource conflicts and excludes suppliers who are involved in mineral resource conflicts. TCL's panel industries have also required suppliers to use surveys to ensure that mineral suppliers have not been involved in mineral-related conflicts. Each year, based on the electronic industry's code of conduct and the latest requirements of the Global E-Sustainable Development Initiative (GESI), TCL's panel industries use a standard questionnaire to investigate and verify their certificated suppliers.

- Green Procurement
- ✓ Responsible Management





Management Mechanism

With regard to the management of suppliers of other than production-related materials, TCL established the “Joint Procurement Leading Committee” to coordinate the management of suppliers. The team that manages purchases is responsible for setting up a unified purchasing platform, a procurement standard, and a supplier selection criteria and assessment mechanism based on the “TCL Group’s Joint Management Practice of Material Procurement.” In this way, the problems of joint procurement can be solved.

Evaluation Mechanism

TCL’s subordinate enterprises supervise material procurement and evaluate the quality, timeliness, and services of suppliers monthly. Evaluation records are aggregated and analyzed by the joint procurement team. Then, the team will provide feedback to suppliers with recommendations for improvement. TCL also conducts mid-year and annual supplier evaluations. The evaluation results are divided into four grades (A, B, C, D).



Collaborative Development along the Industrial Chain

Satisfying the Development Needs of the Industrial Chain

The difficulty, high cost, and inefficiency of financing are the major challenge faced by small and micro enterprises in the industrial chain. TCL Finance has accumulated vast amounts of data pertaining to the industry, as well as experience in risk control. Relying on Internet technology, TCL Finance provides small and medium enterprises in the industrial sector with the support of comprehensive financial services. In this way, TCL can promote the development of the industry and guide its partners to win-win outcomes where coexistence is beneficial to all. TCL can also lower the financing cost of SMEs, broaden effective financing channels, and enhance the competition in the whole industry.

The Answer to "Small + Sudden + Frequent" Need for Funding: "Simple Transfers"

TCL 金融
集团 成员

首页 简单汇 票据 融资 理财

简单汇

创新产业链金融在线平台

立即办理

For enterprises of the supply chain, TCL Finance has established an online transfer and financing platform called "Simple Transfers". The platform's "golden bill" shows the record of accounts payable. On this platform, creditors can use their "golden bill" to apply for financing, or also to make a transfer to a supplier. This platform can help mitigate "small + sudden + frequent" need for financing among SMEs. At the end of 2016, over 4,000 enterprises used the "Simple Transfer" platform for financing and the volume of transactions made using the platform reached 30 billion RMB.

Strengthening Communication Within the Industrial Chain

The TCL Group established a platform for sharing among the industrial chain partners, called the TCL Community. It is a platform for internal and external communication, learning, and exchanges, which offers excellent tools and methods that can be shared among alliance partners. The platform will help increase the value of the TCL industrial ecosystem.

TCL Community provides training services for customers and explores new innovative business models by facilitating the co-establishment of teams, experience exchanges, and professional lectures.

9

BUILDING A HARMONIOUS ENVIRONMENT

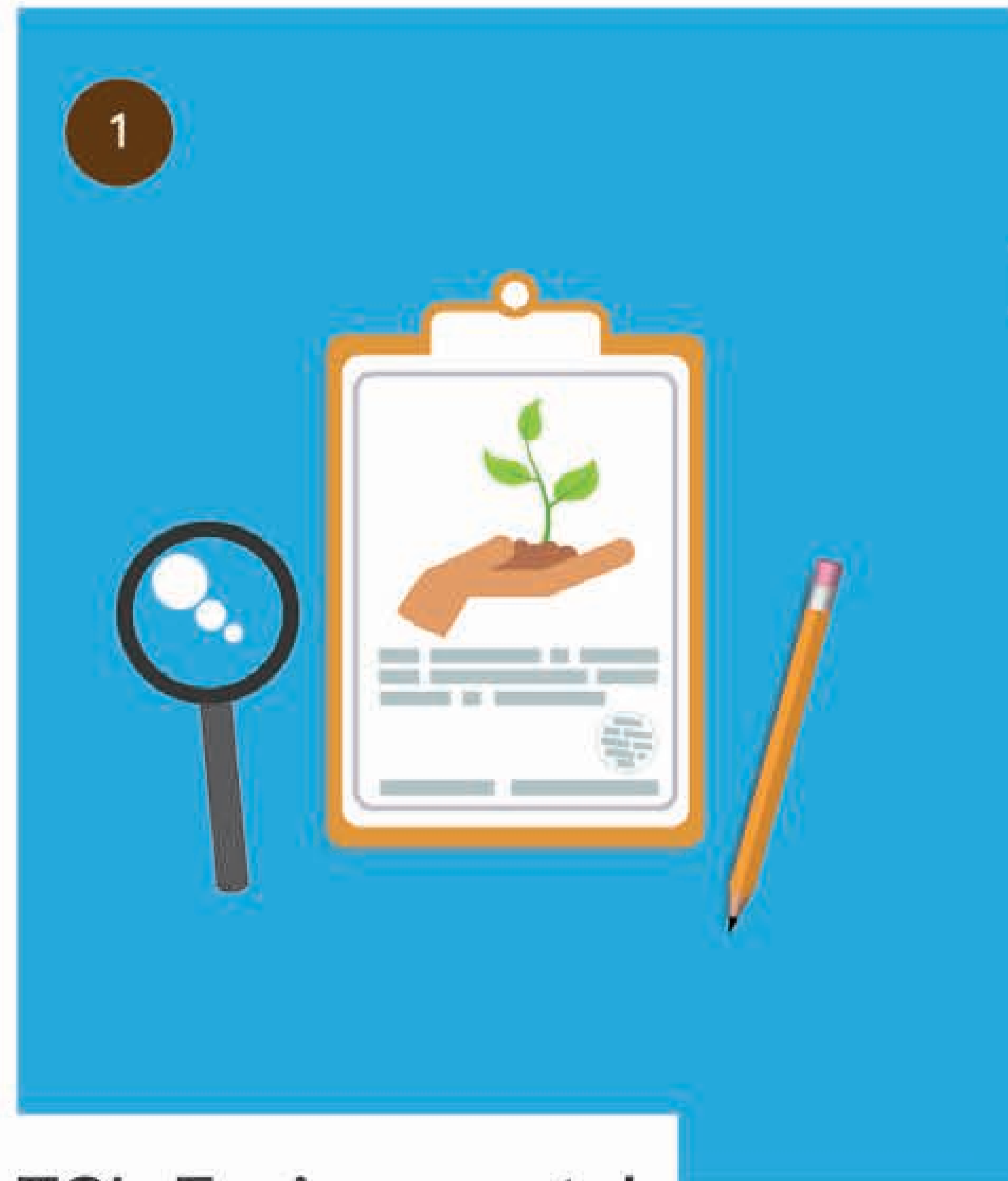
- IMPROVING THE ENVIRONMENTAL MANAGEMENT
- ENVIRONMENTAL EMERGENCY MANAGEMENT
- ADVANCING GREEN PRODUCTION
- GREEN PACKAGING AND LOGISTICS
- PROMOTING CIRCULAR ECONOMY
- ENVIRONMENTAL PROTECTION AWARENESS RAISING
- PROMOTING A GREEN OFFICE

ENVIRONMENT

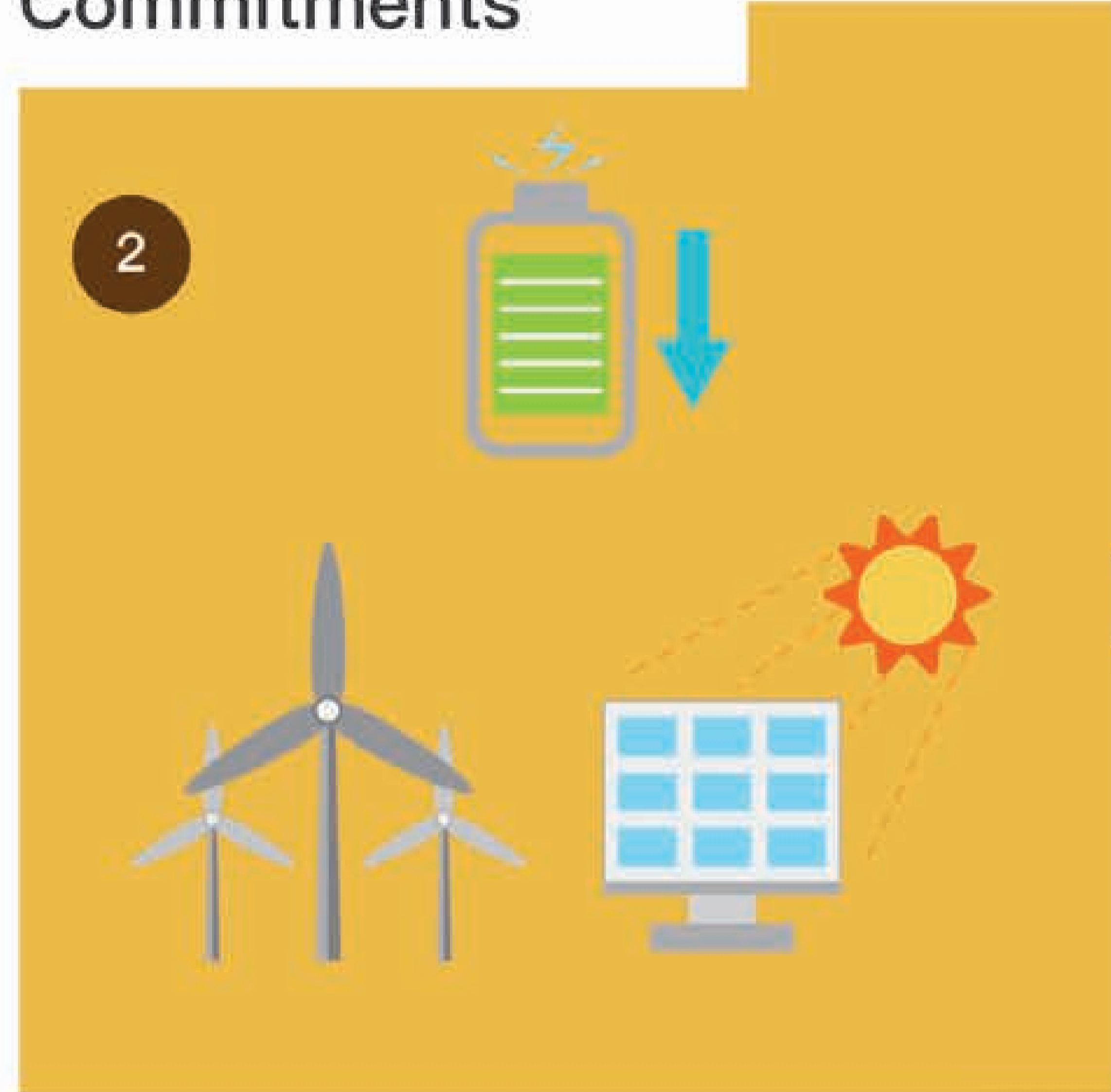
↓ CO₂

	OPENING
	ABOUT TCL
	MILESTONES
	GOVERNANCE OF RESPONSIBILITIES
	CORPORATE GOVERNANCE
	CUSTOMERS FIRST
	FACILITATING STAFF DEVELOPMENT
	FORGING A RESPONSIBLE INDUSTRY CHAIN
	BUILDING A HARMONIOUS ENVIRONMENT
	FOSTERING SOCIAL WELFARE
	APPENDIX

TCL's mission is to protect the environment, and to comply with all environmental laws, regulations and corporate standards



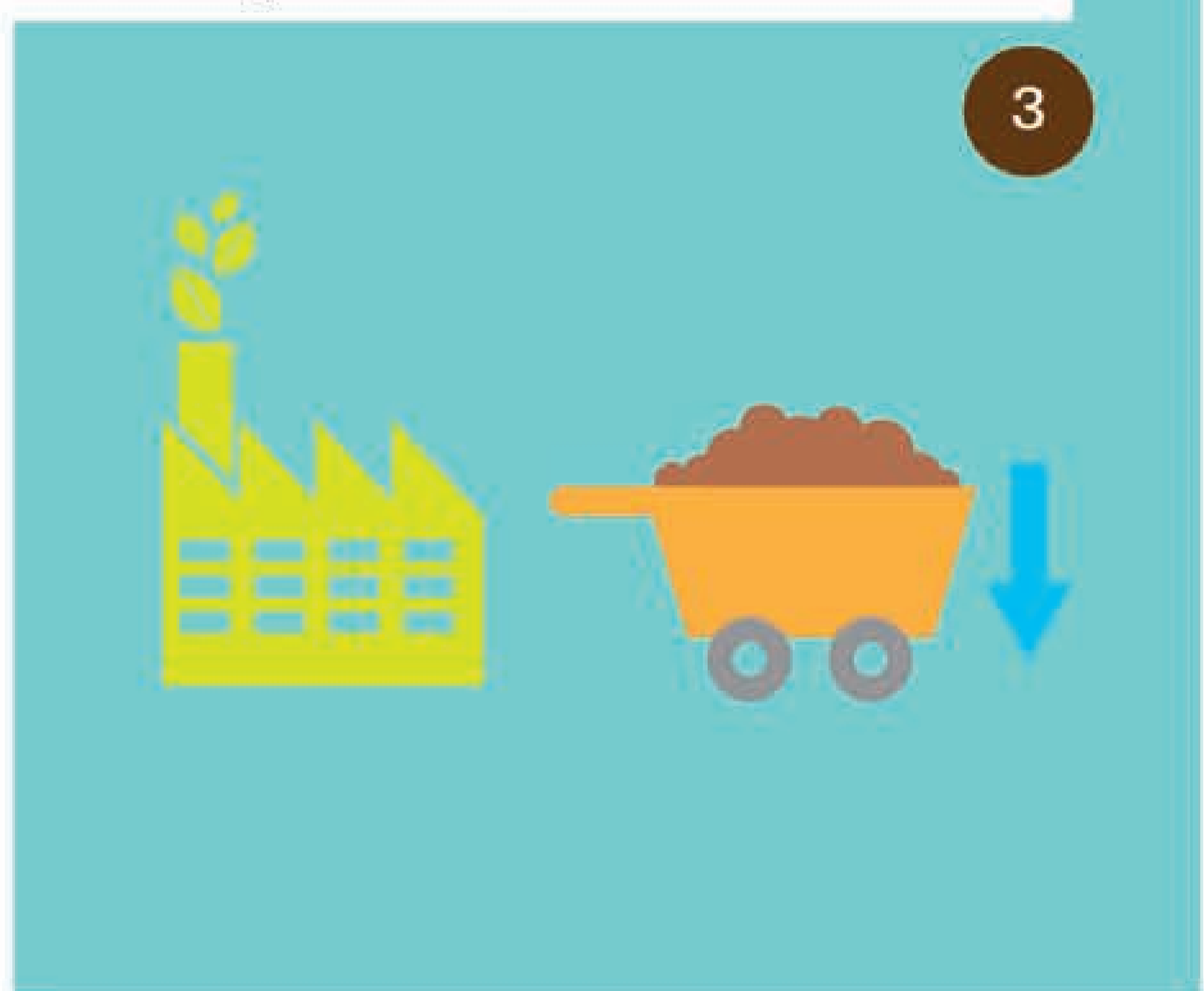
TCL Environmental Commitments



TCL strives to efficiently use energy and other resources, ↑ the proportion of clean energy use, and ↓ CO₂

TCL Group makes continuous efforts to improve the efficiency of resource and energy consumption and the overall clean production capacity. Upgrades to product manufacturing lines ensure new green standards; and environmentally friendly product design facilitates the dismantling and recycling of our products. TCL is establishing a recycling and dismantling system for home appliances so that our consumer electronics industry can effectively become interconnected.

TCL is committed to developing green production technologies, using environmentally friendly raw materials, prioritizing pollution prevention, and reducing waste emissions



TCL is dedicated to developing a circular economy, recycling, dismantling, and reusing waste electronic products.



Improving Environmental Management

TCL recognizes the responsibility of environmental protection. TCL acts in compliance with all environmental laws and regulations and strives to minimize the use of hazardous materials, energy, and other resources. Pollution prevention is a priority. We continuously improve production processes, utilizing green raw materials, and focusing on green production. TCL has established a sound environmental management mechanism. The management systems of TCL's main industries are based on ISO14001. Each industry develops management measures according to its own status.

2

Overall contingency plans

6

Special emergency plans

8

On-site disposal programs

Other relevant environmental emergency supplies are prepared to ensure that emergencies are resolved in a timely manner

in 2016, TCL also regularly holds

14
environmental
emergency drills



Environmental Emergency Management

In order to actively respond to possible sudden environment-related events, the subsidiaries have formulated their own contingency plans to standardize the companies' environmental emergency management and improve the ability to cope with and prevent sudden events with a negative impact on the environment. CSOT, for example, adheres to the principle of "prevention, people first, rapid response." CSOT established a strict mechanism for environmental protection and emergency response and analyzes environmental risks. CSOT has also created a strict warning and contingency mechanism addressing environmental issues, prepared two overall contingency plans as well as six special emergency plans, and has eight on-site disposal programs. Other relevant environmental emergency supplies are prepared to ensure that emergencies are resolved in a timely manner. TCL also regularly holds environmental emergency drills; in 2016, 14 such drills were carried out.

