



TIANMA MICROELECTRONICS CO., LTD.
Shen Tianma A 000050



Sustainability Report 2023 (ESG Report)

To Create Colorful Life

Stock Code: Shen Tianma A 000050



Sustainability Report2023
(ESG Report)

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ABOUT REPORT

This is the 12th non-financial performance report issued by TIANMA MICROELECTRONICS CO., LTD. (hereinafter referred to as TIANMA). In order to better respond to the demands of stakeholders as well as to reflect the changes in the management of the Company's sustainable development, this report has been renamed as *Sustainability Report 2023 (ESG Report)*

Time Range

The contents of this report cover the Company's sustainability performance during the reporting period from January 1, 2023 to December 31, 2023. The report is issued to the public on a regular annual basis. In order to make the report more comparable and complete, part of the report appropriately relates back to previous years or beyond the above scope.

Reporting Cycle

This report is an annual report.

Preparation Basis

This report is prepared with reference to the following standards and requirements:
The Global Reporting Initiative (GRI) Standards issued by Global Sustainability Standards Board (GSSB)
United Nations Sustainable Development Goals (SDGs) and the Ten Principles of United Nations Global Compact
Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Guidelines on the Standardized Operation of Main Board Listed Companies

Content Definitions

Taking into account the principles of material issues and stakeholder engagement advocated by the Global Reporting Initiative (GRI), as well as the context of sustainable development, this report has been developed. We conducted a comprehensive analysis of the operational environment, identifying key stakeholders and engaging in various forms of communication and dialogue to collect and prioritize the concerns and needs of different stakeholders. Following assessment, we have determined the topics, content, and indicators for information disclosure in this report.

Reporting Scope

This report, with its organizational scope consistent with the coverage of the annual report, covers Corporate Social Responsibility (CSR) philosophy, practices and performance of all entities included by the consolidated financial statements. Unless otherwise stated in the notes, the information disclosed in this report, as a summary of all entities included by the consolidated financial statements, covers:

TIANMA MICROELECTRONICS CO., LTD. (Shenzhen TIANMA, TIANMA, the Company or We in short); the Shenzhen Production Line (Company Headquarter in short)
Shanghai Tianma Microelectronics Co., Ltd. (Shanghai Tianma or Shanghai G4.5 in short)
Chengdu Tianma Microelectronics Co., Ltd. (Chengdu Tianma or Chengdu G4.5 in short)
Wuhan Tianma Microelectronics Co., Ltd. (Wuhan Tianma in short, including Wuhan G4.5 and Wuhan G6)
Shanghai AVIC Optoelectronics Co., Ltd. (AVIC Optoelectronics or Shanghai G5 in short)
Xiamen Tianma Microelectronics Co., Ltd. (Xiamen Tianma in short, including Xiamen G5.5 and Xiamen G6)
Shanghai Tianma AM-OLED Co., Ltd. (Tianma AM-OLED in short)
Hubei Yangtze Industrial Innovation Center Of Advanced Display Co., Ltd. (Innovation Center in short)
Wuhu Tianma Automotive Electronics Co., Ltd. (Wuhu Tianma Automotive Electronics in short)
Tianma Microelectronics Technology Co., Ltd. (Tianma Technology in short)
Tianma (Wuhu) Microelectronics Co., Ltd. (Wuhu Tianma in short)
Jiangsu Tianhua Automotive Electronics Co., Ltd. (Jiangsu Tianhua Automotive Electronics in short)
Shenzhen AVIC Display Technology Co., Ltd.
Tianma Microelectronics (India) Private Limited
Tianma Micro-Electronics (Hong Kong) Limited
Tianma Microelectronics (Korea) Co., Ltd
Tianma Europe GmbH
Tianma America, Inc.
Tianma Japan, Ltd.

Data Source

Specifically, the source includes raw data on the actual operation of the Company, public data from government departments, annual financial data, relevant internal statistics, administrative documents and reports, and third-party evaluation and interviews. Through on-site surveys, employee interviews and material check, the statistical scope of the information to be reported is determined, and the data collection methods and calculation methods are improved.

Reliability Statement

The Company and all members of the Board of Directors are responsible for the truthfulness of the information disclosed in the report. This report has been reviewed by the Board of Directors of the Company and is hereby issued.

Access to Report

The report is published in both print and online format.
The online version is available at China Securities InfoNet (www.cninfor.com.cn) or the official website of TIANMA (www.tianma.cn).

CHAIRMAN'S STATEMENT



Looking back forty years since TIANMA was founded, we have been focusing on the important direction of sustainable development in the field of display from the firm choice of the display field, to the long-lasting innovation and change by comprehensively laying out the mainstream and emerging display technologies, and to the co-creation interconnections presenting our original aspiration of "To Create Colorful Life." We have always applied our aspiration to the market. While continuously consolidating our leading position in the display field, we have profoundly practiced the philosophy of sustainable development and joined hands with our ecological partners to promote the common development of the enterprise, the economy, the environment and the society.

Lean Governance and Adhering to Prudent Development

TIANMA is based on the "2+1+N" strategy and adheres to the governance philosophy of prudent operation. In 2023, we have further developed our products, deepened our scenarios, and improved our services, as well as continued to deepen our digital transformation to improve our quality management system and compliance management system, and optimize our organizational system for sustainable development. We have also enhanced our environmental, social, and governance (ESG) management and kept consolidating the foundation for sustainable and high-quality development of the enterprise.

Technology Sharing and Focusing on Innovation and Development

Science and technology innovation is an important force to promote industrial innovation, which especially means that disruptive and cutting-edge technologies give rise to new industries, new modes and new dynamics, thus developing new quality productive forces. As a deep-rooted player in the display industry, we have always adhered to the philosophy of innovation-driven development, and has continuously invested in the field of innovative technologies. By carrying out intellectual property rights protection, laying out forward-looking technologies and new product development, and constructing an integrated innovation system for education, research and production, we have enhanced our

research development strength and the transformation of its achievements while providing an inexhaustible vitality to our products. In 2023, our Automotive SPICE dynamic roll forming OLED technology is the first of its kind in the industry, which can be changed to "hide" and "display" according to users' needs; our in-vehicle quantum dot Mini-LED technology has achieved a breakthrough in both National Television Standards Committee (NTSC) and low power consumption; and our Micro-LED technology could be the world's leader in terms of PPI and transparency adjustment... Distinctive innovative base and leading innovation technology continue to create value for customers while pushing TIANMA towards a new world of vision.

Co-creation with Partners and Promoting Industrial Development

The building is made of not only a single tree; the sea is wide for not only a single stream merging into. We believe in that cooperation makes it easier to overcome difficulties. While continuing to create business value for customers, we join hands with many partners to create new value for the industry and head for a new journey. In 2023, based on the cooperation philosophy of "collaborative innovation and value co-creation", we have co-developed with partners to create innovative products hence greater industrial value; we have collaborated and innovated with industrial partners by establishing eco-alliance to overcome technical difficulties and promote the optimization of the new display industry; we create a win-win outcome with suppliers by building a resilient and responsible supply chain, so as to promote the sustainable development of the supply chain. In addition, we have also sorted out and identified stakeholders that are closely related to the development of the enterprise, and promoted coexistence and co-growth through different initiatives such as category-based communication, information disclosure, and analysis of material issues, so that we can work together to move towards a more sustainable future.

Green Peers and Focusing on Eco-Development

Grasses and saplings constitute forests by growing slowly, and streams slowly flow and become rivers. In the past 40 years, we have insisted on green technology innovation and management innovation to enhance the core competitiveness of green development. In 2023, we have taken the "Dual Carbon" goals as the lead and green production as the guidance, adhere to the production philosophy of "environmental protection first", actively promote the transformation of the energy structure and improve the efficiency of energy use, and continuously optimize platform operation of the process and energy management, thus integrating the green management philosophy into the development of the brand and promoting the harmonious

coexistence of enterprises and the environment. By the end of 2023, we have obtained certification for four green factories from the Ministry of Industry and Information Technology, and all of our production factories has been certified by ISO14064-1 and obtained carbon verification certificates. Looking to the future, TIANMA will continue to walk with greenness by actively building a green ecosystem and inject more green kinetic energy for global sustainable development.

Social Co-benefits and Responsibility sharing

TIANMA actively practices corporate social responsibility, adheres to the public welfare value proposition of "With Love", pays attention to the development of education, and continues to explore supporting community welfare. In 2023, TIANMA has contributed to the development of education through the establishment of a scholarship fund, support to rural education, school-enterprise co-operation, and other educational assistance projects. TIANMA has also helped the community embark on a better and sustainable future by planting trees, donating for community, and carrying out environmental management in the neighborhood of community.

Sustainable development is TIANMA's unchanging philosophy and guideline. In the new era of digital interconnection, we will not only look up to the sea of stars and a sustainable future, but also keep our feet on the ground and keep on progressing, so as to create a healthier green prospect for the visual world and a more sustainable display future for the industry!

CHAIRMAN of the TIANMA
MICROELECTRONICS CO., LTD.

INTRODUCTION TO TIANMA

ABOUT TIANMA

TIANMA MICROELECTRONICS CO., LTD. (TIANMA) specializes in providing display solutions and associated support services worldwide. The Company was established in 1983 and publicly listed on the Shenzhen Stock Exchange (SZ. 000050) in 1995.

TIANMA’s core business is the manufacture and sale of displays for smart mobile terminals and vehicles, with IT displays acting as the key driver of the firm’s rapid growth, serving professional display, horizontal market segment, non-display and other markets as value-added services. The Company also carries out organic expansion, while actively taking advantage of growth opportunities in 5G and AIoT, thus enhancing its leadership position in the market. The Company is committed to continuous innovation to better serve the differentiated needs of customers and applications.

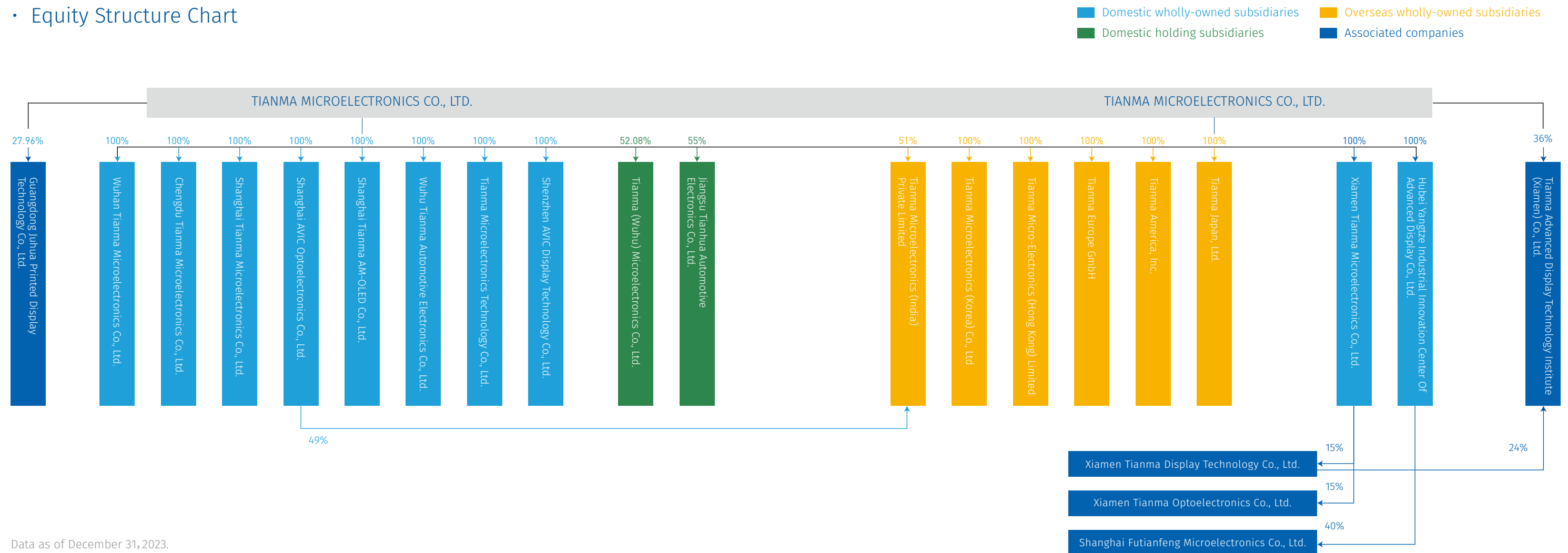
TIANMA continues to invest heavily in research and development as a key component of its strategy to build a forward-looking product and technology portfolio. Taking into account expectations for the future direction of the market, TIANMA has clear advantages in both world-class technology and production capabilities, developing and possessing advanced technologies such as TN/STN, TFT-LCD, AMOLED, Flexible Displays, Foldable Display, Mini/Micro LED, Touch Integration, HTD, CFOT, CUP, Under/on-screen Fingerprint Recognition and Smart Sensor, and has won many awards for innovative products and applications. These investments and technologies set the foundation for the future development of new and innovative products.

After forty years of cultivation and accumulation in the display industry, the Company has gradually optimized operation and management of the production line portfolio and increased the investment in advanced technology and high-end production lines around the world. It has formed the layout of the whole field of mainstream display technology of small and medium size including passive, a-Si TFT-LCD, LTPS TFT-LCD, IGZO, AMOLED, and AMOLED in Shenzhen, Shanghai, Chengdu, Wuhan, Xiamen, and Wuhu, China as well as in Japan. In addition, the Company provides global marketing network and technical support with offices in the US, Germany, India, Japan, South Korea and Hong Kong, supporting many domestic and foreign brand customers with customized solutions and rapid switching of the overall market layout, thus efficiently meeting customer needs.

Looking forward, TIANMA, with the goal of global leadership, will adhere to the strategy of “2 (mobile phone display, in-vehicle display as the core business) + 1 (IT display as the Company's fast-growing key business) + N (industrial products, horizontal market segments, non-display business as value-added business and eco-expansion)”. We will continue to improve our technology, product and service capabilities, plough into the field of small and medium-sized displays, and expand the in-depth layout of our global business in various fields. The Company will appropriately expand the boundaries of small and medium sizes, make full use of and integrate global resources, forward-looking technological advantages and quality advantages, and provide display solutions and rapid service support globally, so as to accelerate its progress towards the strategic goal of a leading enterprise in the global display field.



Equity Structure Chart



TIANMA CULTURE



Mission

To Create Colorful Life



Vision

Being the World's Well-respected Leading Display Company



Core Value

Passion, Efficiency, Win-Win

OUR 2023

- Financial Performance
- Product Performance
- Sustainable Development Performance



Financial Performance

The financial work focuses on “to enjoy and to be wise as much as possible”. With the digital transformation of industry and finance and cash flow management to promote the growth rate of total profit to be higher than the national GDP growth rate, the overall asset-liability ratio to remain stable, and the four indicators, namely, return on net assets, R&D investment intensity, full labor productivity and operating cash ratio to be further improved, the Company carries out specific financial work in terms of finance management, operation support, efficiency management, financial informatization, risk management and control, and organizational construction.

Key Performance



Revenues

3,227,130.59

Ten thousand yuan



Net profit attributable to shareholders of listed companies

-209,758.84

Ten thousand yuan



Operating cost

3,008,466.22

Ten thousand yuan



Employee compensation and benefits

410,695.55

Ten thousand yuan



Payment to investors

114,212.19

Ten thousand yuan



Taxes paid to the government

50,354.20

Ten thousand yuan



Paid employment security fund for the people with disabilities

460.84

Ten thousand yuan



Retained economic value (surplus reserve + undistributed profit)

-62,336.58

Ten thousand yuan

Note:

1. The above data are calculated according to rounding, and the data unit is "ten thousand yuan".
2. For, other financial data of the Company, please see the 2023 annual report.