Operating

Milestones

Responsibilities

Corporate Governance

Customers

Employees

Industry Chain

Environment

Social welfare

Appendix

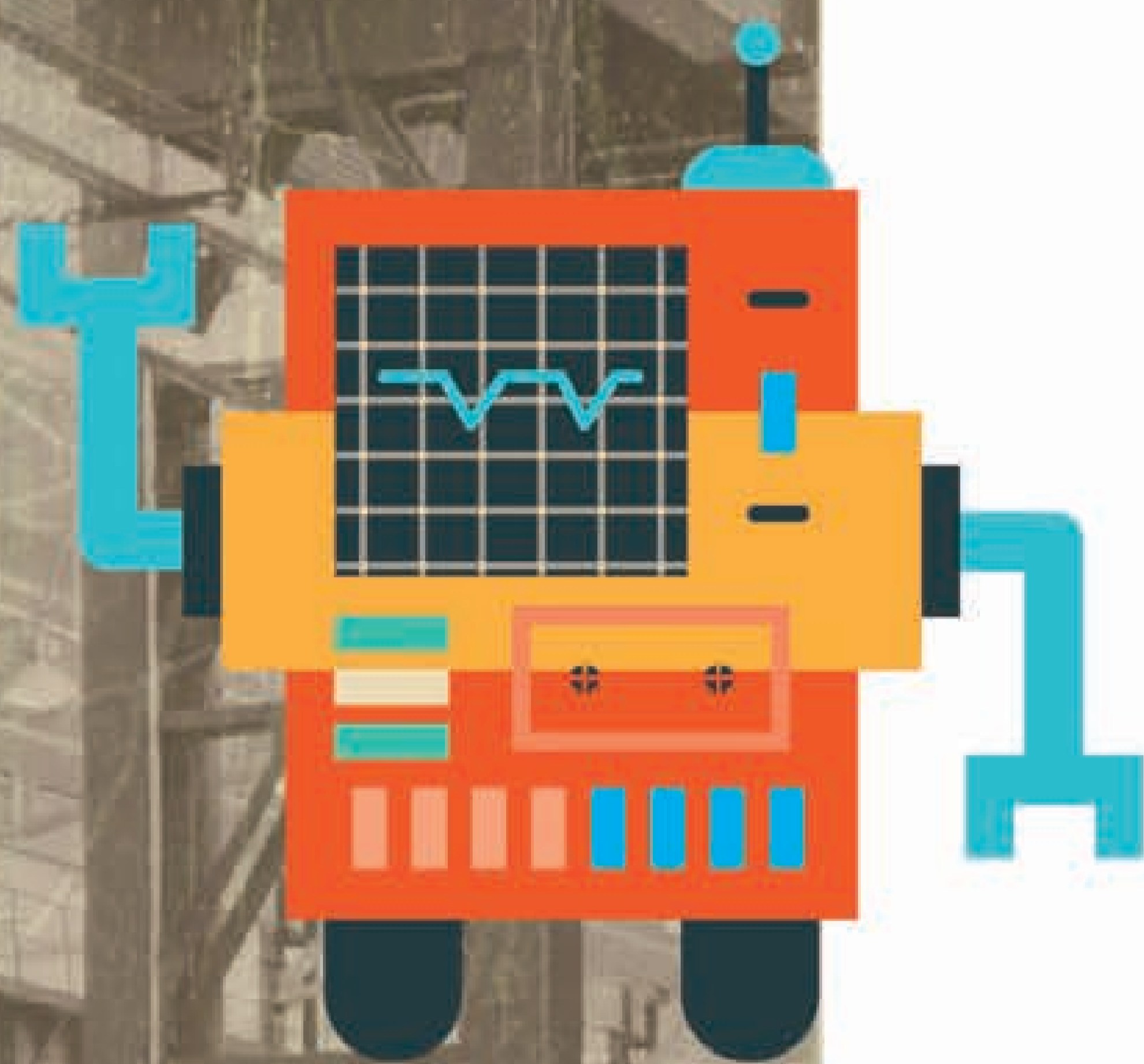
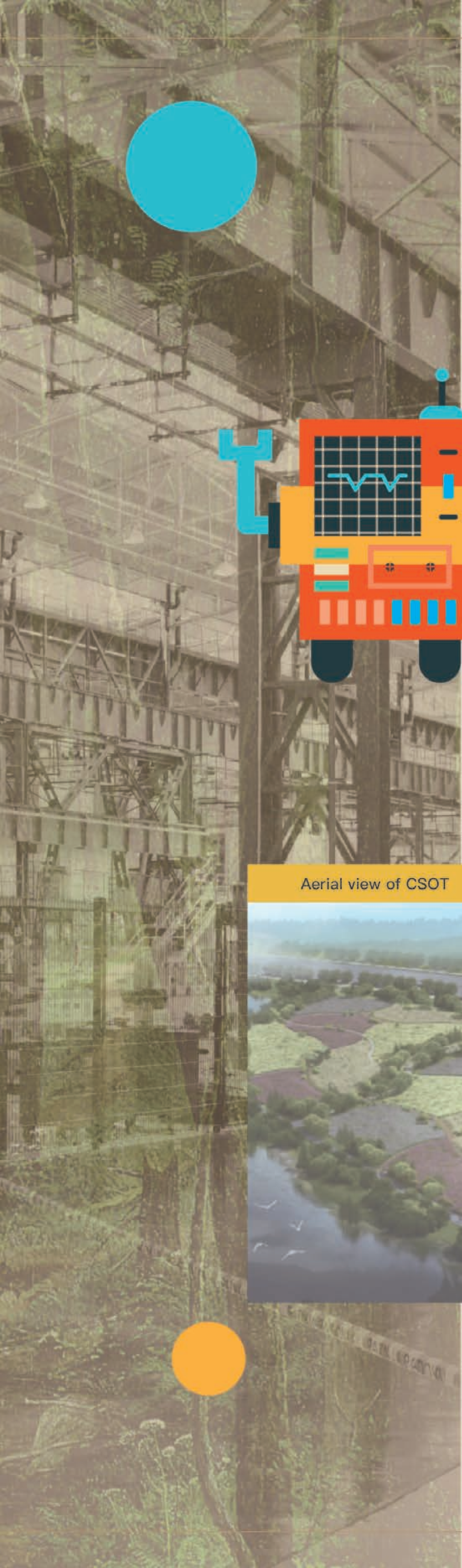
Advancing Green Production



China has become a strong industrial power, but its industry is still the main source of energy consumption and emissions. As an enterprise representative of China's consumer electronics industry, TCL is committed to building advanced manufacturing enterprises, and fosters green factory construction, so as to implement green production and environmental protection.

Green Factory Construction

Aiming at decreased energy consumption and pollution levels, TCL's management and technology methods are used to minimize energy usage and pollution levels across the entire industrial production process.



CSOT Green Factory

In the first half of 2016, stage two of the CSOT TFT-LCD production line completed its work to be accepted as an environmentally friendly production line. In November 2016 and January 2017, the G11 Project and Huizhou Module received their assessments on environmental impact. CSOT works on a reduction of its environmental impact through development of intelligent factories, which also improves general efficiency. In some plants, the number of workers can be reduced to several robot operators, as intelligent robots can complete most of the production and testing work.

Aerial view of CSOT



TCL Multimedia's Environmental Protection Reform Projects



Electric shuttle buses have been put into operation
Fuel consumption saving
75,600 L

The residual heat of air compressors has been recovered for heating of burn-in module rooms
Saving **1,270,000 kWh**

GREEN MANUFACTURE

TCL is dedicated to supporting a green development and has extended its green ideas to each of its industries. TCL carries out production in an energy-saving, emission-reducing, low-carbon and environmentally friendly way so as to ensure that all types of waste and pollutants are handled properly and meet the discharge standards. In this way, TCL can push the industrial chain to achieve a sustainable and green development.

Energy Conservation and Emission Reduction

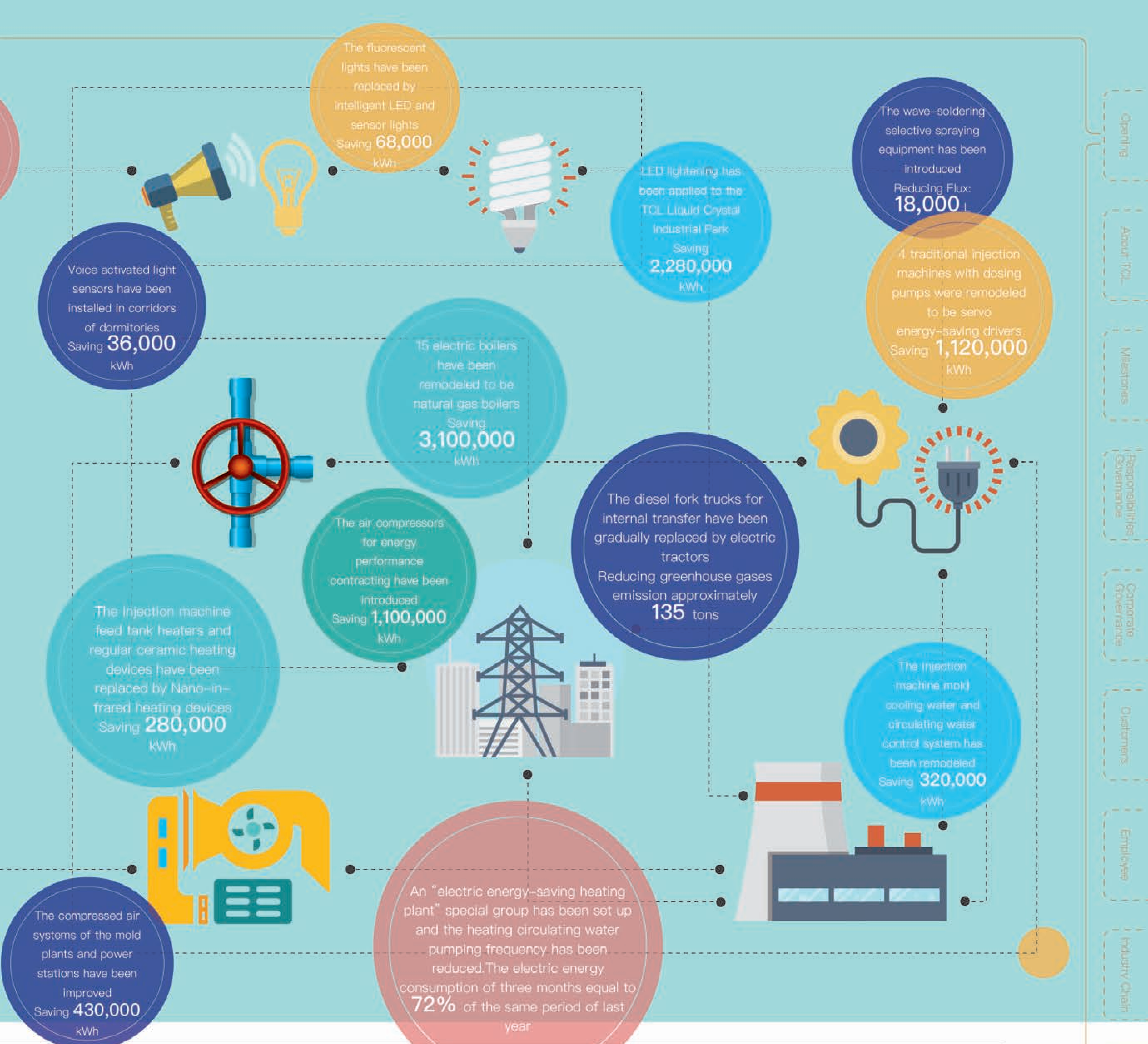
Recently, research has shown that global warming and increasingly severe environmental disasters are closely related to industrial development and its high greenhouse gas emission levels. Energy conservation, emission reduction and active responses to climate change have become ever more important. TCL explores energy-saving and clean energy technologies to do its best to reduce greenhouse gas emissions during the production process.

TCL Multimedia's Environmental Protection Reform Projects

In order to minimize our negative impact on the environment, TCL Multimedia committed itself to optimizing its systems and processes while reforming current practices when necessary. In 2016, the company allocated more than eight million RMB for energy-saving and emission-reducing reforms. These reforms covered multiple areas of production and transportation.

CSOT's Energy Conservation And Emission Reduction

Representing TCL's flagship model for energy conservation and emission reduction, CSOT has achieved these goals by implementing reform projects and utilizing new sources of energy. In 2016, CSOT carried out a total of 28 alteration projects, saving 67.74 million kWh and reducing carbon dioxide emissions by 64,000 tons.



- Operating
- About TCL
- Milestones
- Responsibilities
- Corporate Governance
- Customers
- Employees
- Industry Chain

Higher steaming efficiency



The steaming efficiency has been raised from

86.9% ↑ to **91.9%**

The annual natural gas consumption ↓

29 m³, equal to ↓

600 tons of carbon dioxide

Flexible temperature control



The AHU system is applied to the temperature control of warehouses and offices, saving

452 0000kWh electric energy annually

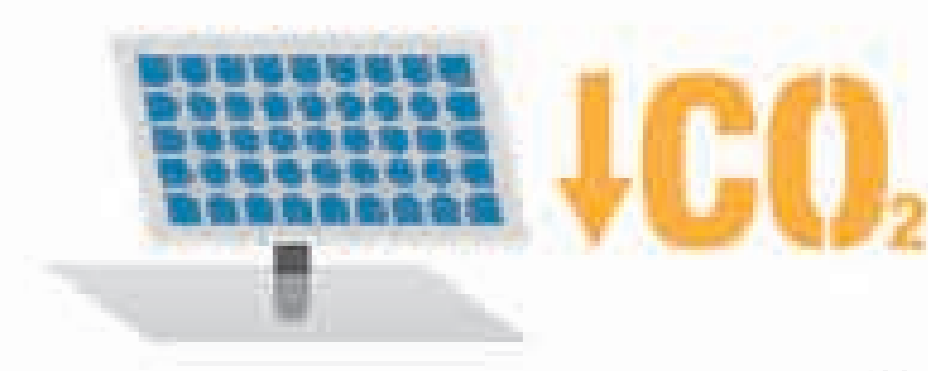
Newly installed green charging piles



TCL encourages driving new-energy automobiles by installing green charging piles in parking lots in order to reduce discharge of greenhouse gases. It is estimated that the project can ↓

60 thousand kWh

Solar energy power generation

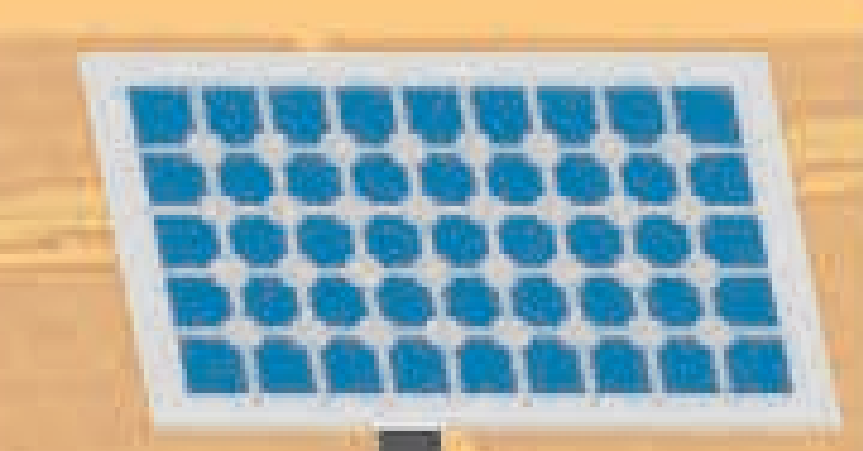


Solar energy PV panels are laid on the main plant. In 2016, the solar energy power generation reached approximately **19.9** million kWh, equivalent to the annual power consumption of **40,000** households, making it the industrial park of the largest PV power generation system in South China and ↓ the discharge of CO₂ emission of **19,000** tons per annum

- Environment
- Social welfare
- Appendix

photovoltaic power generation on the roof

Photovoltaic Power Generation Of TCL Household Appliances



TCL Household Appliances (Hefei) Co. Ltd. built a rooftop photovoltaic power generator system with a **4.5** MW capacity

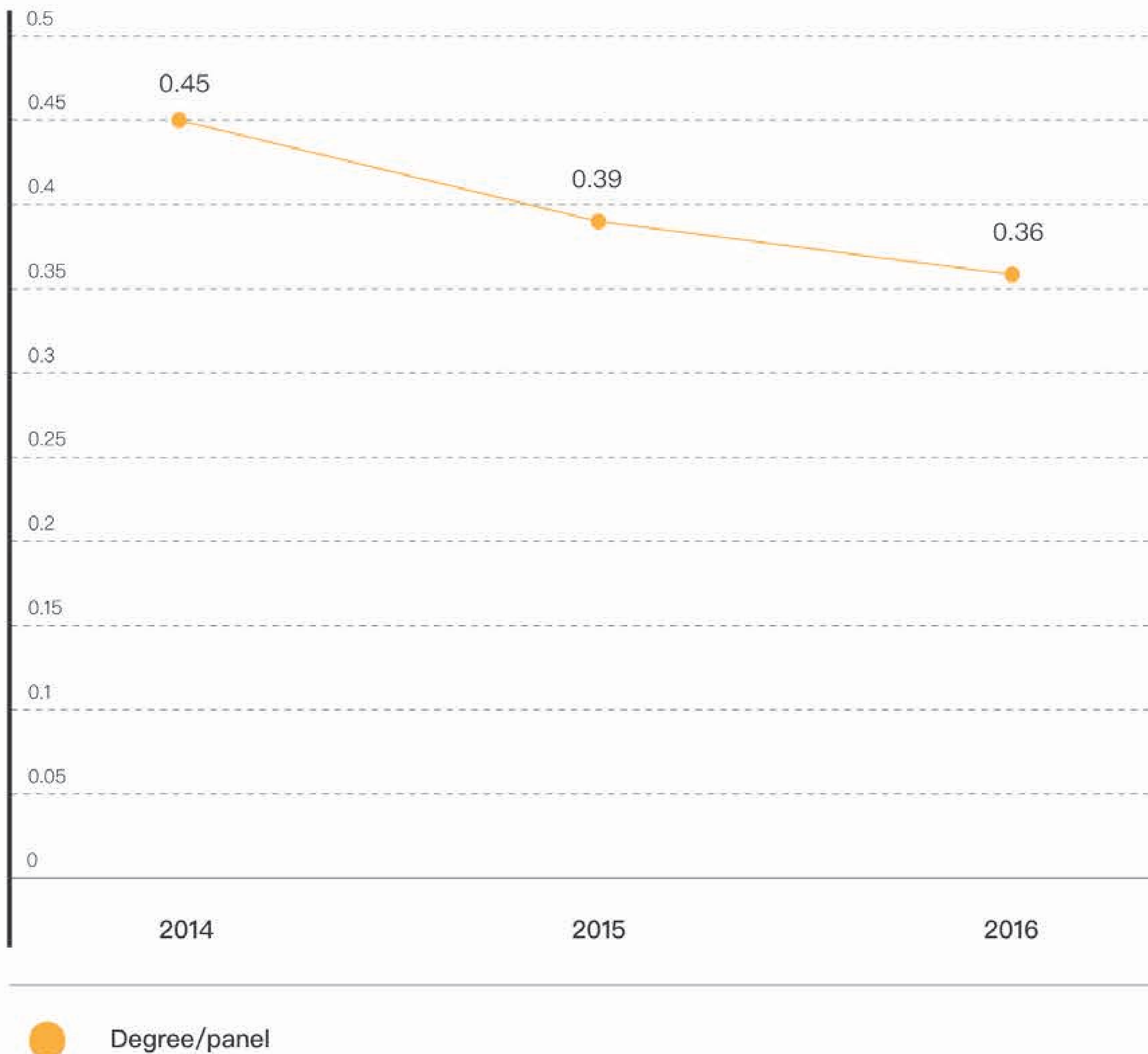


The system is estimated to generate a total of **117.3249** million kWh of electricity over the next 25 years



reduce CO2 emissions for TCL by **4,000** tons each year

Electricity Consumption for TCL small/medium single panel from 2014 to 2016



Greenhouse Gas Investigations

TCL's subsidiary companies have gradually carried out greenhouse gas investigations, commissioning a qualified third-party authority to issue verification reports. At the beginning of each year, the monthly energy-saving targets are assessed with reference to the previous year's power usage, consumer consumption levels, and production capacity. Next, a plan for meeting the monthly targets is formulated. Quarterly assessments of the targets are carried out to confirm the effectiveness of the plan.

Affiliated enterprises of TCL are now located around the world. As we all know, lowering transportation-generated greenhouse gas emissions is an important step to tackling global warming. Thus, in 2016, TCL carried out pilot projects to track the carbon emissions generated through business travel. This data can be used to compare the differences in carbon emissions of various routes and means of transportation. Eventually, the data can be used for a plan to reduce the impact of business travel on the environment.

Electricity Conservation Of TCL Display Technology

TCL Display Technology

saved over **2** million kWh during the year by remodeling and upgrading its production equipment

Equal to approximately

2,600 tons of carbon dioxide per annum

The average energy consumption of single-chip products was

reduced by **0.03** kWh compared to 2015

The production equipment-related energy-saving methods mainly included upgrading the techniques of washing and patching machines and preventing waste of resources, which contributed to saving

800,000 kWh in the year

In the meanwhile, the cooling water set was equipped with central air-conditioning mainframes of grade-one energy efficiency ratio and the load of mainframes could be adjusted according to production needs and change of seasons, saving

450,000 kWh during the year

LED lights were used for lightening in the plants in order to avoid unnecessary lightening, saving

750,000 kWh in the year

Opening

About TCL

Milestones

Responsibilities

Corporate Governance

Customers

Employee

Industry Chain

Environment

Social welfare

Appendix

TV Disassembly Line



Waste Management

With the rapid increase of industrialization, production waste is growing in quantity as well as in variety, and a greater proportion of waste is marked as hazardous. In this context, TCL has always regarded the management of waste as an important part of environmentally friendly production. TCL adheres to the concept of green production while reducing waste through the development of management policies, the establishment of recycling companies, and multi-party cooperation.

TCL's subsidiary companies developed a strict system to manage hazardous waste. They adhere to the principles of "prevention first" and "holding those who cause pollution responsible for cleaning up". Hazardous waste responsibility systems have been implemented to ensure that all hazardous waste is effectively handled. The executive directors of each TCL subsidiary company serve as the first person responsible for hazardous waste disposal. The subsidiary companies strictly implement all relevant state laws and regulations, have developed overall rules and regulations, and coordinate the effective implementation among their departments.