• Product Performance

International Conference on Display Technology 2023 (ICDT 2023)

The International Conference on Display Technology 2023 (ICDT 2023) was held from April 1 to April 3 in 2023 at the Nanjing International Exhibition Center. TIANMA showcased a series of products based on practical applications and integrated with multiple technology, covering a variety of display fields such as smart mobile, smart automotive, smart sensing, smart wearing and so on. TIANMA won a Gold, a Silver and a Bronze awards in the China Display Industry Award (CDIA). Details as the following:



Best Innovative Display of the Year Gold Award (6.67" LTPS-CFOT-MLP Water Droplet R2.0 Foldable Display)

Best Display Product of the Year Silver Award (Ultimate Low Cost Technology - 7mask LTPS LCD 180Hz Display)

Best Innovative Display Applied Technology of the Year Bronze Award (12.3" LTPS AA Hole Automotive Display)

TIANMA's Large-Size LTPS In-Vehicle Display Module Received Rheinland Low-Blue Light Certification

On April 19, TÜV Rheinland (hereinafter referred to as "TÜV Rheinland"), an international independent third-party testing, inspection and certification agency, issued TÜV Rheinland's Hardware-Level Low-Blue Light Certification for TIANMA's 27-inch LTPS in-vehicle display, which is the world's first large-size LTPS in-vehicle display that has passed the certification. It means that TIANMA in-vehicle product has achieved an appropriate technological balance between product performance and user health. The product is able to further optimize the user's driving experience while providing a display solution that cares for the user's eyes.



SID International Display Week 2023

On May 23, Display Week 2023 and SID's annual conference, hosted by the Society for Information Display (SID), the largest and most authoritative organization in the information display field, officially kicked off. In the People's Choice Awards organized by the conference, TIANMA's two new products, 27" DREAM Automotive Display and The Novel LTPS-TFT LCD Structure to Achieve High Transmission and Narrow Border solution, won the "Best Automotive Technology" and "Best LCD-Based Technology" awards respectively.



Best LCD-Based Technology

Best Automotive Technology

SUSTAINABLE DEVELOPMENT PERFORMANCE



Constantly improve the quality of information disclosure on sustainable development

In March 2023, the Company publicly released *the CSR Report 2022*, by which time the Company had released 11 consecutive CSR reports. During the reporting period, there were no revision made by the Company.



ESG Score Industry Ranking:
13 / 457 (Electronic Equipment, Instruments & Components)

Received consecutively A ratings on the WIND ESG Ratings

In March 2023, the Company received consecutive A ratings on the WIND ESG Ratings, with an Industry Rank of Composite Score: 13 / 457 (electronic devices, instruments and components).

DIC EXPO 2023

Display Innovation China (DIC) EXPO 2023, (Shanghai) International Display Technology and Application Innovation Exhibition was held in Shanghai New International Expo Center from August 29 to 31, TIANMA was awarded "Star of the Year of Display Industry" in the DIC AWARD International Display Technology Innovation Award, and won three gold awards and seven silver awards.



DIC AWARD Gold Award for Display Devices
9.94" Multiple Foldable OLED Display

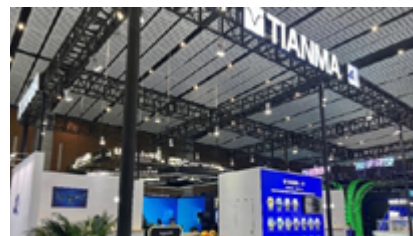


DIC AWARD Gold Award for Display Applications
Automotive 12.3" COG AM QD Mini-LED Auto Display

DIC AWARD Gold Award for Display Applications
7.92" Slidable OLED Display

World Display Industry Congress 2023

TIANMA's 9.38" Transparent Micro-LED Display won the Top Ten Innovative Application Award at the 2023 World Display Industry Conference, held at the Western China International Expo City in Chengdu, Sichuan, from September 7 to 8.



9.38" Switchable Transmittance Micro-LED Display

TIANMA was Awarded TÜV Rheinland's Declaration of Conformity for Carbon Reduction and Certification for Reflection-Free Technology

On November 27, TIANMA Mini-LED technology received TÜV Rheinland's Declaration of Conformity for Carbon Reduction, and TIANMA's Eyefun Display (Ultra-low Reflection) certified by TÜV Rheinland's as Reflection-Free Technology, which accelerates the pace of carbon reduction and healthy displays.



Joined the United Nations Global Compact (UNGC)

In August 2023, the Company joined the United Nations Global Compact (UNGC), committing to make contributions to realizing the 17 Sustainable Development Goals.

Received EcoVadis Gold Medal

In November 2023, the Company was awarded the EcoVadis Gold Medal for its continuous improvement in corporate social responsibility and sustainability, with a score 17% higher than last year's, jumping to the top 2% of the industry, which reflects that the Company's sustainable development capacities are now at an industry-leading level.


B ratings for the climate change and water safety questionnaires

The Company actively participates in the annual environmental information disclosure organized by the Carbon Disclosure Project (CDP), an international non-profit organization. The Company was awarded a B rating for the climate change questionnaire and a B rating for the water safety questionnaire.

SUSTAINABLE DEVELOPMENT ORGANIZATION AND MANAGEMENT


For the sustainable development of the enterprise, society, and the earth, TIANMA attaches importance to both economic and social values, establishes a management system in accordance with Plan, Do, Check, and Act (PDCA Cycle), and carries out organizational management, risk management, training management, performance management, and reporting management on an ongoing basis, continuously improving these performances.

SUSTAINABLE DEVELOPMENT STRATEGY




MISSION

People-oriented, green management, promoting the harmonious and sustainable development of economy, society and environment.



VISION

To build a sustainable social responsibility system, to excel as a global display industry leader, esteemed by society and admired by our employees.



STRATEGY

Develop employee potential, advance green initiatives, foster a win-win ecosystem, and create a vibrant visual experience.

SUSTAINABLE DEVELOPMENT ORGANIZATIONAL

The Company’s Board of Directors is the highest strategic decision-making body for the promotion of sustainable development as a whole. TIANMA has set up the Strategy and Sustainable Development Commission, which is responsible for researching and making recommendations on matters related to sustainable development, environment, society, and governance issues. The Sustainable Development Execution Commission is set up to be responsible for making resolutions on management issues, providing resource support and supervising relevant work. The Company has established the Sustainable Development Office as a management and coordination department, which works in synergy with the Sustainable Development Execution Work Group to actively implement the tasks related to sustainable development, so as to build a better future that is higher-quality, fairer and more sustainable.



SUSTAINABLE DEVELOPMENT MANAGEMENT

Key Performance

During the reporting period, the number of participants in CSR basics knowledge training was

11,063

The number of on-site participants in ESG-specific training was

69

with **100%** of new employees participating in the training

The number of participants in online recorded courses was

278

with a **100%** participation rate for first-level departmental contacts

Based on the requirements of RBA7.0, ISO26000, SA8000 and other international standards as well as relevant laws and regulations, the Company further sorted out and analyzed the systematicness, adaptability and applicability of the existing systems, and revised the three systems of *External CSR Assessment Procedures*, *Internal CSR Evaluation Procedures*, and *Business Ethics Management System*. At the same time, the Company discussed and evaluated the integration of the existing CSR system with ESG requirements, upgrading and building a sustainable development management system, and improving the management level.

The Company continuously builds the sustainable development capacity. In 2023, the Company organized a number of trainings for CSR contacts, with topics covering ESG specific programme, introduction on EcoVadis platform rules, and the preparation of sustainability reports, to enhance the professional capacity of various business departments and the CSR team; and it organized CSR basics knowledge training covering the entire workforce, with a total of 11,063 participants, and the participation proportion of newly recruited employee reaching 100%. The basics training covered labor and human rights, environment, anti-corruption operation, information safety, anti-unfair competition, sustainable procurement and other topics.

In order to further strengthen the Company’s social responsibility compliance, in 2023, the Company carried out a CSR risk assessment and updated its risk database. Each industrial region carried out internal assessments on labor and human rights, EHS, business ethics and sustainable procurement, so as to promote the reduction of CSR discrepancies and continuously improve the sustainable development management system. The Company organized all departments to set annual sustainable development goals and targets in a planned manner at different levels, monitored the implementation of each department on a quarterly basis, strictly controls non-compliance risks and gradually promotes the improvement of discrepancies.

The Company conducts sustainability opportunity assessments and maps to identify new business growth chance in the sustainability sector in a timely manner. Under the background of the national “Dual Carbon” goals and the trend of energy saving and emission reduction, the Company, focusing on energy saving and emission reduction and clean technology, actively expands applications of the new display technologies such as low-power consumption, eye protection, low-blue light eye protection, e-paper, etc., as well as actively explores new types of markets, such as the electric vehicle market and industrial automation market, which can be subdivided into electric vehicles, charging piles, human-computer interaction, intelligent home appliances, etc.

STAKEHOLDER COMMUNICATION AND ENGAGEMENT







As a socially responsible listed company, TIANMA not only attaches importance to the economy, society and environment performance and their balance, but also pays close attention to the voices of its stakeholders and actively feeds back and improves.

The Company initially identified and ranked stakeholders in accordance with the AA1000 Stakeholder Engagement Criteria, and finally selected six key stakeholders: government, shareholders, employees, suppliers, customers, and communities.

Priority identification based on the following three aspects:

May have affected the Company in terms of economy, society and environment	May affect the Company in terms of economy, society and environment in the future	The Company may have affected it in terms of economy, society and environment.
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The Company has established diverse and smooth communication methods for different categories of stakeholders to ensure that it can understand the needs of different stakeholders in a timely, accurate and comprehensive manner and respond to them.

 Government	Inspections and self-inspections, meetings and seminars, information disclosure, correspondence.
 Shareholders	Shareholders’ meetings, investor hotline, Shenzhen Stock Exchange irm. cninfo.com.cn, investor mailbox, field research, etc.
 Employees	Employee satisfaction survey, employee symposium, regular training, labor union activities, employee mailbox, official WeChat public account.
 Suppliers	Procurement exchanges, supplier conferences, supplier training, supplier qualifications.
 Customers	customer satisfaction surveys, daily customer communication, customer research, industry exhibitions.
 Community	Field visits, volunteer activities, public welfare projects, official WeChat public account and other new media.

ANALYSIS OF MATERIAL ISSUES

The Company chooses MSCI and GRI as the theoretical basis for the screening of material issues after the research on the international authoritative and common assessment standards and guidelines for sustainable development and social responsibility. Four major factors of “the degree of impact on society and the environment” , “the degree of concern of stakeholders” , “the industry situation” and “the Company’ s own characteristics” are taken into consideration to regularly identify and assess the impact in its daily operation. At the same time, it communicates with internal and external relevant stakeholders from time to time to screen out 24 material issues with important impacts on stakeholders and the Company’ s own development, which cover four aspects: economy, governance, society and environment.

Economy	Governance	Environment	Society
Tax Governance	Corporate Governance	Environment & Energy	Employee Rights Protection
Responsible Procurement	Compliance Management	Chemical Management	Employee Training & Development
Customer Service	Internal Controls and Audit	Rational Use of Water Resources	Employee Welfare
Product Quality and Safety	Risk Management	Waste Management	Employee Health and Safety
Customer Rights Protection	Business Ethics	Responding to Climate Change	R&D Innovation
Industry Communication		Efficient Use of Energy	Intellectual Property Protection
			Data Security and Privacy Protection



PRACTITIONER OF SOUND GOVERNANCE

Upholding the philosophy of “To Create Colorful Life”, TIANMATIANMA continuously improves our corporate governance structure and promotes prudent and sustainable operations by continuously strengthening our risk control capabilities, actively promoting compliance with corporate operations, and strictly adhering to the Code of Business Ethics.

1.1 Improve Corporate Governance

1.2 Enhance Risk Prevention and Control

1.3 Optimize Compliance Management

1.4 Adhere to Business Ethics



OUR GOALS

- **100%** coverage of employee integrity promotion
- Annual integrity training on special topics for **3** times
- **100%** investigation rate of conflict of interest among relatives of employee newly hired
- **100%** processing rate of reported complaints and whistleblowing
- **100%** achievement rate of “anti-unfair competition and anti-monopoly training” for key position personnel
- Disclose information in a timely and fair manner, and ensure that the information disclosed is true, accurate and complete

OUR ACTIONS



Improve
corporate governance



Enhance risk prevention
and control



Optimize
compliance building



Adhere to business
ethics

RESPONDED TO 2030 SDGs



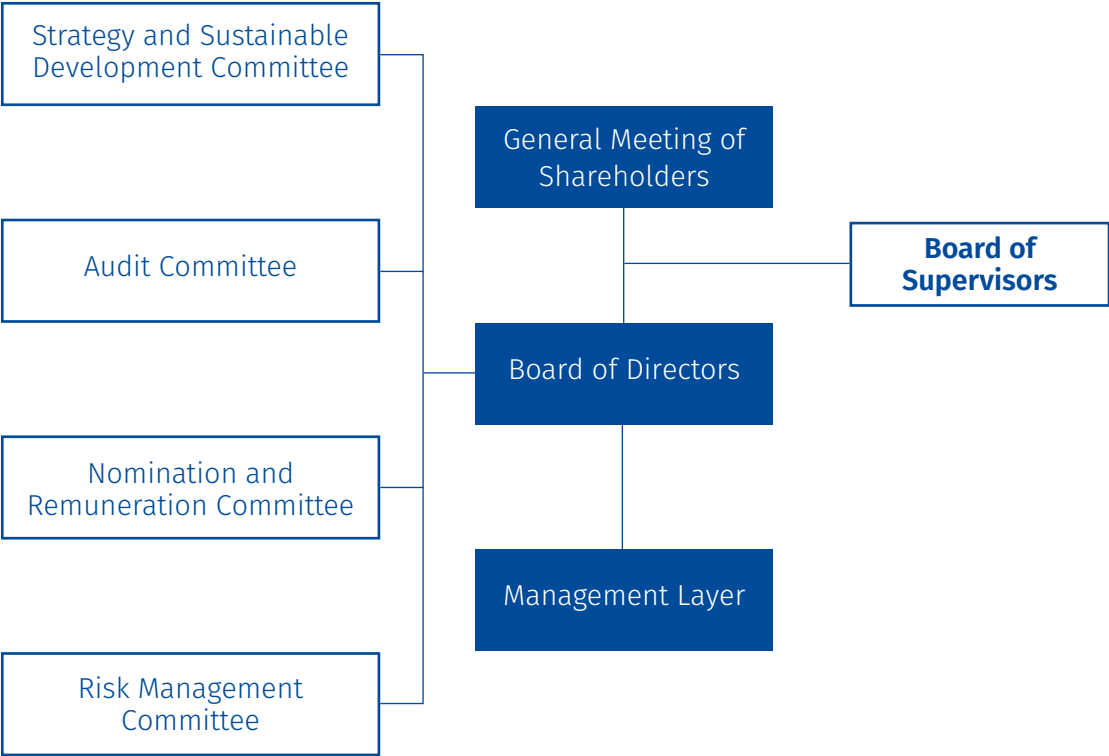
1.1

IMPROVE CORPORATE GOVERNANCE

In order to safeguard the legitimate rights and interests of the Company, shareholders and creditors, TIANMA has strictly complied with the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies* and other relevant laws and regulations, and has steadily improved the corporate governance to ensure legality and compliance.

1.1.1 Operation of the three assemblies

In accordance with the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies*, and the provisions and requirements of the relevant laws and regulations and normative documents of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the Company has formed a corporate governance structure among the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the Management Layer, in which they have their own roles and duties, with effective balances, scientific decision making and co-ordinated operation. We continuously improve our corporate governance structure, optimize the operation mechanism of the "three assemblies and one layer" and promote the continuous optimization of corporate governance efficiency.



Corporate Governance Structure

• Board of directors



Key Performance

The Company's Board of Directors is composed of

12 directors with extensive and diverse industrial and academic experience.