As a pioneering initiative, TCL specially established Huizhou TCL Environmental Technology Company to develop technologies for more efficient disposal of, recycling, comprehensive treatment and use of hazardous waste generated during production.. Huizhou TCL Environmental Technology Company can handle waste of 13 categories. It is qualified to handle 79,300 tons of waste based on the annual hazardous waste treatment qualification. The company, which has passed the ISO International Quality and Environmental Management System Certification, is a high-tech enterprise in Guangdong Province. . It has been granted permission to establish an R&D center for comprehensive use of renewable resources in Guangdong Province. The hazardous substances generated by businesses of the TCL Zhongkai Area are mostly disposed of on site. This practice not only cuts down on transportation but also provides effective recycling of a variety of waste.

Physical Breakdown
Space For Waste



Wastewater and Water Management

The increase in population and industrialization has sparked a surge in demand for water, as well as an increase in the irrational use of water, and of water pollution. As a large electronic product manufacturing enterprise, TCL attaches great importance to water resource management. TCL pushes its subsidiary companies to improve wastewater management methods from a corporate level. TCL also actively implements recycling water programs, which yielded a six million ton decrease in wastewater production in 2016.

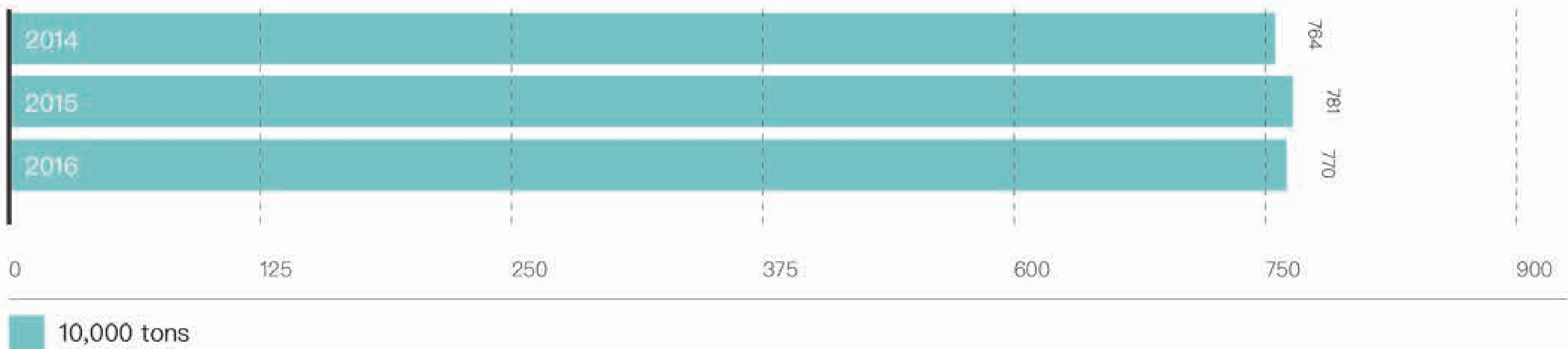
The production of display panels is recognized as being water consumption intensive. TCL has developed an effective water and wastewater management system for CSOT and Display Technology, demanding that water discharge and water recycling standards be followed strictly. In 2016, the two subsidiaries both took a series of measures to reduce water use and wastewater emissions.

CSOT's drainage system separates grey water from wastewater. This system discharges water based on its condition. After oil separation treatment and after passing through a septic system, the up-to-standard domestic sewage enters the Guangming Sewage Treatment Plant, where it is processed. Industrial wastewater is processed in different treatment systems according to the characteristics of the wastewater. After processing, the up-to-standard water is discharged. Equipment transformation is constantly carried out to reduce sewage discharge. CSOT also takes advantage of artificial wetlands to achieve the goal of zero wastewater discharge.

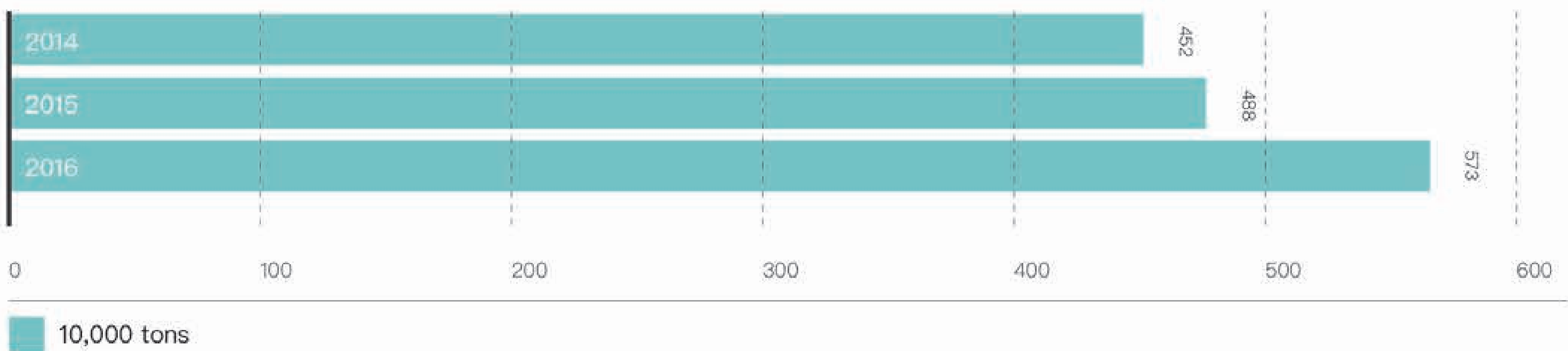
TCL Corporation CEO LI Dongsheng visiting the CSOT Wetlands

The company invested 51 million RMB to build artificial wetlands and carry out deep processing and recycling of wastewater. This was done to ensure that the discharged water quality can meet Class IV surface water standards and our water treatment levels can reach 20,000 cubic meters per day. At present, after undergoing wetland processing, the wastewater from the TFT-LCD production line flows directly into the Maozhou River. These wetlands contribute to the landscape, as they span 45,000 square meters, providing a recreation center and a local science education base. To save water resources, the company has added a backwater system, reducing 100,000 tons of tap water consumption every year. The company has also upgraded its reclaimed water system, raising the reclaimed water rates of the two production lines from 52% and 65% to 65% and 68% respectively. In 2016, the company saved a total of 170,000 tons of water.

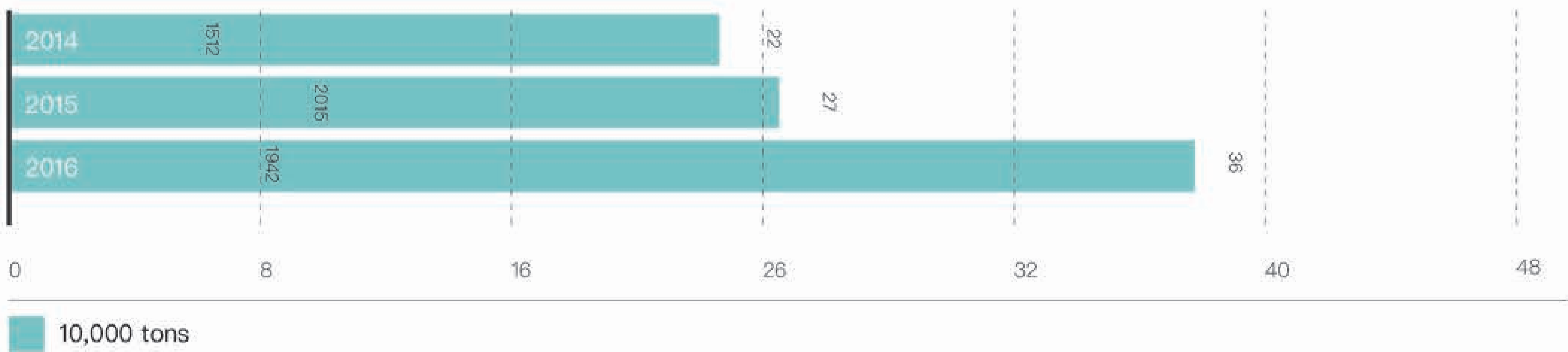
Water intake of CSOT in the last 3 years



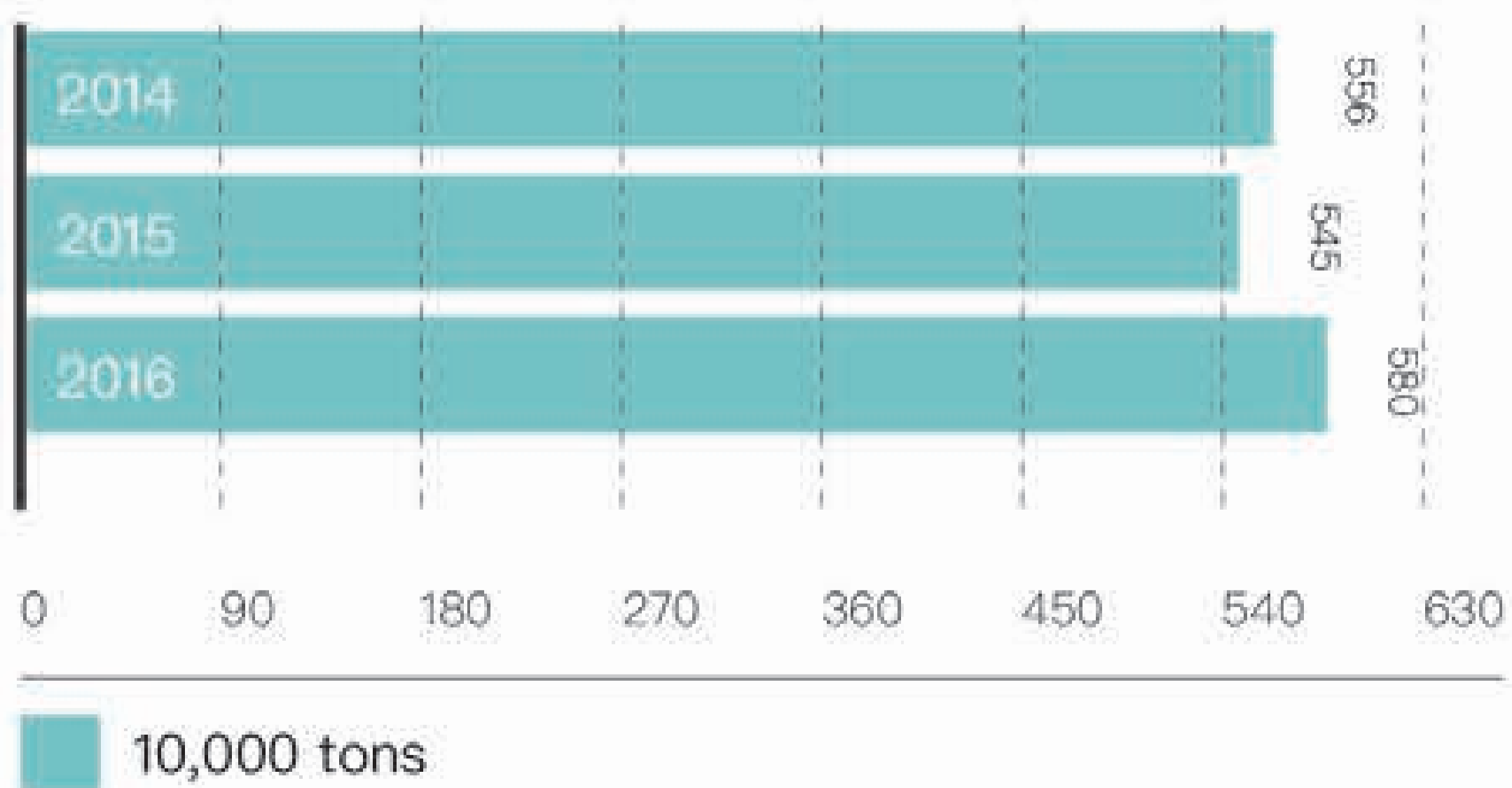
Recycling use of water of CSOT in the last 3 years



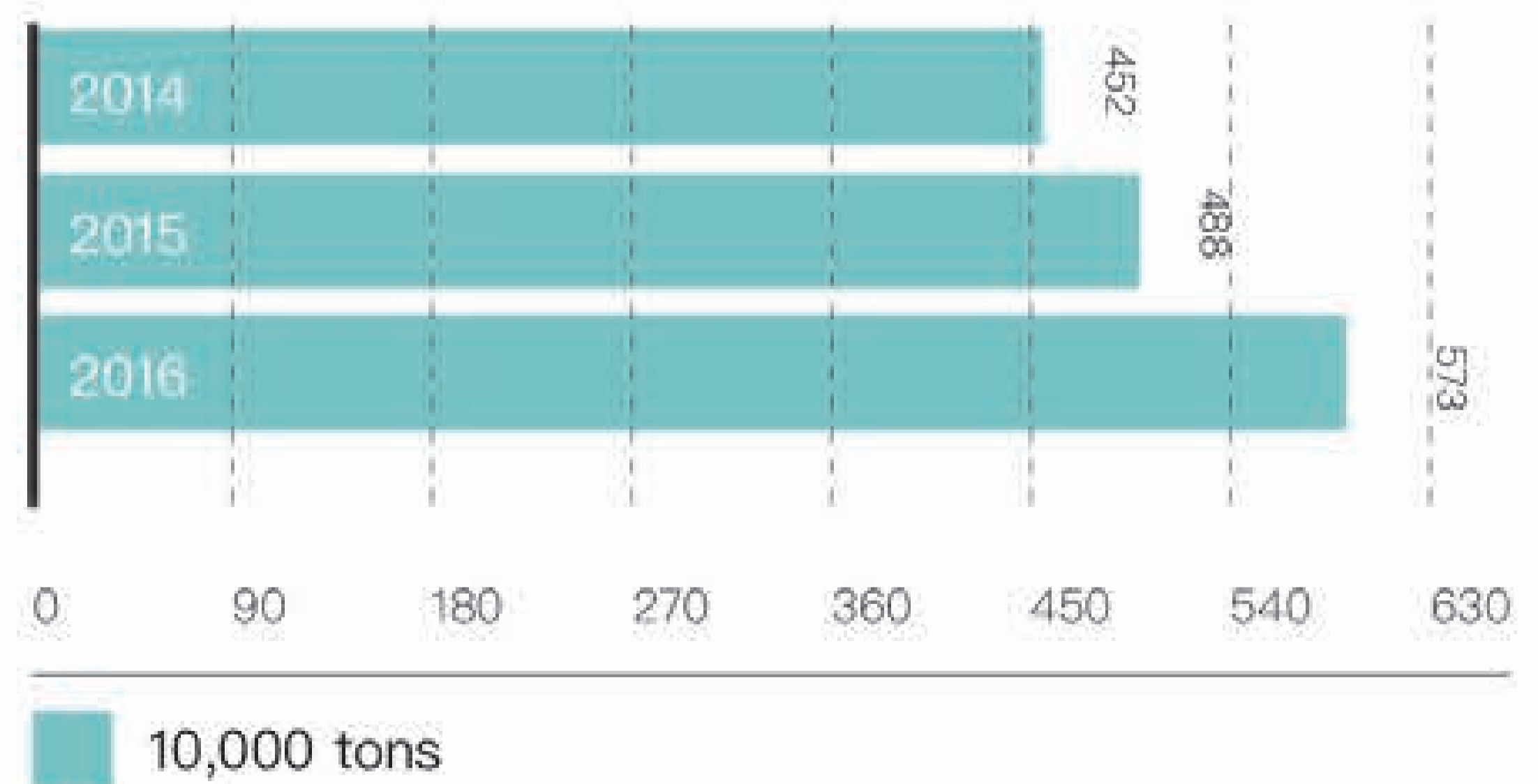
Water conservation of CSOT in the last 3 years



Discharge of waste water of CSOT in the last 3 years



Reduced discharge of waste water of CSOT in the last 3 years



In 2016, TCL Display Technology effectively ↓ the discharge of waste water by over **70%** with millions of inputs in remodeling the waste water treatment system and improving the production waste water treatment technology

In terms of water conservation, after upgrading equipment and programs and refining the techniques of washing and patching machines, the water consumption ↓ **30%**

↓ **5,000** tons of water during the year



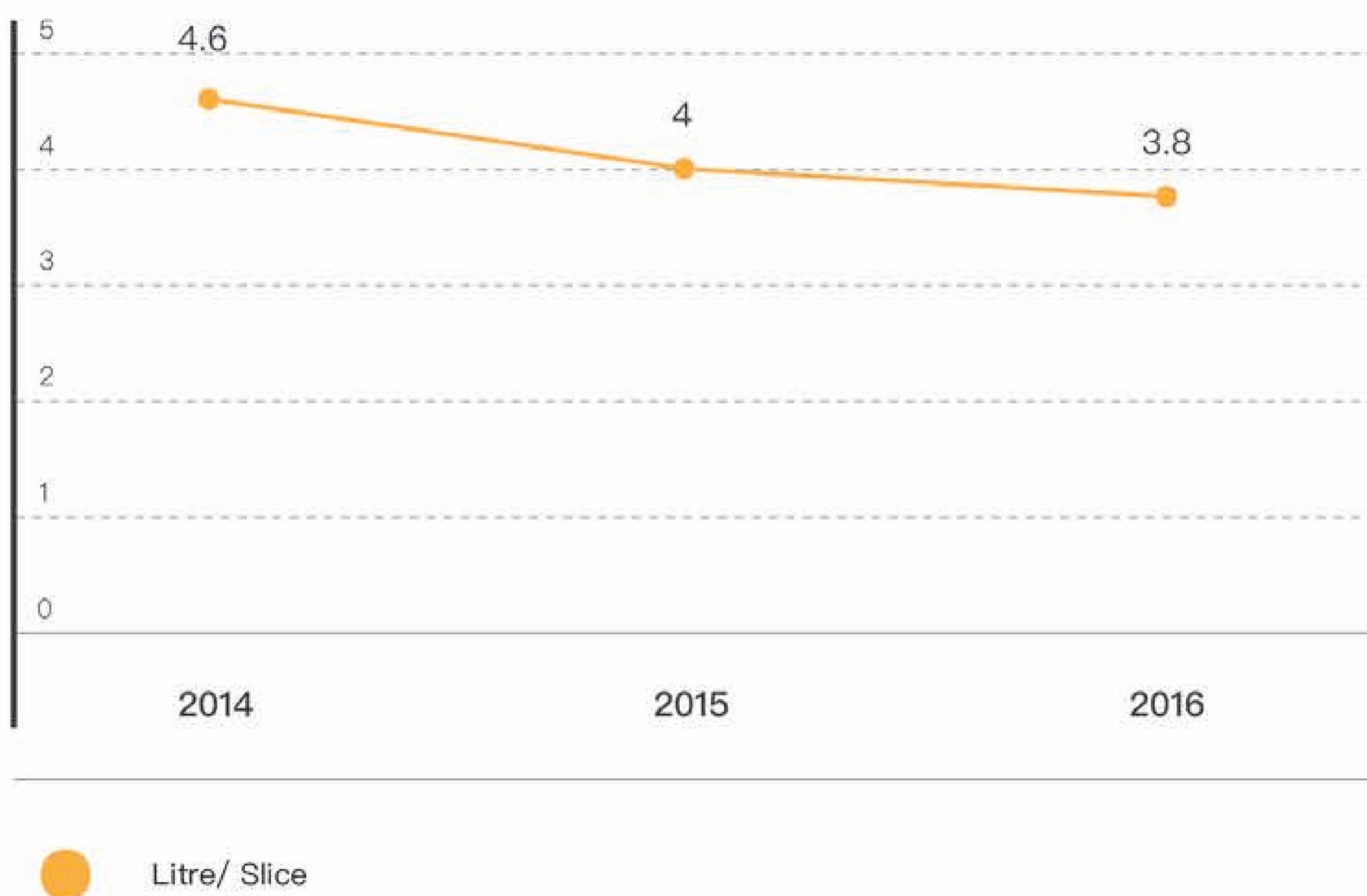
At the same time, the water used for cleaning the washing and patching machines was collected and reused for preparing purified water after multiple water treatment procedures, which effectively ↓ water consumption and produced **94,815** tons of recovered water in the year

With great efforts, the average water consumption of single-chip products ↓ **0.2 L** compared to 2015

conserve water and reduce wastewater reduce wastewater by **3,000** tons per year
cut municipal water consumption by **29,700** tons per year

saving **2,000** tons of water for reforestation and vegetable planting through the rainwater reuse system

Water Consumption per slice of TCL Display Technology products from 2014 to 2016



For other affiliate companies that produce less wastewater, TCL still takes various measures to help conserve water and reduce wastewater. For example, TCL Multimedia has been able to reduce wastewater by 3,000 tons per year through filtering industrial wastewater generated during spraying processes. By reusing the cooled hot steam, the company has cut municipal water consumption by 29,700 tons per year, saving 2,000 tons of water for reforestation and vegetable planting through the rainwater reuse system.