4

independent directors accounting for 33.33%

9

male directors accounting for 75%

3

female directors accounting for 25%

During the reporting period , a total of

10

board meetings were convened

during which

48

motions were considered

9

directors aged 30-50 accounting for 75%

3

directors aged 50 or over accounting for 25%

1

minority director accounting for 8.33%

During the reporting period, the Board of Directors of the Company, in accordance with the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange Stock Listing Rules*, and other relevant laws and regulations and systems such as *the Articles of Association* of the Company, and in the spirit of being responsible for all shareholders, formulated or amended the *Management Measures for the Company Shares and Their Changes Held by the Directors, Supervisors and Senior Management Personnel, Information Disclosure Management System, Internal Reporting System for Material Information, Registration System for Informants of Inside Information, Management System for Connected Transactions, Management System for Investor Relations, Working System for Independent Directors, Management System for External Guarantees, Management System for Foreign Exchange Derivatives Transactions* and other systems to ensure the fulfillment of the responsibilities entrusted by the General Meeting of Shareholders, to carry out the implementation of resolutions adopted by the General Meeting of Shareholders, so as to consistently perfect the corporate governance.

The Company continuously optimize the structure of the Board of Directors and broadens the sources of independent directors through multiple channels. The current independent directors on the Board come from industry associations, industry research institutions and higher education institutions, and includes two senior industry experts, one accounting professional and one legal professional. They provide comprehensive, systematic and professional support and guarantee for the Company's operational decisions.

• General meeting of shareholders



Key Performance

During the reporting period, a total of

4

general meetings of shareholders were convened

during which

17

motions were considered

During the reporting period, the Company, in order to ensure the shareholders' rights to know, participate and vote on important matters of the Company, held General Meeting of Stockholders in strict accordance with the laws, administrative regulations, *the Articles of Association* and other relevant provisions to safeguard the exercise of shareholders' rights in accordance with the law.

• Board of supervisors



Key Performance

5

supervisors

3

female accounting for 60%

2

are employee representative accounting for 40%

During the reporting period, a total of

7

supervisory board meetings were convened

during which

19

motions were considered

During the reporting period, the Board of Supervisors of the Company, in accordance with the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association and the Procedure Rules of the Board of Supervisors*, and other relevant provisions, diligently fulfilled the duties of the Board of Supervisors in the spirit of being responsible to all shareholders, and exercised supervisory functions over the Board of Directors and the management of the Company to the fullest extent.

• Special committee



The four special committees under the Board of Directors of the Company, namely Strategy and Sustainable Development, Audit, Nomination and Remuneration, and Risk Management, all perform their respective duties properly in accordance with the relevant regulations so as to provide scientific and professional reference opinions for the Board of Directors' decisions.

1.1.2 Information disclosure

Key Performance

During the reporting period, the Company disclosed a total of

152

announcements in designated information disclosure media

The Company has formulated the *Information Disclosure Management System* and has been strictly complying with relevant laws, regulations, company systems and other relevant provisions to fulfill our information disclosure obligations in a continuous and standardized manner. The Company's information disclosed is truthful, accurate, complete, timely and fair, with no false records, misleading statements or material omissions, and there is no situation that harms the interests of the Company and all shareholders.

1.1.3 Investor communication

Key Performance

During the reporting period, the Company disclosed a total of

40

records of investor research activities

Responded to investor questions on the Shenzhen Stock Exchange Investor Relations Interactive Platform for

129

times

The Company attaches importance to investor relations management. In accordance with the relevant provisions of laws and regulations and the actual situation of the Company, we have formulated and continuously optimized *the Investor Relations Management System*, established a multi-channel, multi-platform and multi-method investor relations working mechanism, and actively interacted with investors through the investor hotline, irm.cninfo.com.cn, investor mailboxes, on-site research, investor open days, and institutional strategy meetings.

In addition, the Company also constantly enriches the publicity channels and forms by actively using rich media resources, so as to transmit the Company's value in a more comprehensive manner. Official website Investor Protection and Promotion column: <https://www.tianma.cn/tzzbhxc.jhtml>.

Holding Performance Briefing, Conducting Special Investor Exchange Activities

In order to enable investors to keep abreast of the Company's operation and latest achievements, in 2023, the Company organized a series of online and offline activities to convey the Company's operation status to investors and respond for issues concerned by investors, and the activities include online presentation of the annual results, in-vehicle themed investor exchanges, actively responding to the questions raised on the interactive platform for investor relations of the Shenzhen Stock Exchange, and organizing investor-specific exchanges with the help of the Company's "Global Innovation Conference", and participating in the 2023 Shenzhen-listed Companies Online Collective Reception Day.



In-vehicle Themed Investor Exchange Activities during Auto Shanghai, April 2023



Special Investor Exchange Activities during the Company's Global Innovation Conference in November 2023

1.1.4 Tax management

Key Performance

In 2023, the Company paid a total of RMB

5.04

million in taxes

of which the Company paid a total of RMB

3.38

million in domestic taxes

RMB

1.66

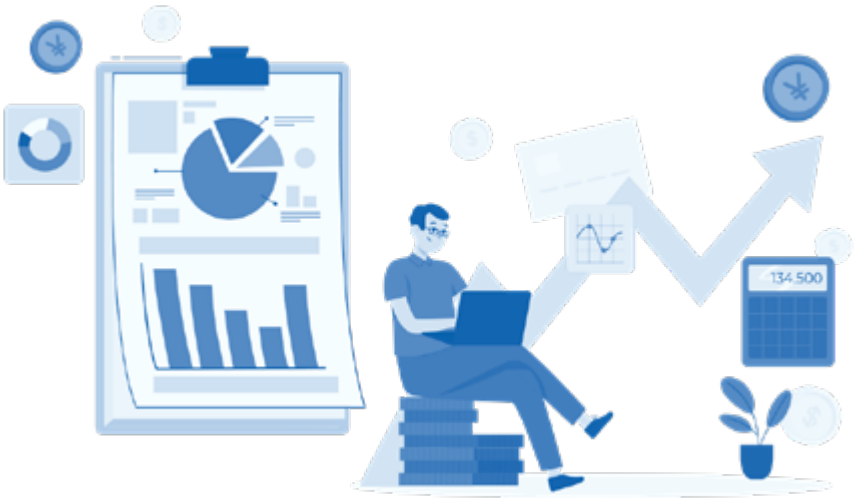
million in foreign taxes

The Company completes all tax declarations in strict accordance with tax laws and regulations, formulates and continuously improves the *Tax Management System* and *Invoice Management System*, and puts forward specific requirements for tax management; in terms of business practice, we formulates *the Operation Manual* and notes; in terms of risk management, we combs the *Tax Risk Management Checklist* that meets the Company's business needs, and carries out annual, semi-annual, and quarterly clean-up and review of different taxes and makes review rules to improve the risk management. In 2023, the Company organized digital construction and established a tax sharing system. With the help of the system construction, we completed the sorting out of the sources of data rules for each type of tax, improved the approval process, formulated the tax calculation and tax payment process for each type of tax, controlling the tax risks in all aspects.



Operation Interface of Tax Sharing Platform

The Company establishes a good communication mechanism with tax authorities, actively participates in the exchange meetings organized by them, such as international tax forum, digital invoice training sessions, personal income tax promotion forum, etc. We learn the latest tax policies and practical operations, and conduct thematic exchanges on tax-related problems encountered in the practical work of enterprises. At the same time, we provide suggestions and feedback on the problems of the tax declaration system and invoicing system, promote the updating and improvement of the tax system, and realize the tax-enterprise co-construction.



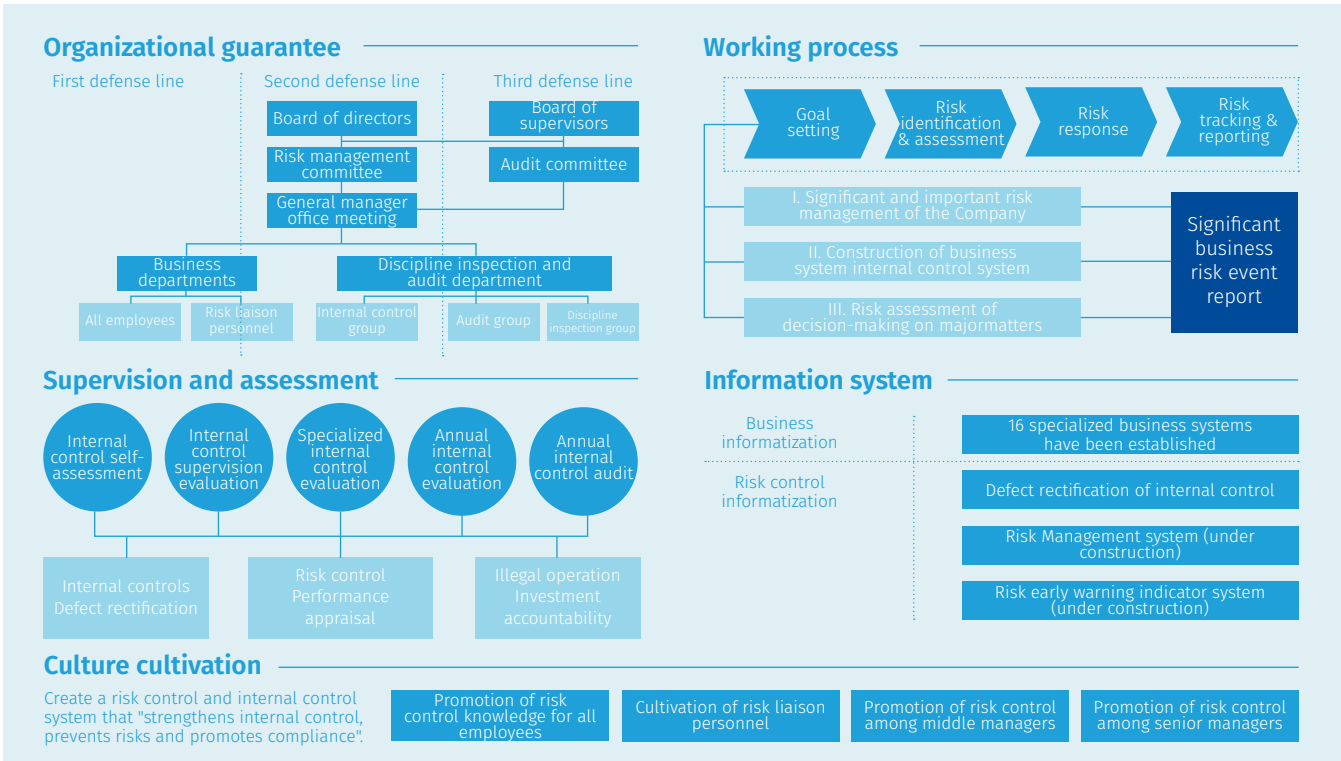
1.2

ENHANCE RISK PREVENTION AND CONTROL

Key Performance

During the reporting period, a total of **2** meetings were held by the Risk Management Committee **6** motions were considered

The Board of Directors is the decision-making body for the Company's risk management work and is responsible for supervising the establishment and implementation of the Company's comprehensive risk management and internal control system. The Risk Management Committee has been established under the Board of Directors, mainly responsible for organizing the Company's comprehensive risk management, internal control system and rule of law construction. The Discipline Inspection and Audit Department, as the Company's focal management department for risk control, is responsible for the specific implementation of the Company's comprehensive risk management and internal control system.



Panoramic View of Comprehensive Risk Management and Internal Control Management System

1.2.1 Risk control system

The Company has established a stratified and categorized risk control and internal control system guided by specialized systems and operational systems, formulated the *Comprehensive Risk Management and Internal Control Management System* to regulate the Company's comprehensive risk management and internal control management work, and formulated *the Management Measures for Risk Assessment of Decision Making on Major Matters, Management Measures for Reporting of Major Operational Risk Incidents, Risk Liaison Personnel Management System*, etc. to regulate risk management requirements of various specialized areas.

Each system, department and subsidiary is the first defense line for risks, conducting comprehensive risk management within their own functions and business areas. The Risk Control Department takes on the tasks of the Risk Management Committee and is responsible for organizing, coordinating, promoting and supervising the systems, departments and subsidiaries to carry out comprehensive risk management, and joins hands with the departments of Finance, Legal, Compliance, Quality, Environmental, Health and Safety and Human Resource Departments to form the second defense line for risks. The supervisory system consisting of the Board of Supervisors, Disciplinary Inspection and Internal Audit constitutes the third defense line and performs an independent supervisory role.

The Company conducts annual identification of major risks at the beginning of each year, breaks down and assigns risk responsibilities one by one, formulates countermeasures, establishes monitoring and early-warning indicators, and reviews them on a monthly basis. Additionally, the Company organizes quarterly new risk assessment to dynamically manage the Company's risks.

The Discipline Inspection and Audit Department continuously counsels and supervises the business departments to conduct comprehensive and in-depth risk assessment for major matters and prepare risk assessment reports. A third-party assessment agency may be engaged to conduct risk assessment for some major matters to provide support for decision-making.

1.2.2 Internal control management

The Company has formulated the *Annual Internal Control Evaluation Process Management Provisions, Special Internal Control Evaluation Process Management Provisions, Internal Control Defects Rectification Process Management Provisions* and other systems to regulate the requirements of various supervision and evaluation work. By carrying out the annual internal control evaluation and the supervision and evaluation of the risk control system, the Company promotes the construction through the evaluation to continuously improve the Company's Internal Control System and effectively prevent the Company's from risk. The Company has engaged accounting firms to conduct annual audits of the construction and operation of the Company's Internal Control System, and has not found any major and significant internal control deficiencies in the Company.

More disclosure index: China Securities InfoNet (www.cninfo.com.cn) *2023 Annual Internal Control Evaluation Report Internal Control Audit Report*

1.2.3 Internal audit management

The Company has formulated the *Internal Audit Management System* with clear responsibilities and complete processes, including key links such as project initiation, on-site audit, audit verification, audit report and audit rectification, etc. By formulating the annual audit work plan, the internal audit team carries out various types of audits on departments of the Company every year, and is able to implement the work requirement of "full coverage of auditing".

More disclosure index: China Securities InfoNet (www.cninfo.com.cn) *Internal Audit Management System*

• All-Out Efforts to Promote the Implementation of Audit and Rectification

In order to achieve high-quality development and to properly implement the later stages of audit rectification, the Company is fully committed to promoting the audit rectification work. The Discipline Inspection and Audit Department has organized and planned the special action for audit rectification and enhancement, delivering nine outcomes, which optimizes the audit rectification management system from the mechanism, awareness, tools and other dimensions, and further promotes the effect of audit rectification.

1.3

OPTIMIZE COMPLIANCE MANAGEMENT

In order to push the Company's work onto the track of the rule of law and standardization, the Company continuously improves the compliance management system, We insist on the rule of law as the core, legal education as the guide, and system construction as the guarantee to promote the steady development of all rule of law compliance.

1.3.1 Compliance management organization and institutional system

The Company consistently improves the compliance management organization system and comprehensively deploys and promotes the rule of law compliance. The Company's Board of Directors and Management Layer play a leading management role, and their principal people in charge effectively fulfill the responsibility as the first person responsible for compliance management. The Company established a Chief Compliance Officer (appointed concurrently by the General Counsel) in June 2023. The Company has established the Compliance Management Committee, which is reconsidered with the Leading Group of Rule of Law Construction. The Committee undertakes the organizational leadership and coordination of compliance management, researches and decides major matters of compliance management or puts forward opinions and recommendations, and guides, supervises and evaluates compliance management. The Company's business and functional departments bear the main responsibility for compliance management. Legal Affairs Department, as the compliance management department, takes the lead in compliance management. The Discipline Inspection and Audit Department accepts reports of irregularities within the scope of its duties, puts forward opinions on classified disposal, supervises the implementation of compliance requirements within the scope of its duties, investigates irregularities, and carries out accountability in accordance with the regulations. The “three lines of defense” of compliance management have clear division of responsibilities and work in concert to play to their respective strengths to avoid or prevent compliance risks to the maximum extent possible.