Exhaust Gas Management

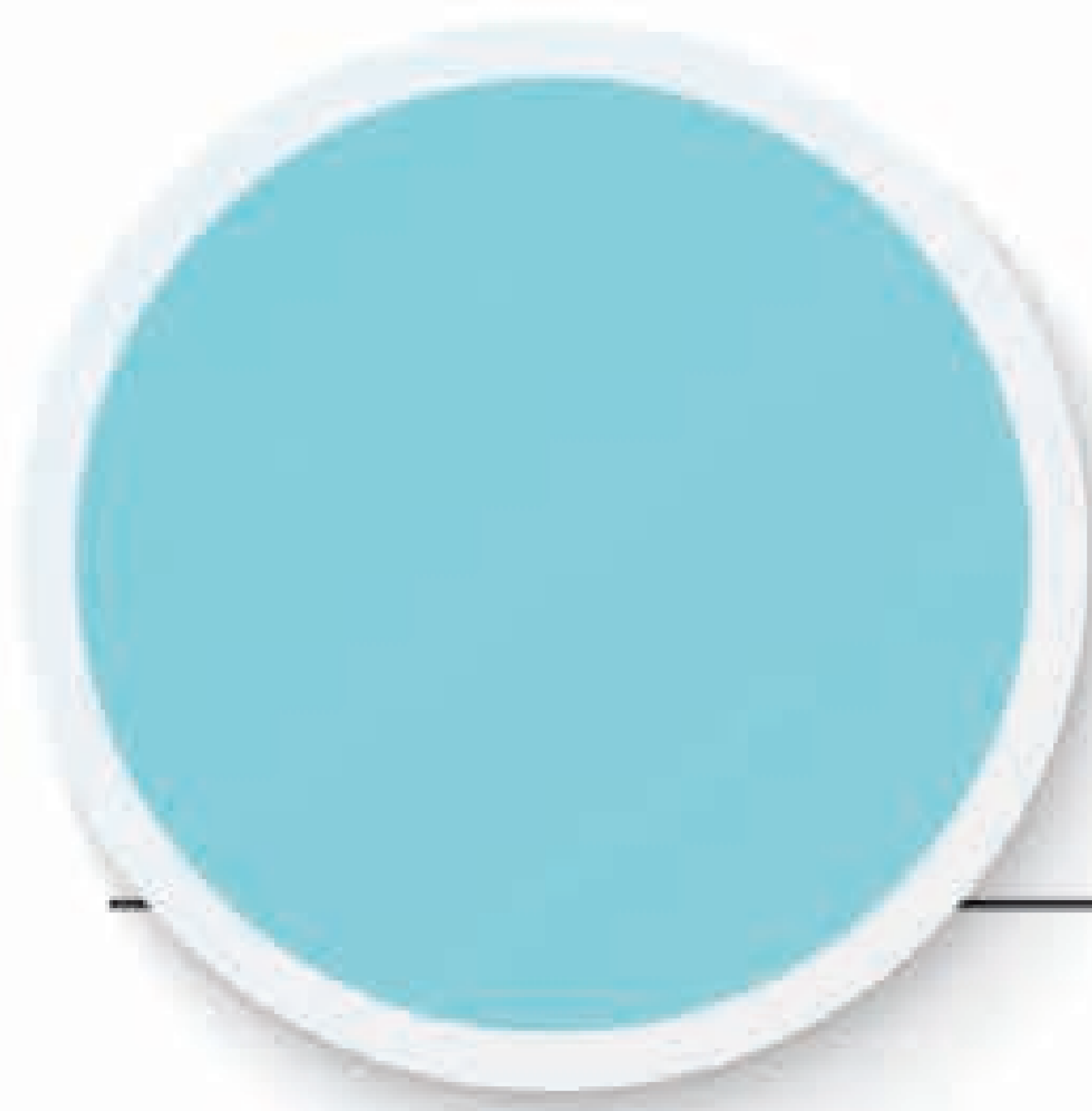
EXHAUST GAS

With the development of modern industry, the amount of harmful substances discharged by human beings into the atmosphere is increasing, and the types of discharged substances are becoming more and more complicated, causing dramatic changes in the atmospheric composition. In particular, some destructive gas emissions from industries, such as sulfide, nitrogen oxides, persistent organic pollutants, volatile organic pollutants, as well as industrial dust and smoke, have caused great harm to the environment and triggered a large number of public health problems. China's worsening smog in recent years is a fine example. TCL Corporation attaches great importance to environmental protection and people's health. It adheres to sustainable development practices, and actively introduces advanced processing technology to deal with industrial exhaust gas and reduce damage to the environment and to people's health.

For example, CSOT adopted the internationally recognized advanced Regenerative Thermal Oxidizer (RTO) technology and a technology for deep processing of stripping exhaust to ensure that organic emission discharges meet the standards. Additionally, annual nitrogen emissions can be reduced by 10 tons and volatile organic compounds (VOCs) emissions by 691 tons.

Automatic Monitoring Program

In order to better record the discharge of waste water and exhaust gas emissions, to confirm compliance with emission standards, and to remain open to public input, TCL Corporation uses a self-checking program in relevant cases. Under surveillance by this program, the sources of pollution for the whole company and plant are monitored and actively published. Automatic real-time test data is transmitted to a publishing platform (<http://www.epinfo.org>) set up by the provincial environmental protection authorities. The platform is open to the public, and the enterprise's basic information is published as well. The previous year's self-check annual report is released at the end of January of the following year.

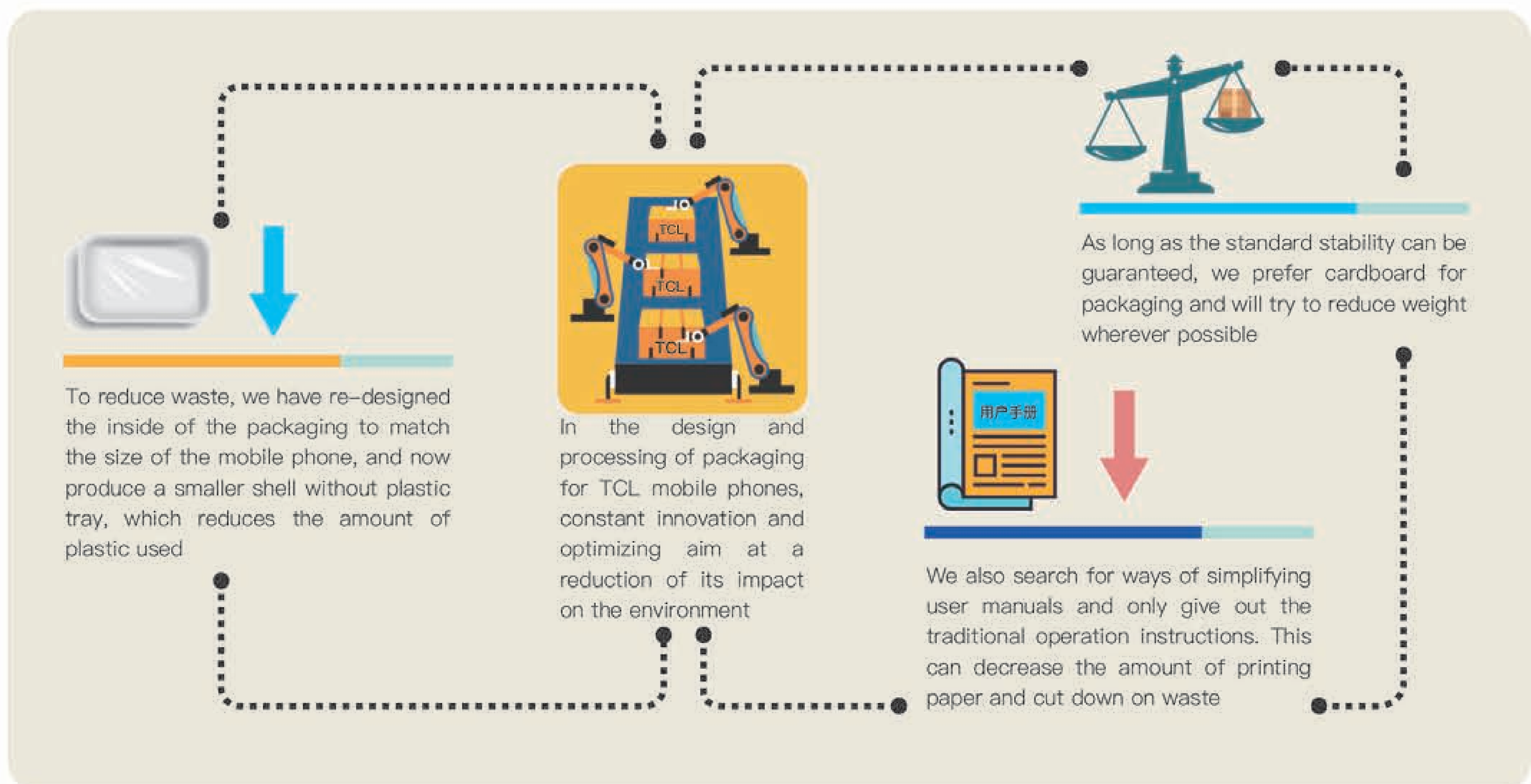
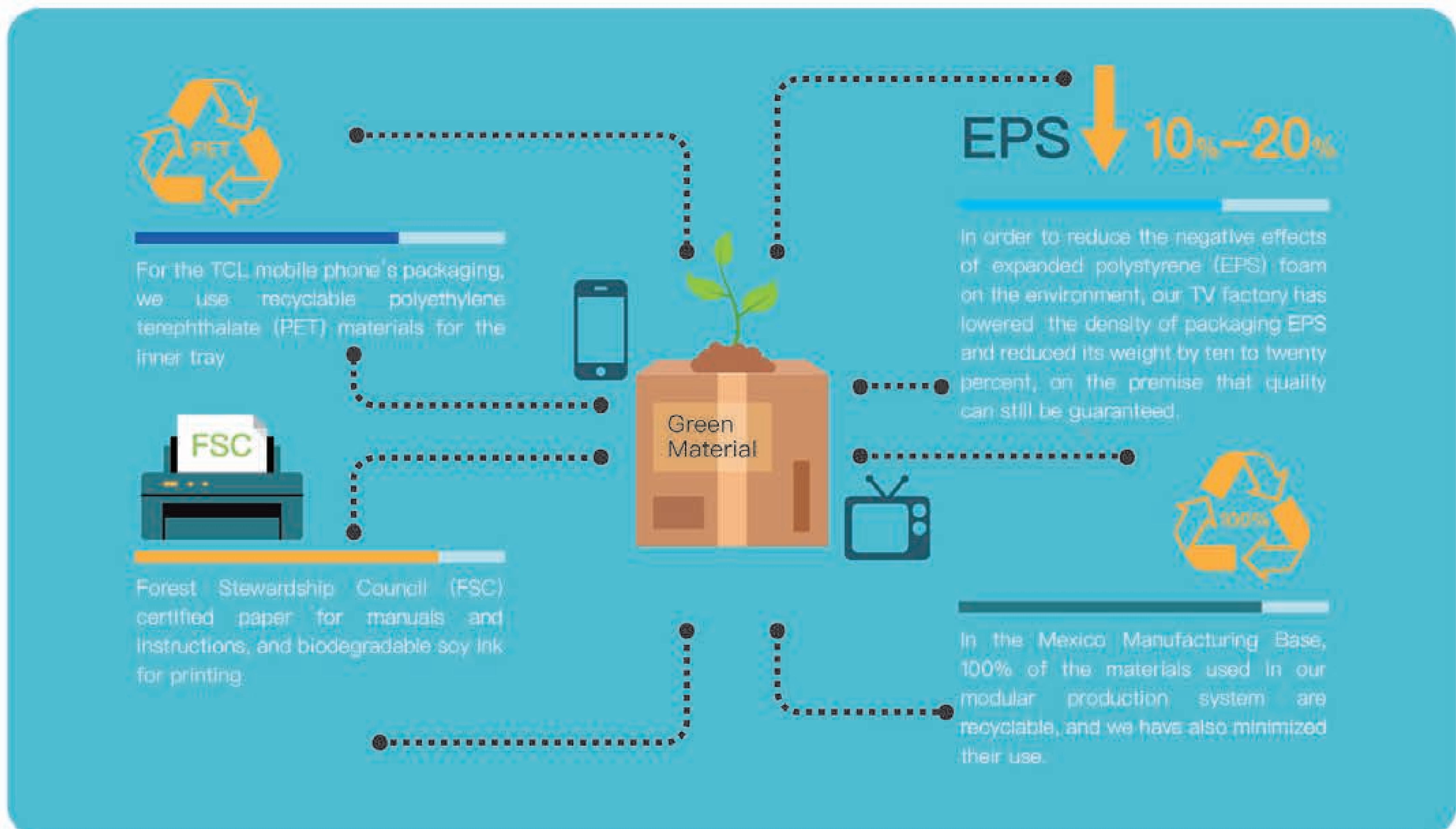


At TCL, all steps of the packaging process are subject to environmental protection considerations. We develop innovative and sustainable methods and apply them to design and recycling of packaging as well as logistics and so forth.

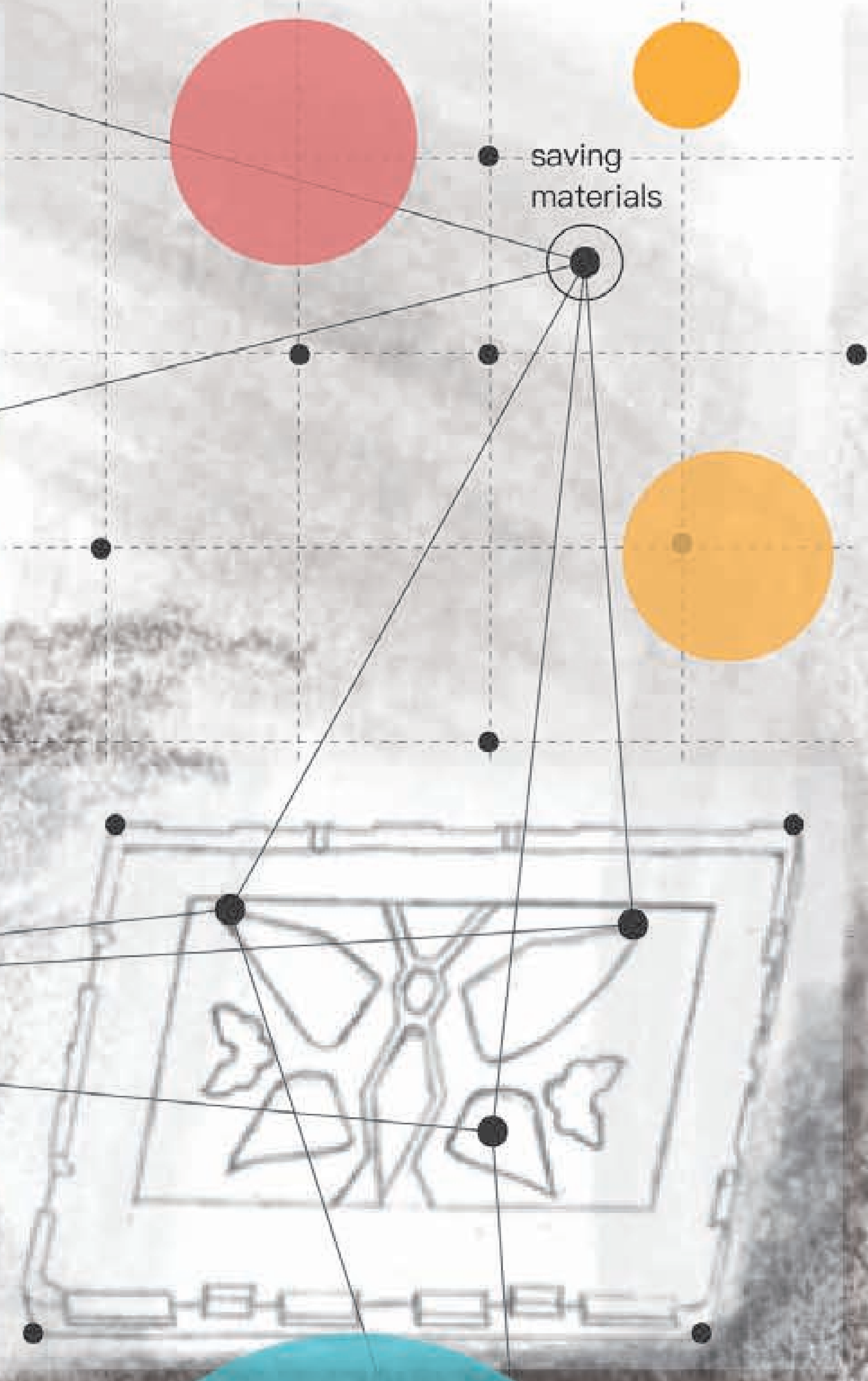
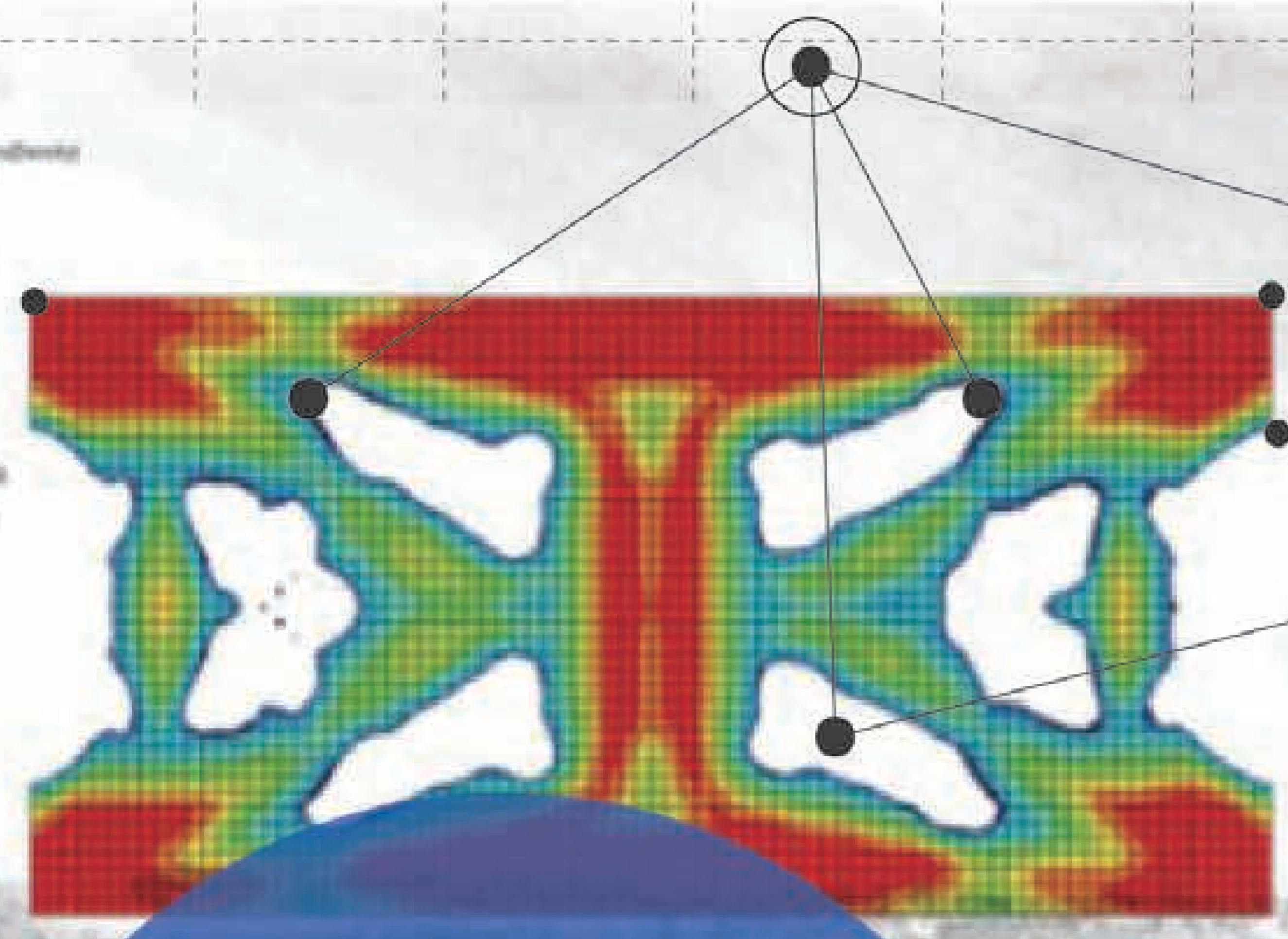
Green Packaging and Logistics

Packaging Design

TCL constantly improves its packaging with green materials and innovative designs, contributing to an environmentally friendly overall development.



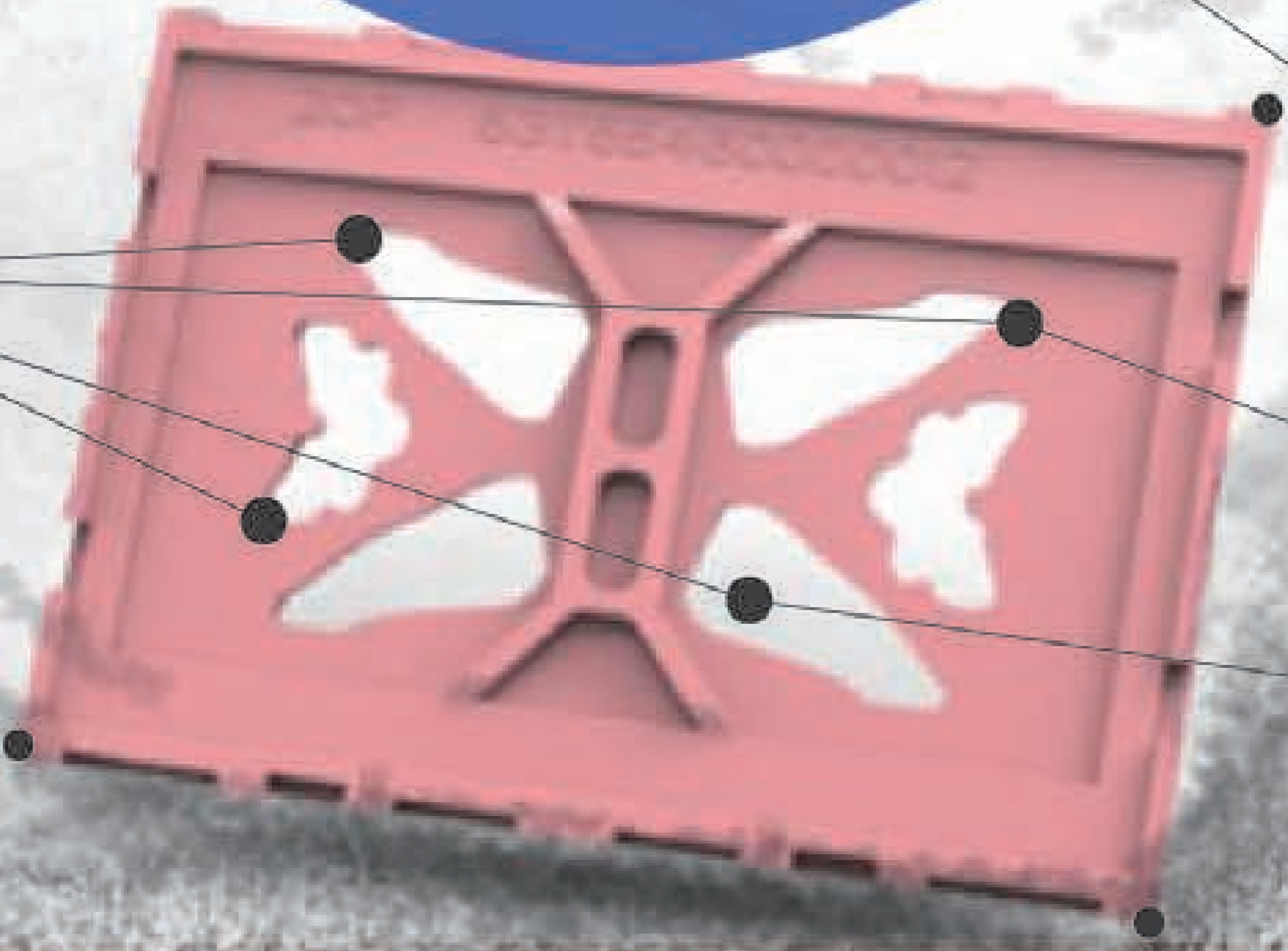
Furthermore, CSOT applies Topology Optimization in LCD panel packaging and design. Through simulation, a density cloud image of the inner surface of the box bottom helped produce an optimized butterfly hollow box that saves 20% on materials. This innovation received the "Golden Star Design" award of Taiwan in 2015 and the "2016 World Star" award by the World Packaging Organization (WPO). In 2016, CSOT introduced new packaging material that is lighter, easier to recycle, and only about 62% of the original weight; this will be fully applied in 2017. Packaging of TCL Display products also maximizes material usage. We place a reasonable number of products into one package without affecting the quality. In this way, we save on packaging materials, improve transport efficiency and reduce costs.



Environmentally friendly
 “Butterfly” Packaging

Through simulation, a density cloud image of the inner surface of the box bottom helped produce an optimized butterfly hollow box that saves **20%** on materials

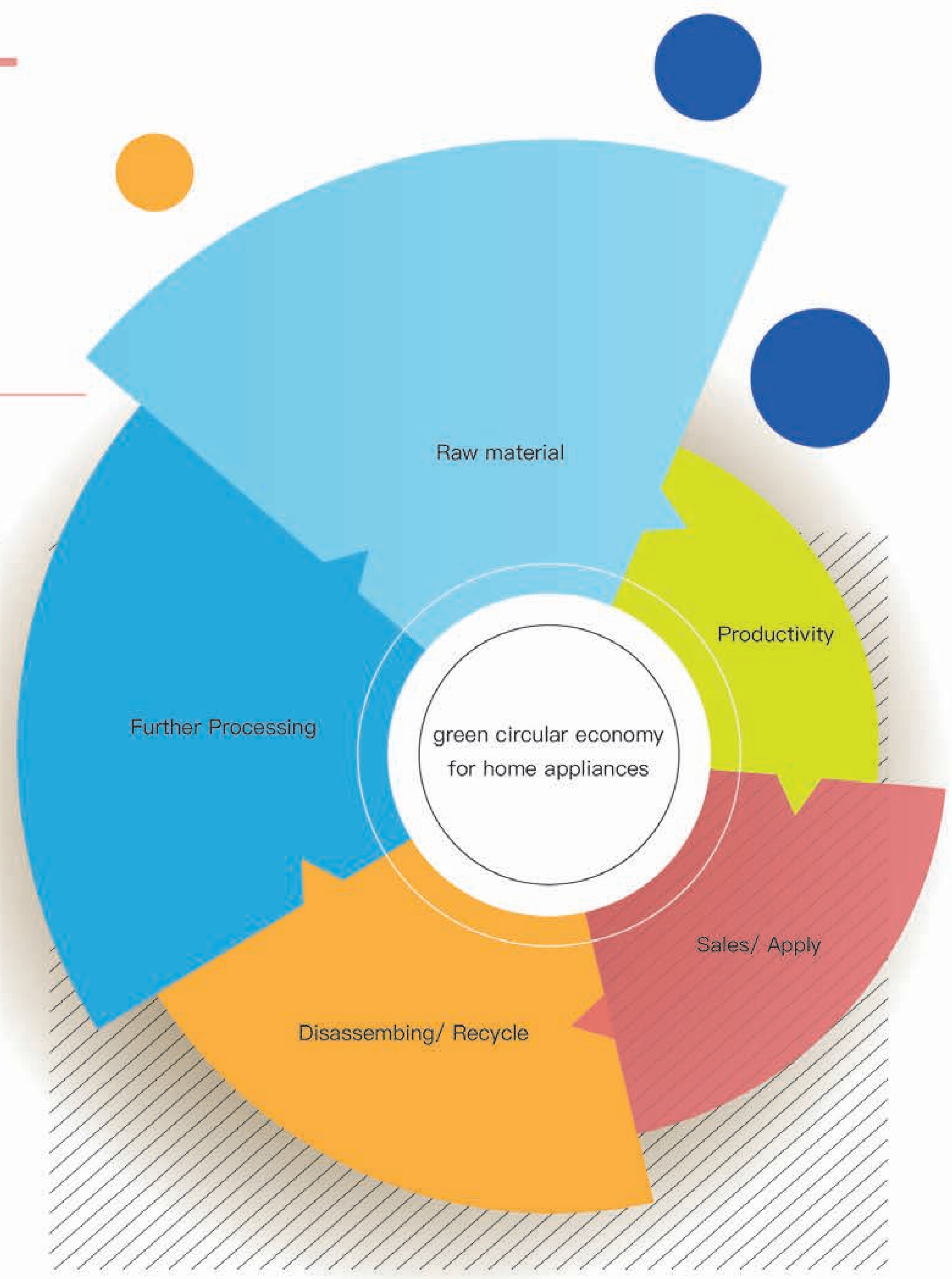
This innovation received the "Golden Star Design" award of Taiwan in 2015 and the "2016 World Star" award by the World Packaging Organization (WPO)



Packaging Recycling

As an environmentally friendly company, TCL advocates package recycling to minimize the consumption of resources. While accumulating a large number of discarded product packaging, CSOT has the highest rate and widest range of recovery, and has set up a group especially for recycling OC boxes, plates, wadding, pallets and other materials. In 2016, the total reduction of waste materials reached 5,000 tons. For damaged plastics, CSOT commissions qualified suppliers to carry out recycling, smelting and remanufacturing. Thus, we have achieved a total reduction of 8.6 tons and are moving toward our goal of “zero” waste step by step.

In addition to recycling, TCL also focuses on reusing packaging. For example, TCL Display requests suppliers to take the demand of compatible panel packaging as well as the features of trays and outer packaging into consideration during packaging design. This can facilitate reusing packaging and avoid duplication and waste. We use durable injection-molding trays for internal revolving in order to avoid losses caused by repeated use of thinner material. This reduces the number of scrapped trays and their negative impact on the environment.

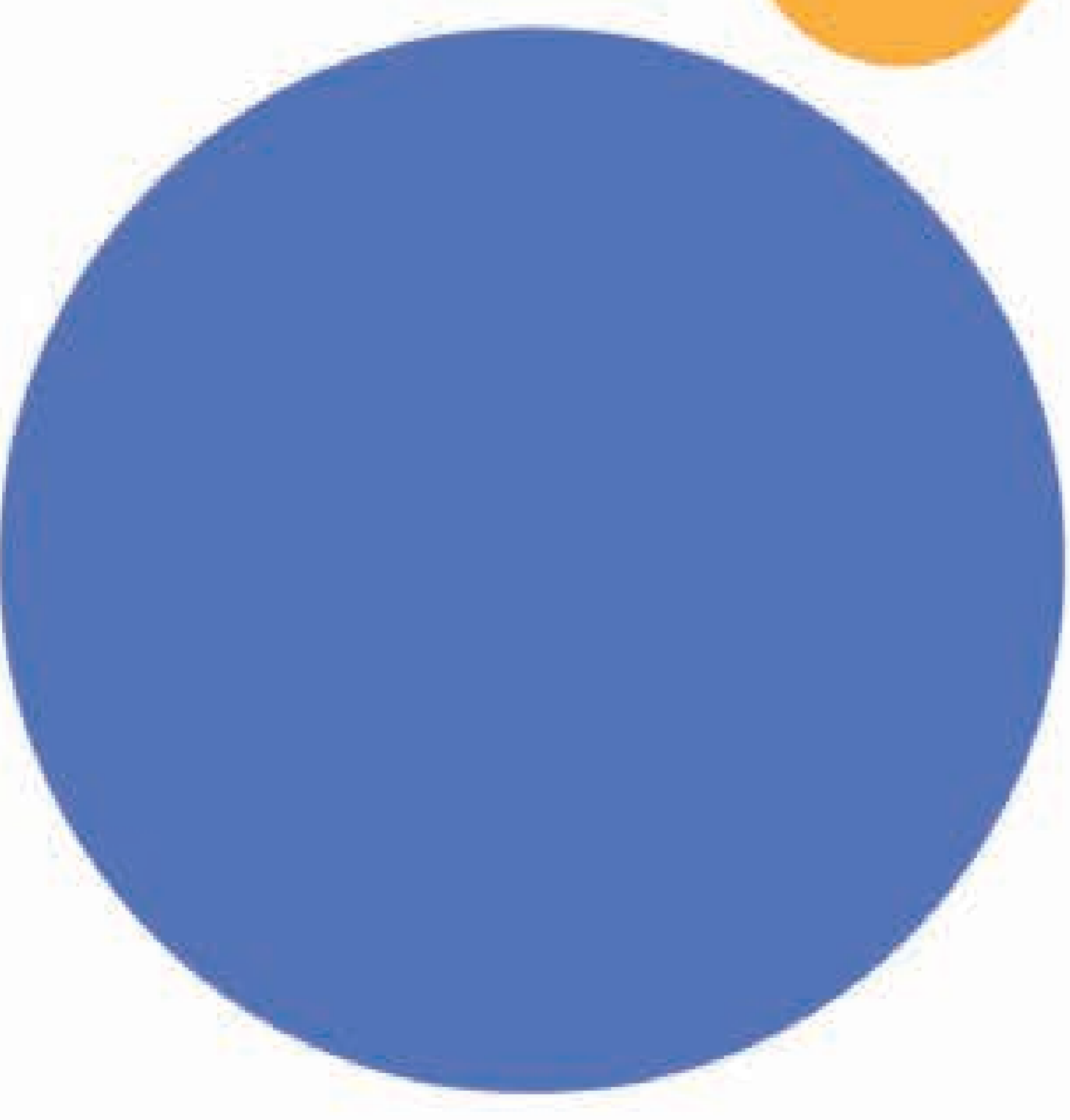


Green Logistics

TCL advocates green logistics. We place a reasonable number of products into one package without altering the quality. In this way, we can save materials and raise transport efficiency. We also keep an eye on the transport roadway connection when choosing suppliers, selecting short-distance transportation wherever possible, in order to reduce carbon emission and minimize negative impacts on the environment.

Promoting a Circular Economy

With the progressing of science and technology, the number of electronic products and waste household appliances is growing continually. Improper handling of these appliances often leads to environmental pollution, waste of resources, and threatens human health and safety. Being one of the most influential manufacturers of consumer electronics, TCL assumes the responsibility of a producer and creates a reverse industry in the field of home appliances. Through an industrial chain of dismantling discarded household appliances and deep processing for reuse, we will achieve a truly green circular economy for home appliances.



- Opening
- About TCL
- Milestones
- Responsibilities
- Corporate Governance
- Customers
- Employee
- Industry Chain
- Environment
- Social welfare
- Appendix

Establishing an Environmentally Friendly Industry

Assuming an appliance producer's responsibility of recycling waste products and build a green recycling chain, TCL has set up two environmental companies in southern and northern China. The two companies can meet the needs of handling and dismantling waste household appliances in their regions. Through these two companies, TCL has created a unique circular economy model and become the first enterprise to establish a home appliance recycling industry chain. This has opened up a new path for manufacturing enterprises to recycle waste products.

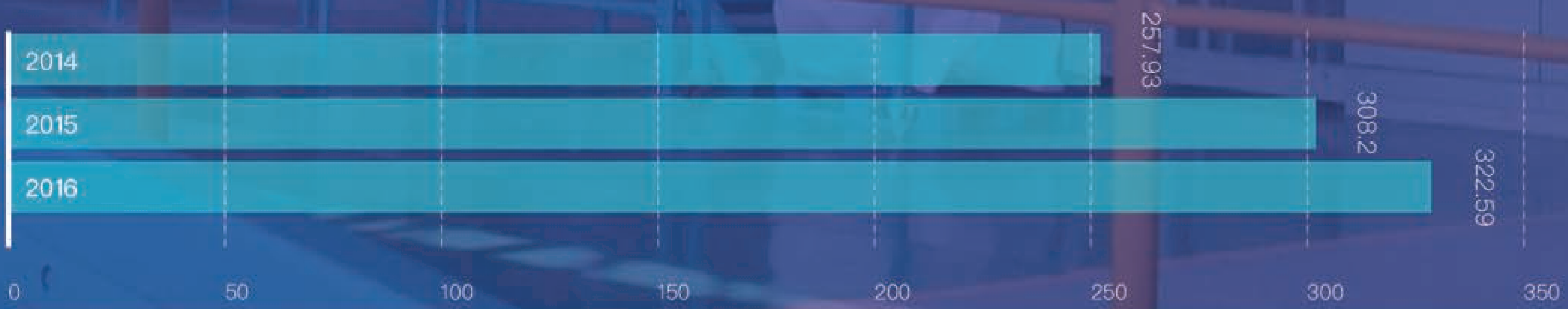
TCL-AOBO Environmental Protection and Development Co., LTD (Tianjin) is the largest domestic waste appliance processing enterprise, and has the highest level of equipment and the strictest environmental protection index. AOBO uses internationally advanced technology and equipment and a modern processing line. The company independently developed skiving equipment for removal of circuit boards, which not only solved the problem of removing the TV circuit board components, but also allows to fully retrieve any valuable metal parts and components of the circuit boards. This invention achieved five utility model patents and one invention patent. TCL Deqing Environment in Shantou is one of the first designated institutions for TV recycling. The company established a sound network which covers Party and government organs, 19 suppliers in eastern Guangdong and the TCL Group network (including sales and after-sales, and online recycling). In 2016, both recycling companies collected a total number of 3.2 million waste appliances of a total weight of 72,000 tons.

Joining Hands with the United Nations for Common Development

In 2016, TCL-AOBO (Tianjin) was selected to join a list of demonstration enterprises funded by the Global Environment Facility (GEF), which is co-developed by the Ministry of Environmental Protection and the United Nations Development Program. The project focuses on demonstration activities in three areas: establishment of a recycling system for waste appliances and electronic products; improvement of dismantling and pollution-control technology; and establishment of a comprehensive resource use procedure for discarded circuit boards. The project has a term of four years and is now underway.

Washing Machine
Disassembling Line

2014-2016 TCL DISASSEMBLING ACHIEVEMENT



in 10,000 units of equipment

Building a Recycling System

Against the background of “Internet+” as proposed by the Chinese government, TCL also explores and implements new recycling models. We try to combine waste appliance recycling with the rapid development of Internet technology so as to enhance efficiency, expand the scope, improve the platform and establish a global recycling system.