“Three Lines of Defense” for Compliance Management

The Company continues to improve our compliance management system and incorporates compliance management into “14th Five-Year Plan” and annual key work. In 2023, we completed a comprehensive revision of the *Compliance Management Provisions* to optimize the organizational system and the principles of compliance management, and improve the operational mechanisms of compliance risk identification and response, compliance review, compliance inspection and evaluation, as well as the compliance safeguard mechanism. We have implemented compliance requirements into the systems of various business units, including human resources, intellectual property, process and information technology, environmental safety and quality. A specific compliance management system registration ledger for business departments has been established to provide basic information for the sorting, integration and improvement of the compliance management system.

1.3.2 Compliance operation mechanisms

The Company continues to improve compliance operation mechanism and promote compliance management by implementing compliance review responsibilities, carrying out compliance inspections and evaluations, continuously expanding key compliance areas, and supporting information and digital systems, among many other measures.

The Company embeds the compliance reviews as a mandatory procedure into the operational and management processes, which promotes a deep and practical integration of business with legal and regulatory standards. Legal Affairs Department organizes business and functional departments to compile the Compliance Review Checklist, specifying the items, criteria and priorities of the review, etc. Without a compliance review, no actions listed on the checklist may be implemented. The Company optimizes the *List of Rights and Responsibilities*, sorts out major business decision-making matters that are subject to legal compliance reviews, and requires that decisions must be reviewed by legal compliance before making. Legal Affairs Department reviews the legal risk assessment of the risk assessment report for decision making on major matters, and the General Counsel personally issues legal opinions on specific matters.

In order to achieve effective operation of the compliance evaluation mechanism, in 2023, the Company organized quarterly compliance inspections in key areas such as labor and employment, intellectual property, business promotion, health, safety and environmental protection, quality management, business partners, information security, anti-corruption and securities regulation. The inspections include updating the *Compliance Obligations, Compliance Risks and Compliance Review Checklist*, identifying corrective actions, improving tracking and reporting of risk, etc. The Company organizes annual compliance inspections of subsidiaries in the United States, South Korea, Japan and Europe, and issues annual compliance management reports also organize annual effectiveness evaluations of the compliance management system and improve it based on the results of these evaluations.

Digitally Driving Compliance Management

Seizing the opportunity of the Company's digital transformation, Legal Affairs Department and Information Technology Management Center deeply communicated with each other on the requirements for compliance management information technology construction, established a compliance management system through information technology, optimized the *Compliance Obligations, Compliance Risks and Compliance Review Checklist* and the process of various types of compliance inspections, improved the efficiency of filling in the various forms for compliance management, and realized the functions of information consolidation, revision records, system tracking and online approval, etc. The compliance management system and the supporting Office Automation (OA) approval process were formally launched in April 2023.

1.3.3 Building compliance culture

Key Performance

In 2023,
34 on-site compliance training were conducted

33 email pushes were made for compliance promotion

Compliance management training and exams were conducted for all employees, with more than
110,000 study clicks attended

In order to further effectively prevent, identify and guard against legal risks in business operations, the Company fosters a culture of the rule of law through activities such as high-level rule of law training, business rule of law training and full popularization of the rule of law knowledge to enhance the legal awareness and legal competence of the employees in all departments, further improving the Company's compliance management capability and guaranteeing the Company's legal and compliant operations.

In 2023, the Company's senior management and heads of departments at all levels held three sessions of centralized study on the rule of law. Based on the relevant work carried out by the Company, the chairman delivered a special speech, in which he put forward requirements and deployments for the rule of law and compliance work. An external professional organization gave a special training on anti-monopoly and anti-unfair competition for the Company's executives. In addition, all first-level department heads have completed a course on *Introduction to the Basics of Administrative Penalties and Risk Prevention*, which has been made a mandatory course for new senior management and heads of departments.

The business departments of each key areas actively undertook the responsibility of compliance training in their own areas. Such as Environmental, Health and Safety Department, Human Resource Center, Information Security Department and other departments all carried out diverse compliance training to enhance the ability of the relevant responsible personnel to identify and respond to risks.

Innovating Law Knowledge Popularization and Improve the Effect

In the annual law knowledge popularization activities, the Company's real case scenarios were interpreted by colleagues of Legal Affairs Department in the form of a mock court and recorded online, which was watched by 1,215 employees. Online quiz for law knowledge popularization were organized, with a total of 1,648 participants; and legal consulting services were provided for the employees for their daily lives, which effectively answered the employees' questions on near-expired food, loans, renting and litigation procedures; on-site legal and compliance knowledge contests were conducted, with 121 employees enthusiastically signing up. TVs in canteens were used to broadcast the mock court videos and civil code popularization videos. The Company's labor unions were cooperated with to invite external lawyers with extensive experience in the marriage, family and real estate to the Company to conduct law knowledge popularization lectures, which attracted the participation of 102 employees.

1.4

ADHERE TO BUSINESS ETHICS

Key Performance

In 2023, a

100%

new recruits were trained on business ethics knowledge

236 minutes of learning time per person.

In order to create a fair and transparent working and business environment and keep business integrity, the Company continuously improves own system, integrating anti-corruption into corporate culture, and protects all stakeholders in accordance with the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, and other relevant laws, regulations and normative documents, as well as the accompanying guidelines on internal control of enterprises.

1.4.1 Business ethics system

In order to further enhance the standardization of business ethics and the implementation of the rule of law, the Company adjusted the relevant requirements in a timely manner in light of the actual work, in 2023, the Company formulated the *Regulations on Anti-Commercial Bribery*, revised the *Business Ethics Management System*, the *Supervision and Management of Procurement Transactions*, the *Provisions on Strictly Prohibiting the Acceptance of Gifts and Premiums by Employees*, and other policies, to deal with the Company's acts of bribery and malpractice in a stringent manner. At the same time, the *Regulations on Anti-Commercial Bribery*, the *Business Ethics Management System*, the *Supervision and Management of Procurement Transactions*, and the *Provisions on Strictly Prohibiting the Acceptance of Gifts and Premiums by Employees* were made available to all employees through internal emails, in order to promote values in business ethics and behavioral norms to all employees.

1.4.2 Anti-corruption training and promotion

Key Performance

During the reporting period, the proportion of senior management roles and employee receiving anti-corruption policies and procedures was

100%

The proportion of senior management roles who have received anti-corruption training was

100%

In order to create a fair and upright company atmosphere and to promote integrity and anti-corruption, the Company has implemented multi-level practitioner training and promotion, organized anti-corruption arts and best practice collection, and set anti-corruption education promotion month and other activities, so that the awareness is internalized into the Company's ideological and ethical standards, and externalized into the conscious practice.

The Discipline Inspection and Audit Department of the Company has organized training and promotion activities on integrity at all levels, with the main contents including anti-corruption policy and regulations, typical case analysis, micro-corruption manifestations, practice requirements, etc., to educate and guide all senior managers and employees to firmly comply with the rules and discipline, constantly enhancing the “firewall” of anti corruption. In 2023, the Company organized and carried out promotion and learning activities on the *Provisions on Strictly Prohibiting the Acceptance of Gifts and Premiums by Employees*; carried out training and promotion of integrity for employees of the Procurement Center and key departments of the R&D system and organized the signing of a commitment letter on integrity; carried out training and promotion of integrity for newly recruited employees; and guided departments to carry out integrity training and promotion on their own.

Focus on the “Nodal” Point, and never stop correcting the “Four Malfeasances”

The Company has kept a close eye on the new trend of the "Four Malfeasances" issue and determined to put an end to unhealthy practices and negative phenomena. Discipline Inspection and Audit Department sent out the typical cases of corruption and integrity reminder posters, together with the complaint reporting channels to all employees in the New Year's Day, Spring Festival, May Day, Dragon Boat Festival, Mid-Autumn Festival, National Day and other key holidays through the Company's public account and department mailboxes, constantly strengthening the awareness of discipline and adherence to rules among the senior managers and employees.