The TCL recycling center system extends all over the world and operates online and offline. In 2016, we built a number of public ecological institutions in Europe and recycled electronic devices in 13 countries, reaching a total of 877.3 tons, the amount of which was around 10% of our sales. Domestically, TCL has partnered with Baidu and the United Nations Development Program to build the Baidu Recycling Station. This platform uses the convenience of mobile clients to directly connect with the end user. It can provide home recycling services, expand new green channels and upgrade the industrial chain. In 2016, we set up 80 Baidu recycling stations in northeastern China, Hebei, Shandong, Beijing, Shanghai, Wuhan and other regions and added another 80 recycling points. In order to step our contribution to “Internet+” up and facilitate digital recycling, our “All the Way” services — mainly for installing and repairing appliances — also include a special service to recycle electronic devices. With services like express home collecting and 24-hour speed payments, the model ensures high efficiency and a 95% completion rate.

Environmental Protection Awareness Raising

TCL understands that its employees play an indispensable part in the process of fulfilling its environmental commitments. We therefore provide our employees with training on environmental issues.

In 2016, we built a number of public ecological institutions in Europe and recycled electronic devices in **13** countries, reaching a total of **877.3** tons.

In 2016, TCL Multimedia provided professional training for all of its environmental management personnel and also invited front-line staff to participate. The content included environmental laws and regulations as well as requirements for practical implementation of environmental consciousness in the workplace.

In 2016, we set up 80 Baidu recycling stations in northeastern China, Hebei, Shandong, Beijing, Shanghai, Wuhan and other regions and added another

80 recycling points



In order to step our contribution to "Internet+" up and facilitate digital recycling, our "All the Way" services — mainly for installing and repairing appliances — also include a special service to recycle electronic devices



TCL回收中心遍布全球



CSOT and Energy Saving

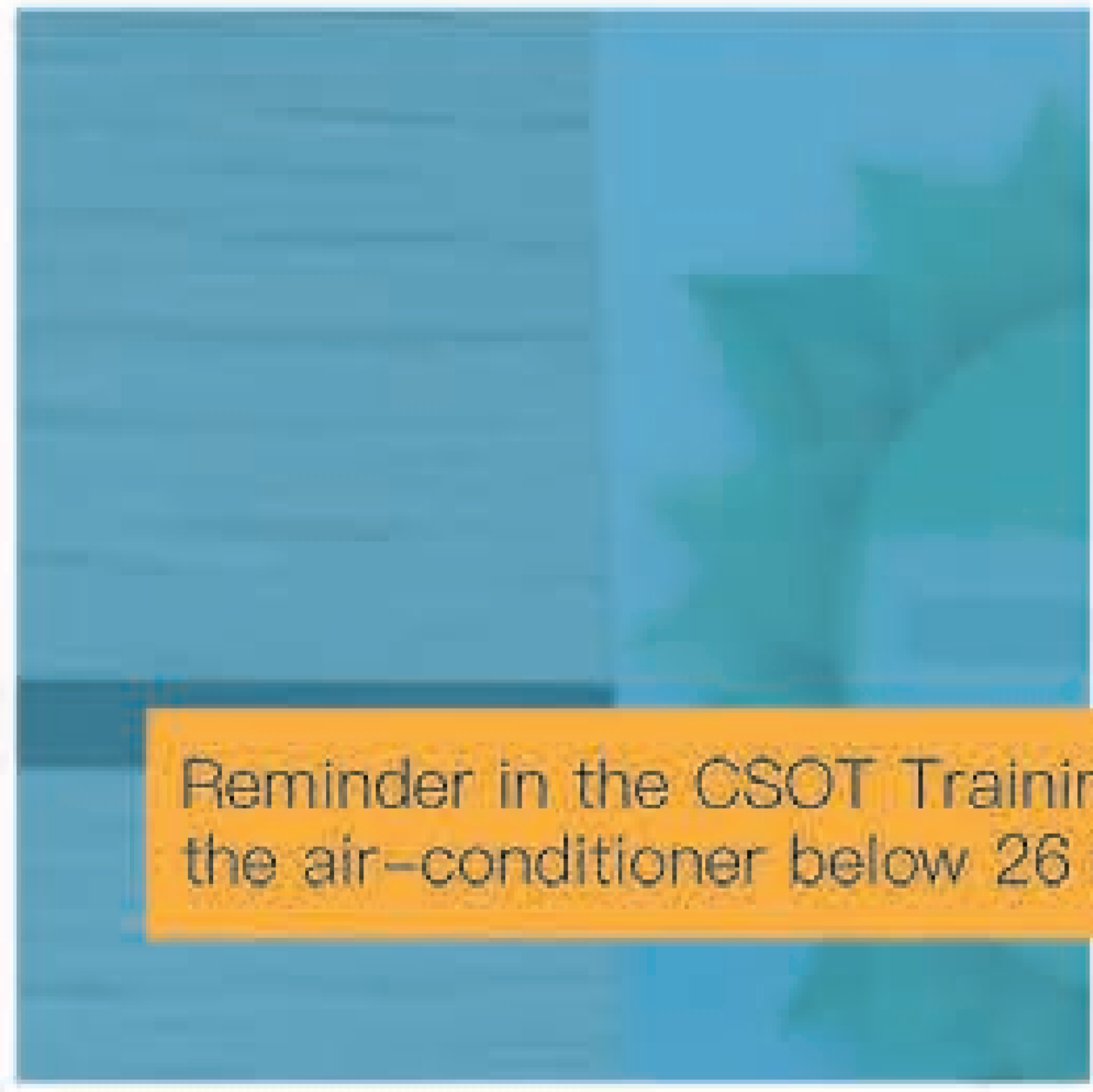
CSOT integrates environmental training into its daily operations. In August 2016, the company organized a "CSOT and Energy Saving" event for nearly a hundred employees and took them to visit projects for emission reduction such as a power room, photovoltaic power generation and artificial wetland parks. This was an effective way to convey to our staff the company's responsibility, let employees see it in action, and alert them to the necessity of environmental protection. In addition, CSOT carried out 47 environmental training sessions in 2016 which drew 6,096 attendances.

Promoting a Green Office

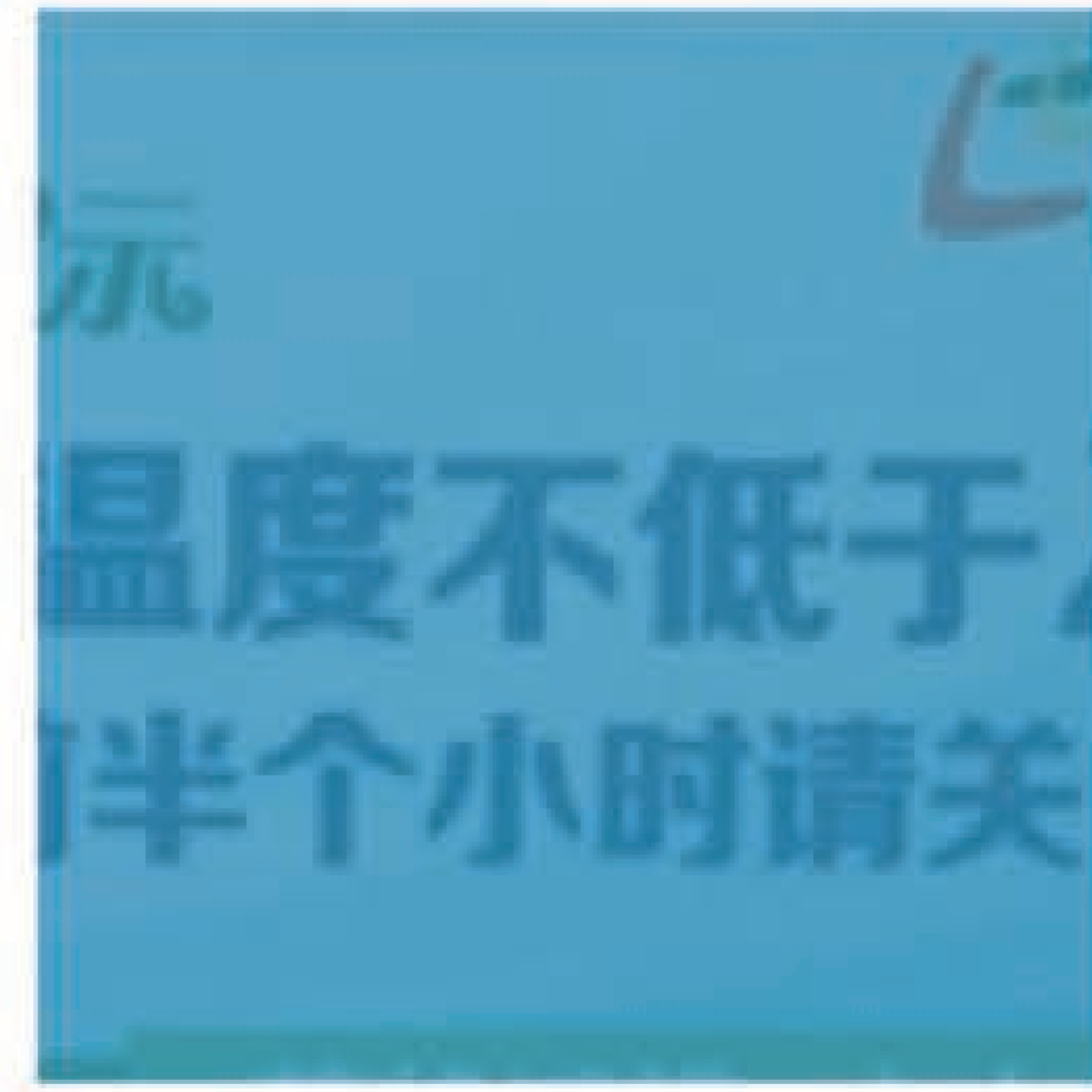
TCL stresses the importance of energy conservation and emission reduction and strives to become an environmentally friendly enterprise. We fulfill our responsibilities and advocate environmental protection within the Group. In our efforts for paperless offices, the electronic version of all statements and questionnaires takes priority, by which we hope to cultivate an culture of environmental awareness in our employee's daily life. Besides, we have replaced all ordinary printers with Internet printers and set the default mode to double-sided printing so as to save paper.



Poster for Saving Paper at TCL Headquarters



Reminder in the CSOT Training Room not to set the air-conditioner below 26 degrees



Saving electricity is a key step towards a green office. We have replaced outdated lamps with energy-saving products and apply spatially partitioned light switch controls. The number of lights in workshops, canteens, general buildings and other areas will be decreased wherever this does not disrupt regular operations. Concerning the office area, in a "Reminders Everywhere" appeal we draw attention through measures such as posters in areas frequently accessed by staff (such as the printer area) or the company's broadcasting program.

Regarding water conservation, the company makes great efforts to strictly recycle waste water. Awareness-raising information is posted not only in water-intensive places such as manufacturing workshops and cafeterias but also penetrates other places, and there are little.





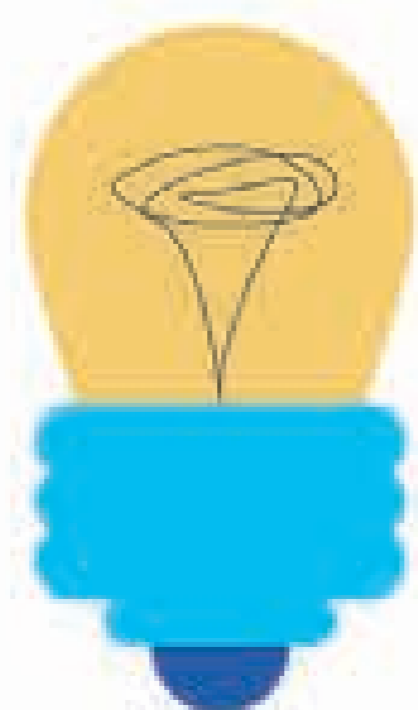
10

FOSTERING
SOCIAL WELFARE



SUPPORTING PUBLIC WELFARE
CREATING SHARED VALUES
CREATING A VOLUNTEER SERVICE PLATFORM

WELFARE



OPENING



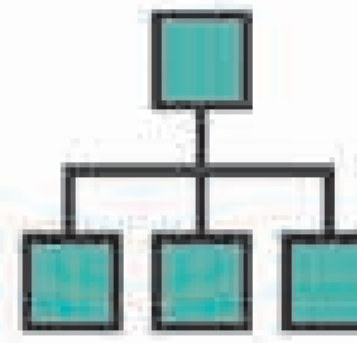
ABOUT TCL



MILESTONES



GOVERNANCE
OF RESPONSIBILITIES



CORPORATE
GOVERNANCE



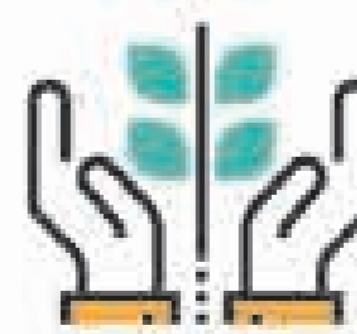
CUSTOMERS FIRST



FACILITATING
STAFF DEVELOPMENT



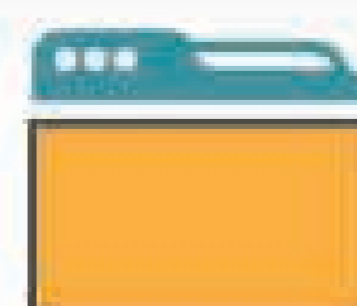
FORGING A RESPONSIBLE
INDUSTRY CHAIN



BUILDING A HARMONIOUS
ENVIRONMENT



FOSTERING SOCIAL
WELFARE



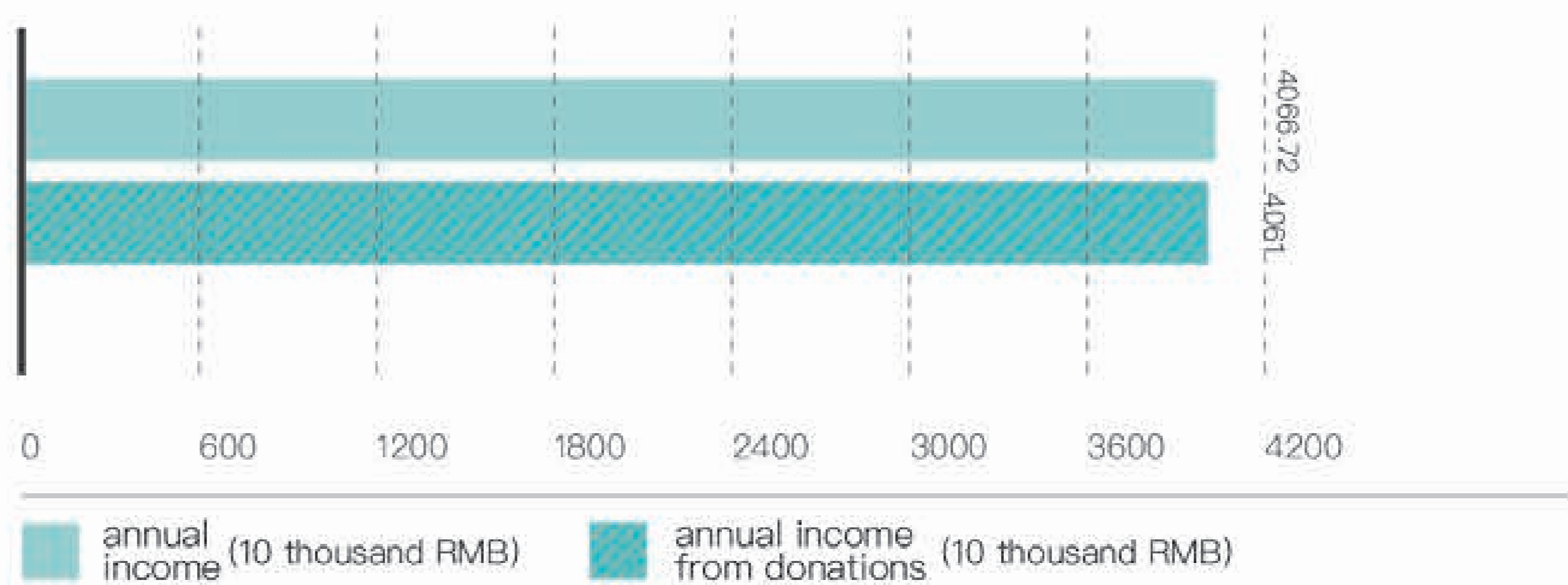
APPENDIX

Giving back to society is an idea firmly rooted in the philosophy of TCL Group. Our long-term investments in fields of public benefit contribute to promoting education, help for vulnerable groups, and disaster relief. Regarding our business expertise, we focus on fields that allow us to drive innovative initiatives for community and industry development. Furthermore, we always encourage employees to get down to action in public welfare.

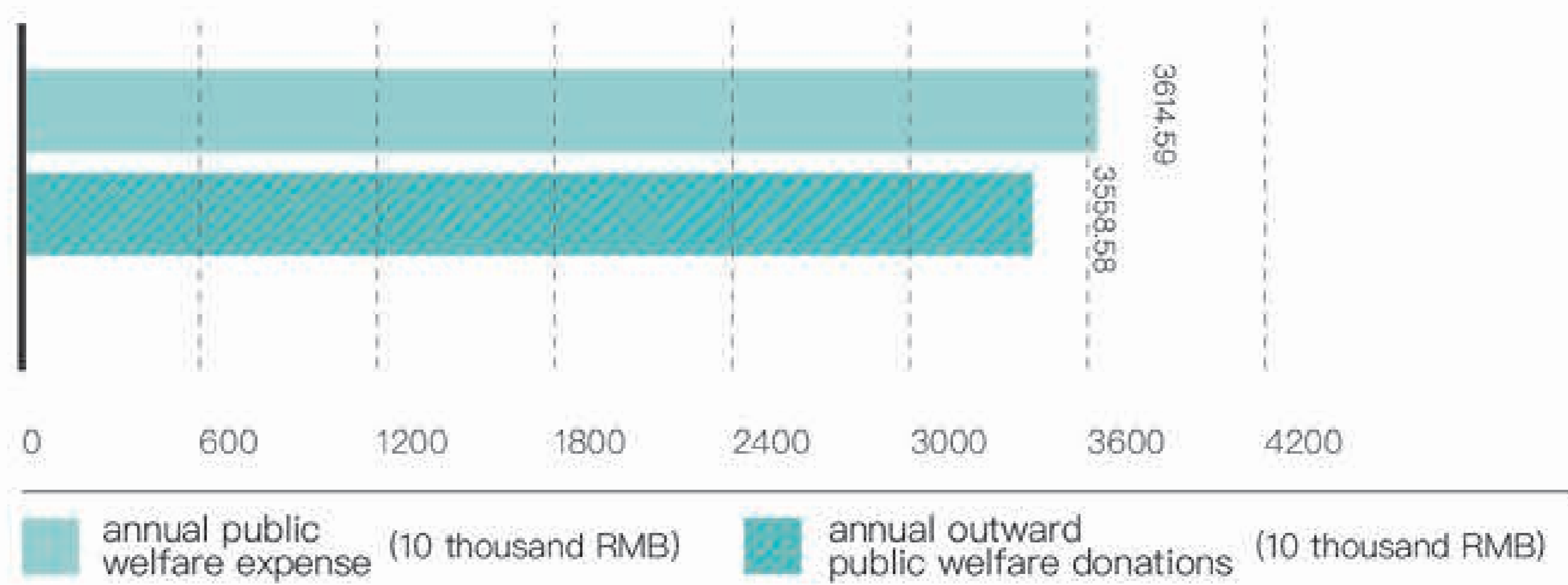
Supporting Public Welfare

In 2012, TCL Group founded the TCL Foundation, China's first foundation set up by an enterprise in the consumer electronics industry on a basis other than public offering. TCL Foundation is the platform for the Group to integrate resources and carry out public welfare projects "seeking public interest and promoting social progress". Its purpose is to "create education and growth opportunities for vulnerable groups, and seek community welfare and sustainable development". The Foundation works in the areas of basic education, major disaster relief, and special groups.

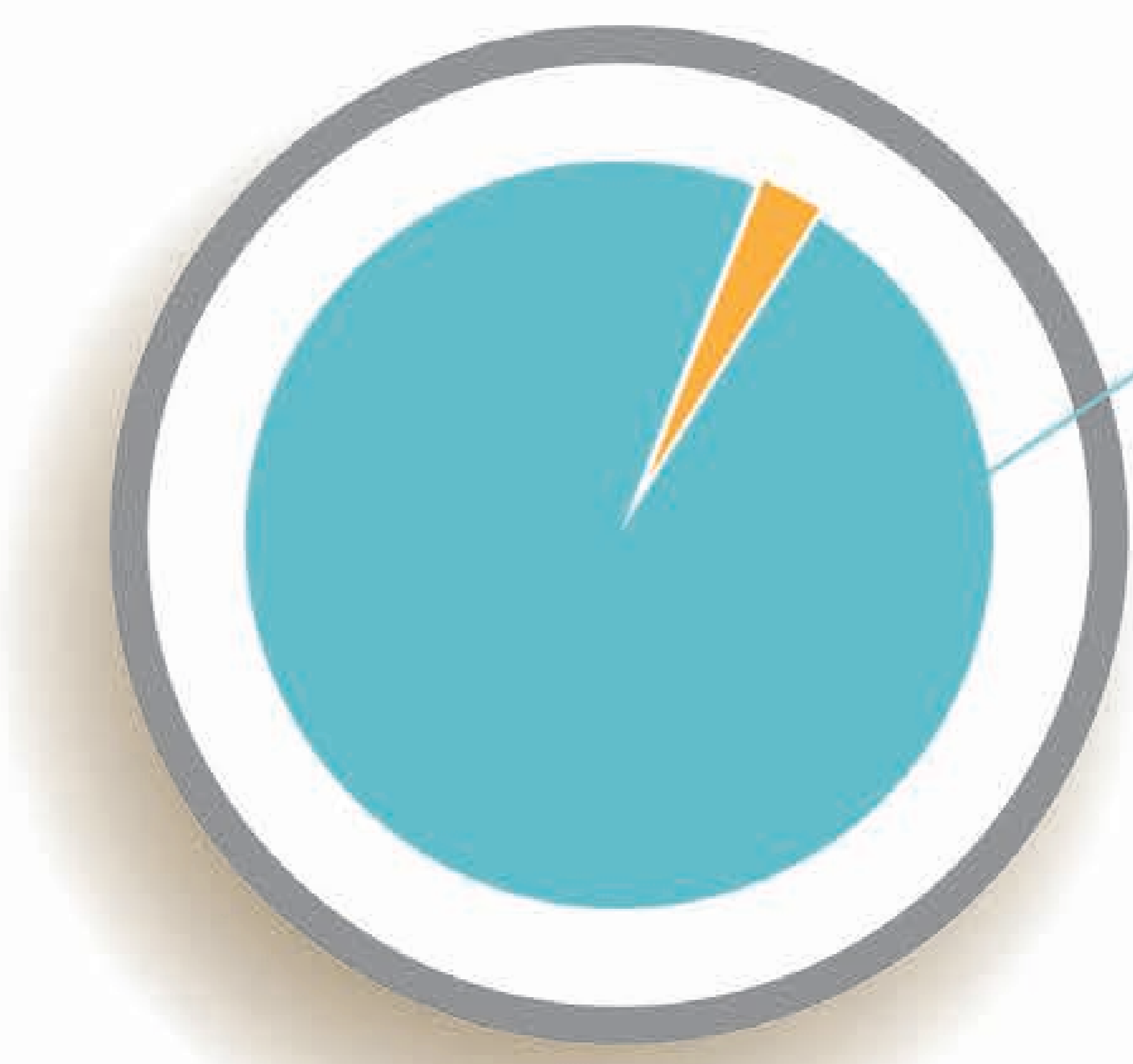
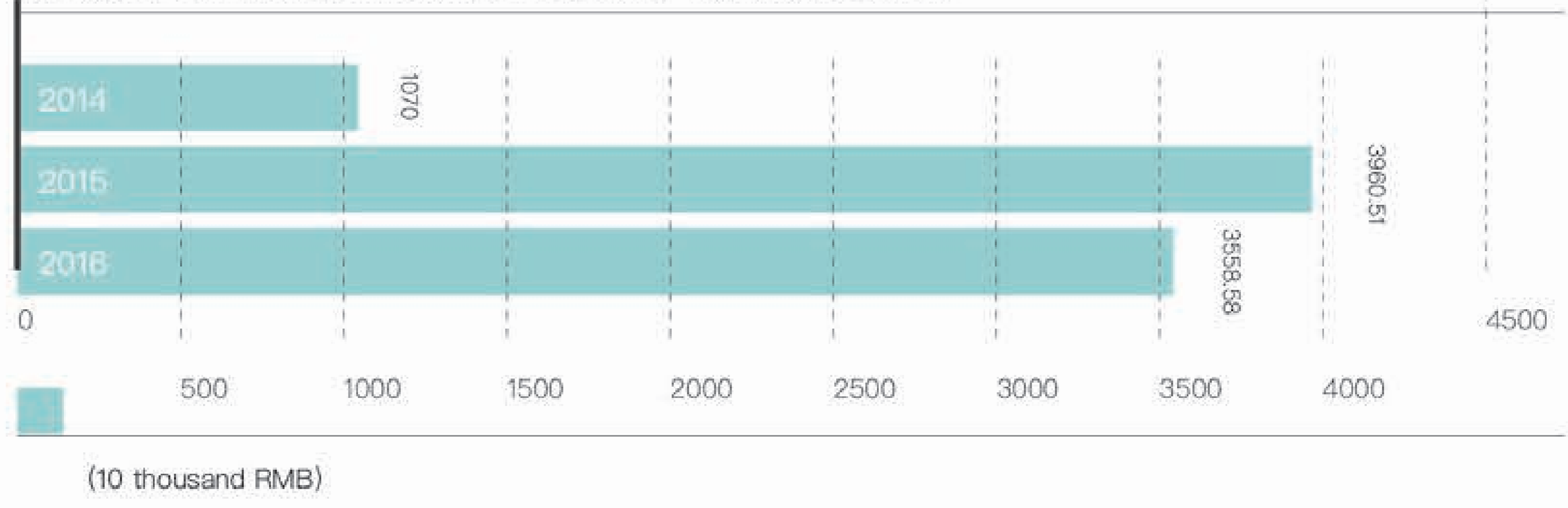
TCL FOUNDATION ANNUAL INCOME AND THE INCOME FROM DONATIONS IN 2016



TCL FOUNDATION ANNUAL PUBLIC WELFARE EXPENSE AND OUTWARD PUBLIC WELFARE DONATIONS IN 2016



ANNUAL OUTWARD DONATIONS FOR PUBLIC WELFARE



In 2016, public welfare donations accounted for **98.45%** of all public welfare expenses

Propelling Rural Education

TCL has always been committed to creating education and growth opportunities for vulnerable groups. Supporting teachers is our starting point on the road to improved education in rural areas.

TCL HOPE PROJECT CANDLELIGHT AWARD

The Hope Project Candlelight Awards were jointly initiated by the TCL Foundation and the China Youth Development Foundation in 2013. The project provides financial aid and training for excellent teachers in rural areas in an innovative and self-supporting way. It will gradually open up further social resources to promote the development of education in rural areas.

Each year, the TCL Foundation selects a number of excellent teachers to receive the "Candlelight Award". Each selected teacher will receive 12,000 RMB worth of support; this includes 8,000 RMB of financial aid and an online/offline "Candlelight Class" advanced training course at the value of 4,000 RMB. In the third Awards ceremony in 2016, 400 teachers received honors in the fields of dedication, innovation and leadership. Up to now, the TCL Hope Project Candlelight Award has already equipped 1,000 teachers who are dedicated to working at the grassroots level in poverty-stricken areas with cash and training opportunities.

2016 TCL Project Hope Candlelight Award Categories



Dedication

Designed for honoring teachers who have worked in rural areas for a long time and are dedicated to education and care for students.



Innovation

Designed to honor teachers who explore innovative teaching methods in rural areas and use effective ways to improve the students' ability or help them solve practical or emotional problems.



Leadership

Designed to honor managers who promote school construction and make special contributions to school management, service and campus culture.

TCL Hope Project
Candlelight Award Ceremony

Winner of the Award of Innovation—Ye Nengzeng

Ye Nengzeng is a teacher of the post-80s generation and works in school in Heishanhe Town, a town in Guizhou Province. When Ye first began working at the school, he was uncertain and even worried about his future. However, he made up his mind about what ultimately matters: help the children become happy learners. He found manifold ways to reach this aim. In class, learning in groups greatly motivates them. In outside activities, having them juggle balls together while beating a drum creates team spirit. Appealing extracurricular books will always wait for students to borrow — but only students who passed the exams. The colorful illustrations and funny stories have gradually become one of the driving forces in stimulating the children's learning progress. With this incentive, students with lagging grades are gradually catching up. This innovative approach has shown education in rural areas new ways.



Candlelight Class

TCL Foundation integrates resources of the China Youth Development Foundation and Aopeng Education of the TCL Group. The Flipped Classroom, an interesting model already time-tested outside of China, was introduced; it combines online training with offline exchange and observation. Through these measures, we are able to share modern teaching ideas and practices with teachers who work in rural areas and setup a communication platform to help them broaden their career prospects. Up until now, the "Candlelight Class" offline training has been held in six cycles and benefited more than 600 outstanding teachers.



An innovator also in public welfare, TCL goes beyond immediate financial support to those in need. We pave a more sustainable path through our "Candlelight Micro Credits" which are granted to the awarded teachers. Three types of loans, the "succor loan", "assistance loan" and "dream loan", provide financial support to these teachers and their families in cases where support is needed towards urgent medical treatment, living expenses, postgraduate studies and training, and the like. The "Candlelight Micro Credit" is a cross-border innovation merging micro-finance with public welfare. It helps enhance the living standard of teachers working in rural areas, and eventually ensures the sound development of the education outside big cities.

- | | | | |
|---|---|--|--|
|  贷款对象
经TCL基金会评定的烛光获奖教师 |  可贷额度
1000-30000元
年收入1倍以内 |  贷款期限
1-5年，可随
实际情况展期 |  贷款利率
年利率9% |
|  还款方式
按月还息，到期还本；零本零息等两种还款模式。 |  无需担保
无需公职人员或第三人担保 |  申请便捷
在线24小时实时申请，无需本人到场 |  资料简单
身份证、教师资格证或其他工作证明、银行工资流水 |

Supporting China's Education

Huameng Foundation



In 2007, TCL President Li Dongsheng and his wife Wei Xue set up the Huameng Foundation, a special fund under the China Youth Development Foundation. The Foundation is accessible to junior high graduates with an excellent personal learning history in poor regions to help them finish senior high education and enter universities. Equal educational opportunities and a balanced education throughout China are among the long-term goal of the Foundation, for every child to enjoy the same right for education. We wish to see each of those children become a happy citizen, take responsibility for themselves, love the society and make contributions to benefit humanity.



The Foundation provides a per capita annual subsidy of 8,000 RMB to 50 high school students in the "Huameng Class" to cover tuition fees and living expenses. Graduates who come out ahead among the top 10 after an overall evaluation within every Huameng Class will receive a 23,000 RMB "University Dream Scholarship" for undergraduate studies. Since the opening of the first Huameng Class in Huizhou Hua Luogeng High School of Guangdong Province in 2008, nine cycles of the "Huameng Class" have subsidized 800 students from poor families with excellent character and academic performance. Total investment in education has thus reached over 70 million RMB.

The Huameng Foundation allocates resources also for activities such as the "Huameng Star Class", "Huameng Summer Camp", or "Graduates Farewell Party" to provide students with character education towards their all-round development into lifelong learners.

HUAMENG FOUNDATION

September to October 2016

the Foundation established a strategic partnership with Ju Jiang Hui to officially launch the "Star Class on Intangible Cultural Heritage". Mentors included Duan Shukun, the cultural heritage ambassador of tie-dyeing of the Bai ethnic group, Xiong Yinghua, the cultural heritage ambassador of wood carving in Tongshan, and Tian Xianmin, cultural heritage ambassador of bamboo weaving in Ruichang.

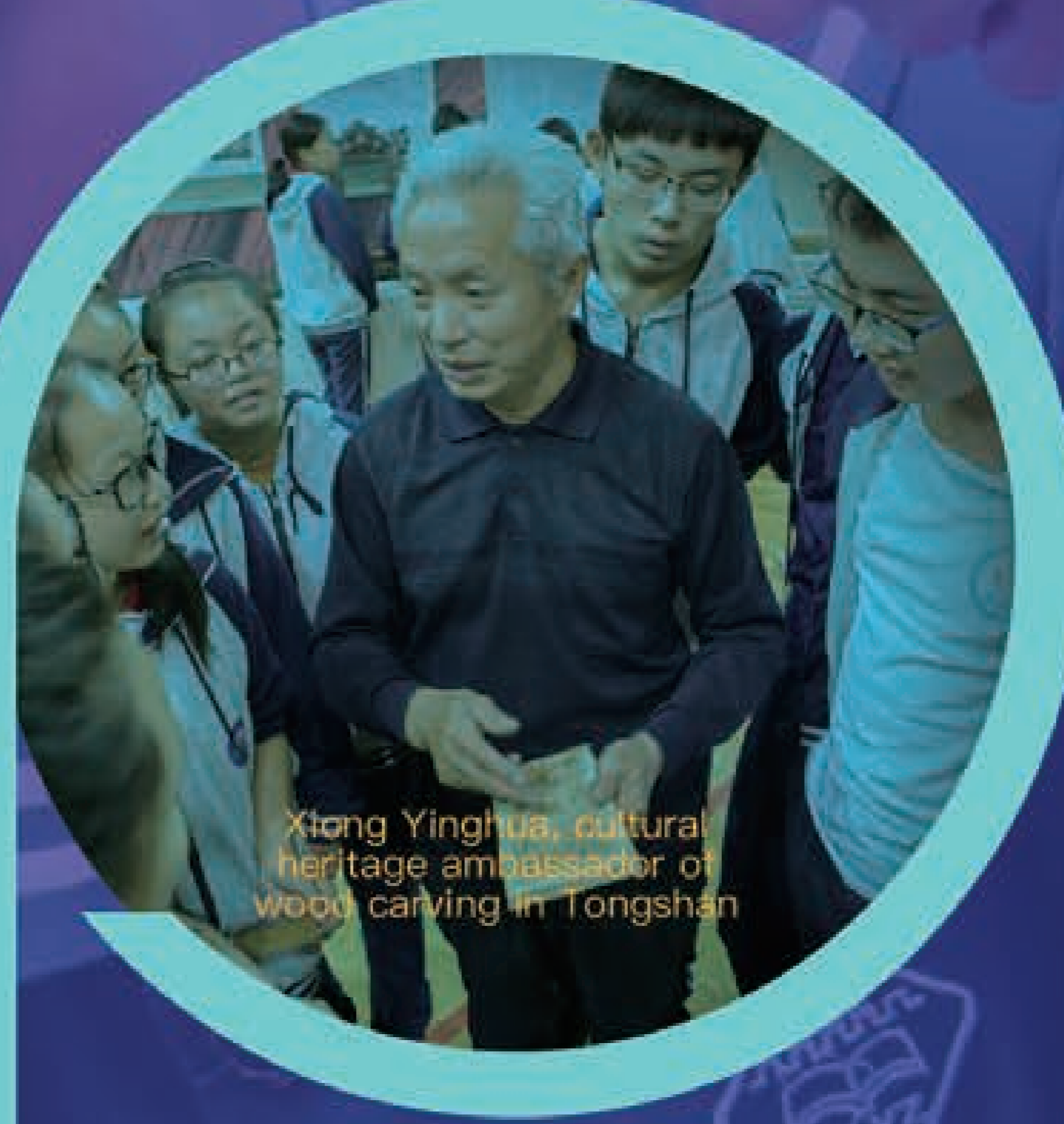
Huameng Foundation launched a five-year talent training plan called, "Huameng 5010 Plan" with a total investment of one million RMB. The Plan provides **50** university students with Internship subsidies and **10** with start-up funding. Individual subsidies reach a maximum of **2,000** RMB; the maximum funding can be **20,000** RMB.

2017



August 2016

The Foundation held a farewell party for the first group of "Huameng Class" graduates in Dali No.1 Middle School and organized the "Dali Charity Trek" together with Cheung Kong Graduate School of Business. A student of Huameng, He Min, scored top among science students in the Dali Prefecture.



From 19 to 25 July 2016

The third season of the "Huameng Foundation Thriving Youth Go! Summer Camp" was held in Guangzhou. The theme was "A Study Tour in Guangzhou to Experience the Olympics." Olympic champion Zhang Jiewen and basketball star Wang Zhizhi were invited as mentors.



The Launching Ceremony of the
“Thousand Miles of Dream” Public Welfare Plan

Disaster Relief

Since the founding of the TCL Charity Foundation, it has participated in the disaster relief work following a number of major disasters; in the relief work of the Yunnan Earthquake as well as the Ya’an earthquake in Sichuan, it contributed through heavy investment in emergency work and resources.

In early July of 2016, torrential rainfall continued for several consecutive days and led to serious flooding in Wuhan, affecting more than one million people in the city. TCL donated a total of three million RMB to the disaster areas in Wuhan for post-disaster personnel placement and reconstruction.

Creating Shared Value

TCL’s sustainable development is intrinsically tied to social progress, to the overall development of the community and the industry. We use our competitive edge and our resources to resolve social difficulties through innovation, support community development and industrial innovation, achieve win-win outcomes for the company and the society, and create shared value.

Supporting Community Development

Improving Regional Healthcare

RMBIn western China, the healthcare infrastructure and health services in villages and towns have been developing rather slowly. In order to provide residents in western regions with better access to medical services, TCL mobilized its medical resources and joined TCL Healthcare, SAIC Motor and the Mango V Foundation in the launch of a public health service activity called “Thousand Miles of Dream”. Donated equipment and medical staff are sent to remote areas, and we offer medical training to improve the quality of healthcare in western regions.

When the activity was launched in Shimaoc-heng, Chengdu in 2016, presidents from 16 township health centers in Sichuan Province and Yunnan Province received 17 pieces of donated medical equipment, inspection and testing equipment, and ambulances. The activity will extend over three years with an estimated investment of 30 million RMB, benefiting over 100 township primary hospitals in remote and poor regions in western China.

Creating a Volunteer Service Platform

Through our volunteer platform, TCL provides employees with opportunities to participate in public service activities. We encourage our employees to serve the community and volunteer in helping vulnerable groups.

TCL Volunteers Association

In March 2015, TCL Group set up the TCL Volunteers Association with 10 branches. Having welcomed 148 new volunteers in 2016, we now count over 1,000 registered volunteers.

An increasingly lively volunteering culture called for a TCL Volunteers Management Platform for a regulated environment in 2016. Here, registration, activity releases, recruitment and publicity are centrally combined, integrating resources and raising the publicity efficiency.

Volunteer Activities

On the Group level, the TCL Volunteers Association organizes different kinds of activities on a non-regular basis every year. The areas of engagement cover care for vulnerable groups, environmental protection, education, poverty alleviation, etc. We encourage employees to express their willingness and actively participate in these activities.

Creating
Innovation
Sustainable
Economic
Performance
Social
Welfare
Environment
Governance

Social welfare

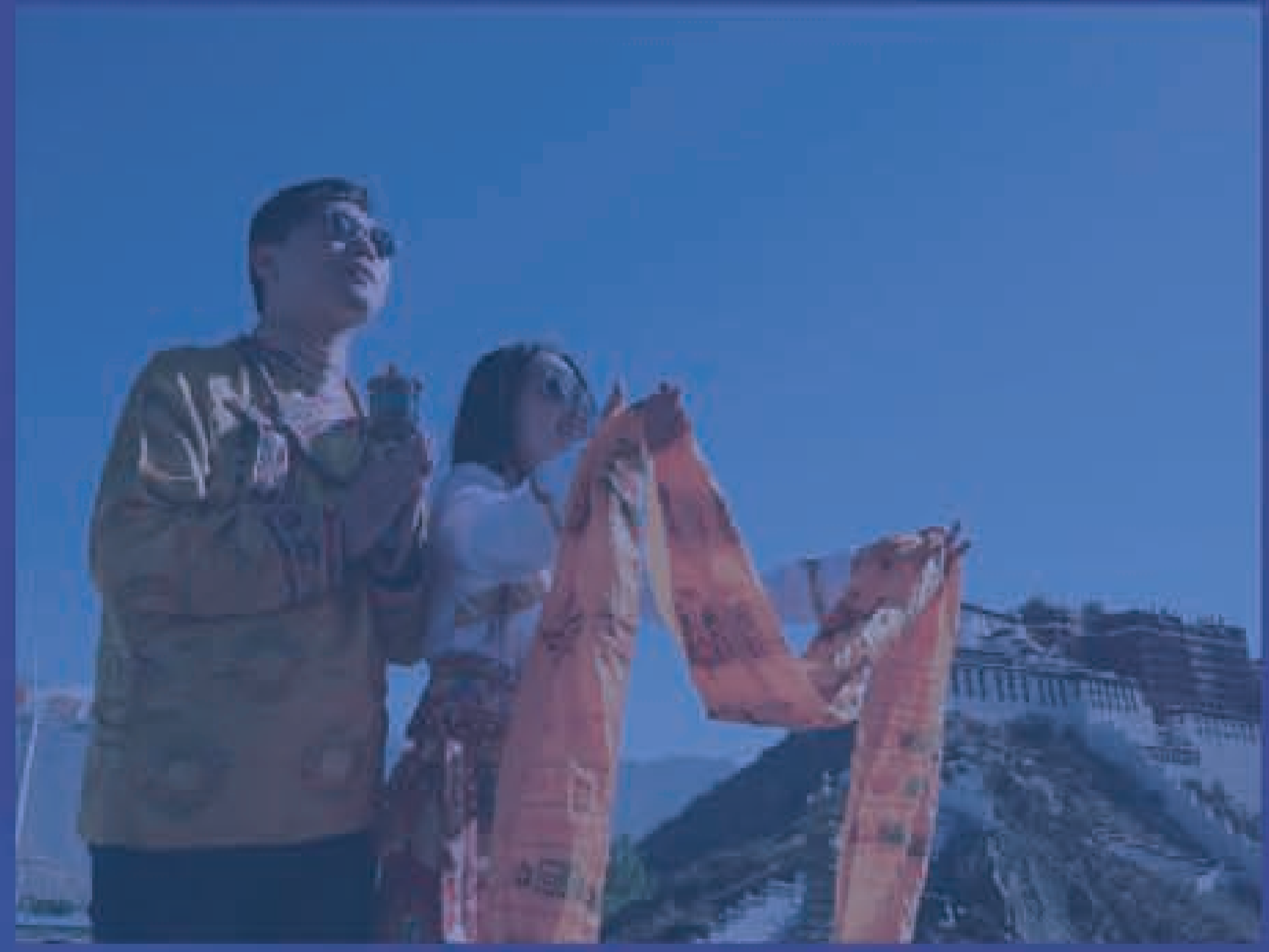


Volunteer Service Platform

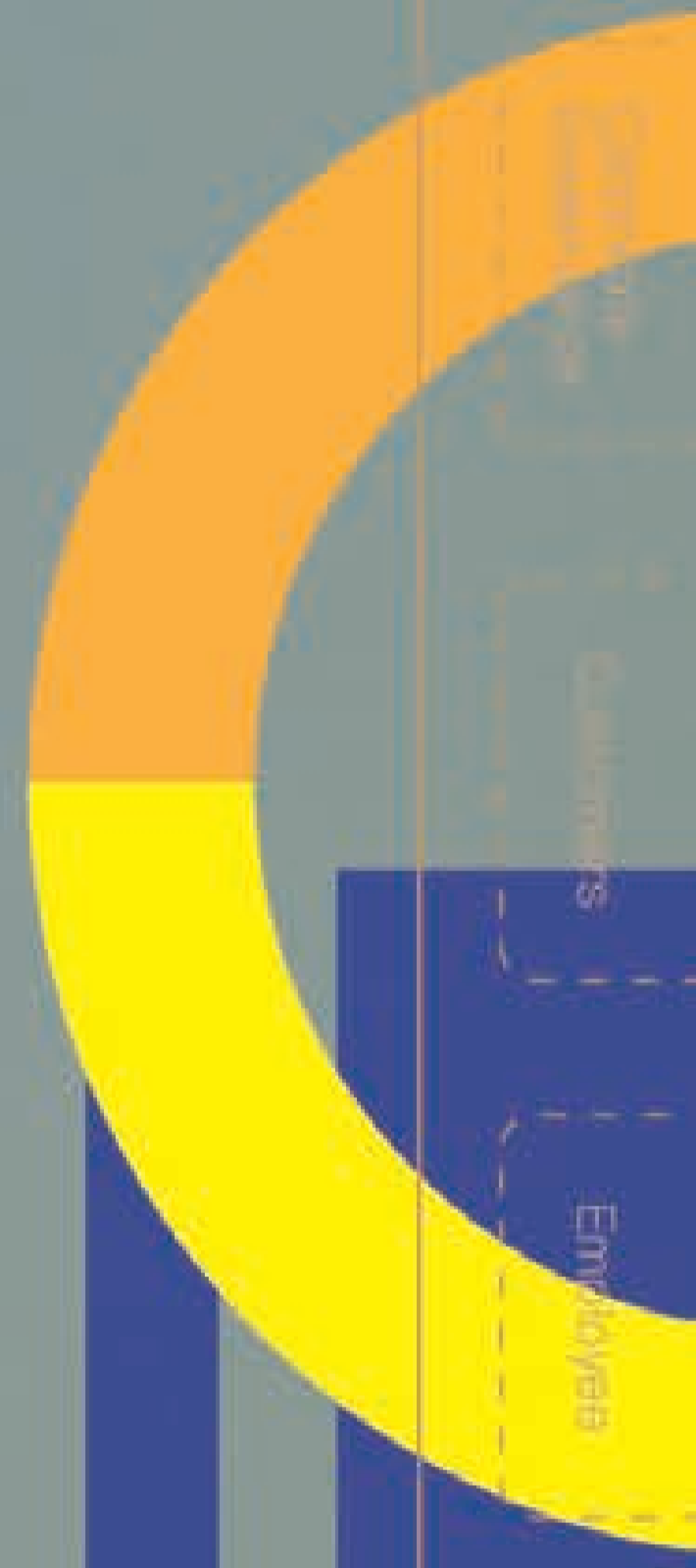
活动搜索
 ★ 活动主题 全部 志愿者协会 中山空弱分会 武汉通力电子分会 深圳华星光电分会



On October 10, 2016, the headquarter branch of the TCL Volunteers Association launched "A Fire in Winter" to donate winter clothes to poor people in Tibet. Altogether we received 147 articles of clothes, weighing 110kg. The clothes were taken over five thousand kilometers. Ah Jia, the resident volunteer in Lhasa, helped send them to Zhaxizong Village, Tingri County of Shigatse, Tibet, a remote region at the foot of Mount Everest.



In April 2016, a TCL employee, Tian Ruilong, and his wife went on their volunteering honeymoon. Supported by the Candlelight Award Project under the TCL Hope Project, they climbed over snow mountains and crossed rivers, and after a journey of ten thousand kilometers, brought blessings from their friends and colleagues to the teachers and students of six schools and one kindergarten in Tibet; an example of those is Damu Township Central Primary School in the town of Medog. Along with the blessings comes some supplies, as well as an effort to help people understand the reality of education in rural Tibet — they hope to break the stereotype perception of a backward and closed-up Tibet.



Opening
 About TCL
 Mission
 Has a Position
 Customers
 Employee
 Industry Chain
 Environment
 Social welfare





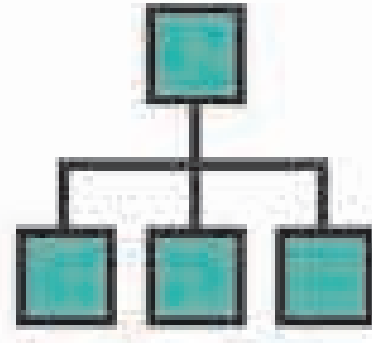
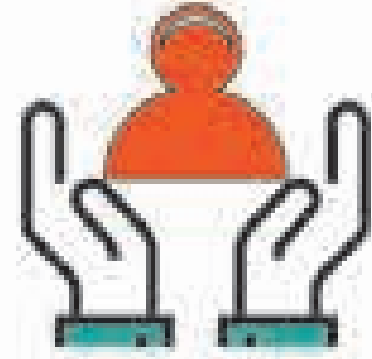


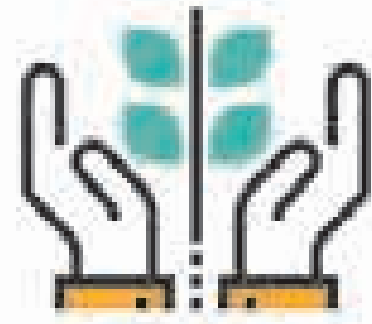


11

APPENDIX

FURTHER OUTLOOK
KEY PERFORMANCE FORMS
INDEX
READER'S FEEDBACK

APPENDIX



	OPENING
	ABOUT TCL
	MILESTONES
	GOVERNANCE OF RESPONSIBILITIES
	CORPORATE GOVERNANCE
	CUSTOMERS FIRST
	FACILITATING STAFF DEVELOPMENT
	FORGING A RESPONSIBLE INDUSTRY CHAIN
	BUILDING A HARMONIOUS ENVIRONMENT
	FOSTERING SOCIAL WELFARE
	APPENDIX

Future Outlook

Striving for excellence: Non-stop improvements in product technology, supply chains, manufacturing, brand competency and channel management reflect how TCL works towards a goal no less lofty than the embodiment of “Smart Made in China”. With a spirit of true craftsmanship and endurance, and our pride in international competition, we strive to serve the overall industrial development just as much as our own business standing. Our efforts in playing out the “Double+” strategy testify our aims.

Products and Innovation

With supreme customer experience as a priority, TCL will explore the applicability of the Internet, smart hardware and big data even further. Our vision, a lifestyle of personalized options, will offer a user-friendly interactive experience customized for every family and each family member to enjoy. Along the way, it will reduce waste, save resources and mitigate any negative impacts on the environment.

Precautions, forward-looking technology and continuous innovation have become the foundation of TCL. They guarantee that we can meet our customers’ demands. TCL is one in a handful of early birds pioneering research and development in 5G technology for mobile devices, which has already yielded the establishment of a relatively mature platform. In 2017, our continued technological research will lead our customers towards new highlights.

High quality products cannot be made without a strong R&D capacity and advanced manufacturing technology. It’s a distinguished spirit that drives us to improve our competitiveness, to enable our upstream industries to form a genuine industrial ecosphere, and to promote economic growth locally: In 2017, TCL will uphold this spirit and continue to invest in infrastructure. We will build our TCL global R&D center for smart Internet application, as well as an intelligent manufacturing base with integrated module-based machinery.

Sustainable Management

A prudent management style will continue to steer the Group through the rapid progress which coins this industry. TCL will further improve internal control and strengthen mechanisms in risk identification and evaluation for early detection of and feedback on major risks in our operations.

Employees are the cornerstones of corporate growth. TCL will always offer an impeccable salary and welfare system. The TCL University will continue to equip our employees with interesting career opportunities through training in leadership and professional competence, and will satisfy the company’s need for talent. Safety awareness will remain in the focus of our production management system, with sound rules and regulations eliminating any hidden risks and strengthening an overall safety culture. Hand in hand, we will see the company grow towards a bright future.

Green Development

Green development is TCL’s credo. A lasting impetus will keep the management of our product cycles as green as possible, from design and production to disposal. We use eco-friendly raw materials to create environmentally friendly, low-carbon and energy-saving products in our effort to minimize their impact on the environment. Advanced technology in our production operations improves energy efficiency, reduces greenhouse gas emission, cuts down on all sorts of waste, and helps recycle water. We want to play an active role where it comes to the development of a circular economy, improvements on infrastructure, and networks for recycling of production wastes and used electronic products.

Looking ahead, TCL will firmly protect all stakeholders’ interests. Our industry; the quality and range of our products and services; our contributions to social stability, economic development and human welfare — TCL will nurture all these to grow on the principle of sustainable development. Always open for intensive cooperation with our fellow players in economy and society, we are committed to becoming a driving force for sustainable development.

Opening

About TCL

Milestones

Responsibilities
Governance

Corporate
Governance

Customers

Employee

Industry Chain

Environment

Social welfare

Appendix

Key Performance Forms

Economic Performance

Indicator	Unit	Number
Operating Revenue	RMB	106,473,499,866
Net Profit	RMB	2,137,539,667
Tax	billion	6.2
Return of Equity	%	7.17
Debt to Asset Ratio	%	68.91
R&D Investment	billion	4.27
R&D Personnel	person	6,800
Licensed Patent	project	1,942

Social Performance

Indicator	Unit	Number
Information Security Incidents	Time	0
Rate of Resolving Consumer Complaints	%	100%
Consumer Satisfaction	%	94.40%
Total Number of Employees	Person	79,561
Rate of Signing Labor Contracts	%	100%
Overseas Employees	Person	2,584
Domestic Employees	Person	76,977
Domestic Technology Professionals and Managerial Staff	Person	38,778
General Workers	Person	38,199
Female to Male Ratio of Professionals and Managerial Staff	-	2:1
Disabled Employees	Person	835
Proportion of Females as Senior Executives	%	15%
Proportion of Female Employees	-	2: 1

Waste Gas Emission /10,000 m ³			191,749		
Waste Gas Emission Reduction/10,000 m ³			701		
Hazardous Waste Emission /ton	124.08	12.29	30,105.74	3.48	6.68
Recycled Waste/ton			32		
Packing Material Weight /ton	50,136.64	5,267.23	756	1,615	
Recycled Packing Material			2,507,529(pieces)		
Environmental Accidents	0	0	0	0	0

Index

Table of Contents		Global Reporting Initiative G4.0
Reporting Specifications		G4-3, G4-22, G4-28, G4-29, G4-30, G4-31,
Leadership Message	Message from the Chairman	G4-1, G4-2, G4-EC8
	Message from the Director of the CSR Innovation Center	G4-2
About TCL	About TCL	G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-12, G4-EC8
	Development of 35 Years	G4-13
	Corporate Culture	G4-56
	Economic Performance in 2016	G4-EC1
	Milestones	
Governance of Responsibilities	Social Responsibility Management	G4-34, G4-35, G4-39
	Analysis of Material Issues	G4-17, G4-18, G4-19, G4-20, G4-23
	Stakeholders Communication	G4-21, G4-24, G4-25, G4-26, G4-27
Corporate Governance	Safeguarding Investors' Rights and Interests	
	Regulatory Compliance	G4-SO7, G4-PR9
	Risk Control	G4-2
	Anti-corruption	G4-57, G4-58, G4-SO4, G4-SO5
	Information Security Management	G4-PR8

Employee Inflow	Person	48,905
Inflow of Professionals and Managerial Staff	Person	10,894
Inflow of General Employees	Person	38,011
Physical Examination and Health Record Coverage Rate	%	100%
Social Insurance Coverage Rate	%	100%
Total Trainers	Person	4,900
Training Hours	Hour	1,991
Per Capita Training Hours	Hour	119
Employee Training Investment	RMB	62 million
Safety Production Investment	RMB	50 million
Major Security Incidents	Time	0
Security Training	Time	500+
Public Welfare Donation	10 thousand	3,558.58
Volunteer Activities	Time	65
Employee Volunteers	Person	1,000+

Environmental Performance

	TCL Multimedia	TCL Communication Technology	CSOT	Tonly Electronics	TCL Display Technology
Investment in Environmental Protection/10,000 RMB			27,023		34
Electricity Consumption /10,000 kilowatt hours	2,245.52	4,085.63	160,438	1,706.52	
Electricity Saved /10,000 kilowatt hours	1000	45	6,774	160	200
CO ₂ Emission/10,000 tons	2.13	3.86	153	1,567.15	
CO ₂ Emission Reduction /10,000 tons			6.4		
Water Use/ton	886,839	251,788.83	7,700,000	317,893	
Water Saved/ton	32,700	44,657	360,000		100,200
Wastewater Discharge /10,000 tons			580		1.27
Wastewater Discharge Reduction/10,000 tons	0.3		573		

Customers First	Technology Innovation	G4-EN27
	Product Quality Guarantee	G4-PR1 G4-16
	Customer Care	G4-PR3, G4-PR5, G4-PR8
Employee Development	Employees' Rights and Interests	G4-10, G4-11, G4-EC3, G4-EC5, G4-LA2, G4-LA12, G4-LA13, G4-HR3, G4-HR5, G4-HR6
	Health and Safety	G4-LA7
	Training and Development	G4-LA9
	Caring for Employees	
Responsibility Industrial Chain	Management on Production Material Suppliers	G4-EN32, G4-EN33, G4-LA14, G4-SO9
	Management on Non-production Material Suppliers	
	Collaborative Development along the Industrial Chain	G4-EC8
Environment	Improving Environment Management	
	Environmental Emergency Management	G4-14
	Green Production	G4-EN3, G4-EN6, G4-EN7, G4-EN8, G4-EN10, G4-EN22, G4-EN23, G4-24
	Green Packaging and Logistics	G4-EN27, G4-EN28, G4-EN30
	Circular Economy	G4-EN2, G4-EN27
	Environmental Awareness	
	Green Office	G4-EN3
Social Welfare	Public Welfare	G4-EC8
	Creating Shared Values	G4-EC7, G4-EC8, G4-SO1
	Volunteer Service Platform	
Future Outlook		
Key Performance Forms		G4-EC1, G4-EN15, G4-EN19, G4-EN22, G4-EN23, G4-EN25, G4-EN29, G4-EN31, G4-LA1, G4-LA6
Reader' s Feedback		

Opening

About TCL

Milestones

Responsibilities Governance

Corporate Governance

Customers

Employee

Industry Chain

Environment

Social welfare

Appendix

Reader's Feedback

Distinguished Readers,

Thank you for taking the time to read the TCL CSR Report 2016. We invite you to share with us your comments and suggestions to help us improve social responsibility work and our executive ability. We highly value your feedback and extend our sincere gratitude!!

Feedback Channels:

Tel: 0755-33313825

Address: TCL CRS Innovation Center, 14th Floor, TCL Tower B, Gaoxin South 1st Road, Nanshan District, Shenzhen, Guangdong, P.R.C

E-mail: csr@tcl.com

Multiple Choice: (Please tick in the corresponding boxes)

1

Your general impression of the report is:

Excellent Good Fair Poor Very Poor

2

The quality of information on social responsibility in this report is:

Excellent Good Fair Poor Very Poor

3

The structure of the report is:

Excellent Good Fair Poor Very Poor

4

The format design and expression form are:

Excellent Good Fair Poor Very Poor

5

The report readability is:

Excellent Good Fair Poor Very Poor

Open Questions:

Please give your precious advice and suggestions on TCL CRS Report 2016:



TCL WeChat Account



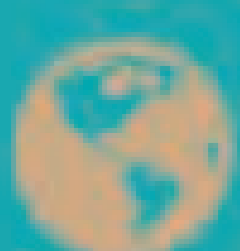
14th Floor, TCL Tower B; Gaoxin South 1st Road, Nanshan District,
Shenzhen, Guangdong, P.R.C



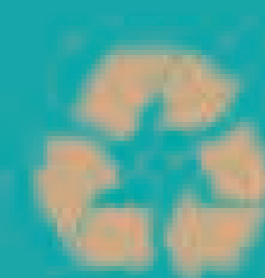
0755-33968295



csr@tcl.com



<http://www.tcl.com>



This report was printed on recyclable paper