Organizing a Collection of Anti-corruption Arts and Best Practice

In July 2023, the Company collected arts and best practice of integrity and anti-corruption from all employees and their families. After extensive promotion and mobilization, employees actively participated in digging out all kinds of relevant culture elements. The Company received a total of 64 pieces of micro-video, posters, paintings, calligraphy, photography, handicrafts, and other forms of works. Several first, second and third prizes and awards of excellence and awards for outstanding organizations were entitled after assessment. Through the activity, employees' spare time life has been further enriched, their enthusiasm for work has been stimulated, the overall work style has been purified, and new positive energy has been injected into the service and guarantee of the Company's high-quality development.



Announcement of Recognition for the Awarded Anti-corruption Arts and Best Practice

Award-winning work "Clear Lotus"

Organizing the Disciple Education and Promotion Month activities

In November 2023, the Company organized the Discipline Education and Promotion Month activity. During this period, the Company convened employees to study the *Provisions on the Administration of Employee Discipline* and the *Employee Political Discipline Scheme*, etc. and to watch the warning and educational film, attended the thematic courses and to participate in a visit to the anti-corruption education base. We displayed the Company's excellent anti-corruption works in the office buildings, workshops, canteens and other places. Through a variety of promotion and education activities, we continue to educate and guide all employees to internalize compliance with rules and regulations into their thoughts and actions.



Display high-quality anti-corruption educational videos at TIANMA's public areas

1.4.3 Anti-corruption risk prevention and control

The Company has continued to conduct anti-corruption risk prevention and control in bidding. In 2023, the Company sorted out the anti-corruption risk in bidding, developed preventive measures, improved the management system, formulated the *Catalogue Guidelines for Prevention and Control of Integrity Risks in the Field of Bidding*, fostered the organic integration of discipline inspection and integrity control, thereby constructing an improved safety barrier for the healthy development of the Company.

The Company continues to pay attention to key areas and key links. In 2023, the Company, based on the actual situation, increased the re-supervision and re-inspection on engineering and construction, information technology procurement projects, safety production and other key areas, and continued to maintain heightened focus on the situation, and urged the relevant responsible departments to timely formulate rectification measures and establish clear rectification deadlines in response to identified issues, so as to correct the loopholes in the system and eliminate the blind zones of the supervision. In 2023, the Company reported no cases of corruption.

1.4.4 Whistleblowing and whistleblower protection

To prevent business ethics risk, the Company developed the *Implementation Measures for Supervision and Discipline Work of the Discipline Inspection Committee*, which encourages stakeholders to report any possible violation of business ethics. The Company has carried out the acceptance, registration, investigation and handling of letters and reports, and has followed the requirements for case supervision and management reporting. We enter the unified case supervision management system every month and conduct regular analysis and discussion of letters and reports. For whistleblower who report in real names, the Company provides feedback to the whistleblower on the outcome of the investigation at the end. For anonymous reports, the Company shall not verify the informant's handwriting, Internet Protocol address (IP address) and other information. In cases where there is suspicion of false accusations and other violations of discipline and law and there is a confirmed need to take the above approach to trace their identity, it shall be reported and approved at each management level.

Reporting Channels

- Letters/visits:
Discipline Inspection and Audit Department, TIANMA Building,
No. 88 Daxin Road, Nanshan District,
Shenzhen City, 518052
- Tel: 0755-36351948

GUARDIAN OF GREEN ECOLOGY

TIANMA adheres to the principle of harmonious coexistence between humanity and nature. The Company is committed to the production philosophy of “environmental protection first”, actively promoting the transformation of the energy structure to improve the efficiency of energy use, insisting on the road of energy saving, emission reduction and green development, so as to minimize the impact of business activities on the environment, creating harmony between energy and the environment, building up an environmentally friendly enterprise.

2.1 Respond actively to climate change

2.2 Focus on water resource management

2.3 Improve waste management

2.4 Promote environmental awareness among all employees



OUR GOALS

- **0** larger and above environmental emergencies
- **100%** compliance with pollutant emission standards
- Comprehensive energy consumption per unit of product decreased by **3%** over the previous year
- Comprehensive water consumption per unit of product decreased by **3%** over the previous year
- Waste generation per unit of product decreased by **3%** over the previous year

OUR ACTIONS



Respond actively to
climate change



Focus on water resource
management



Improve waste management



Promote environmental awareness
among all employees

RESPONDED TO 2030 SDGs



2.1

RESPOND ACTIVELY TO CLIMATE CHANGE

Responding to climate change is the responsibility of the whole society, and even more so, it is the main responsibility of enterprises. As a leading manufacturing enterprise, the Company has formulated the *Carbon Peak and Carbon Neutrality Action Plan*, set up the “Dual Carbon” team, formulated the “Dual Carbon” goals in line with TIANMA. The Company has carried out ISO14064-1 greenhouse gas verification and disclosed the verification report to the public on a regular basis every year. In addition, the Company has formulated the *Environmental Factors, Hazards and Risk and Opportunity Identification Assessment Management Procedures and Compliance Management Provisions* to identify the climate risks and opportunities faced by the Company every year, regularly assess newly released climate-related laws, regulations and policies to ensure that the Company's operations are free from risks. During the reporting period, the Company completed the CDP “Climate Change” questionnaire and obtained a B grade.

2.1.1 Climate risk identification and management

In responded to the national “Dual Carbon” goals, the Company developed its own “Dual Carbon” goals in the medium- and long-term period. In order to enhance the responsibility awareness of leading the team to reach the goal by the first-level person in charge of environmental safety, the Company linked the achievement of the target with individual performance, established the responsibility system for the supervisors to stimulate the responsibility of the managers. During the reporting period, the Company identified climate-related risks, gradually carried out climate change management to rationally allocate resources to address climate change.

Type of Climate Risk	Risk Description	Risk Response
Transformation Risk		
Policies and laws	<p>1.Currently, there is carbon compliance at the Company's sites in Shenzhen, Shanghai and Wuhan, but there are no carbon markets in other sites. If the total carbon emissions generated by the Company are greater than the amount of carbon allowances available for trading in cities with carbon markets, such as Shenzhen, Shanghai and Wuhan, the Company will need to trade on the carbon trading market.</p> <p>2.Pollutants are released by some of the Company's new factories. Pollutant emissions need to be purchased, if there is not enough pollutant quota, which will affect the Company's production or the Company needs to cost more to purchase. Even more, the total amount of pollutant emissions exceeding the purchased amount will lead to penalties.</p> <p>3.The international carbon-related conventions and regulations frequently introduced have put forward higher requirements for some products to be exported, so that the Company has to keep abreast of the relevant requirements and formulate countermeasures.</p>	<p>The Company has formulated and issued the <i>Compliance Management Provisions</i>, regularly evaluating newly released climate-related laws, regulations and policies,assessing the compliance of the Company's operation regulations, to ensure that the Company's operation is risk-free. At the same time, the Company, actively complying with the relevant policies and requirements of the carbon market, carried out carbon verification and carbon compliance, actively communicated with the Carbon Exchange, provided representative views of the industry, and shared efforts and experience in energy saving and emission reduction. In addition, the Company reduced carbon emissions by purchasing more green electricity, which will be converted into revenue in the carbon trading market.</p>
Science and technology	<p>Green and low-carbon technologies are key to enhancing the Company's competitiveness. Currently, the Company considers science and technology as a factor of risk through enterprise risk management assessments, environmental management system assessments and sector assessments.</p>	<p>The Company adopts advanced production and manufacturing technology, introduces photovoltaic projects, and imports energy management platform, which saves the cost of electricity and makes the products more energy-saving.</p>

Market	As the market's concern about climate change continues to grow, customers are making requests for environmental protection, energy saving and emission reduction, so the Company needs to make appropriate feedback to meet customer requirements.	Recognizing the impact of climate on the market, the Company has reduced the carbon emission of products by introducing new manufacturing technologies and adopting energy-efficient and consumption-saving equipment.
Physical Risk		
Intense natural factors	<p>1. Some of the Company's production areas are located in coastal cities, where extreme weather, such as super typhoons and extreme rainfall, may have a major impact on the Company's assets and production stability and affect the Company's costs and expenditures for flood prevention and control, preparation of emergency supplies, and emergency drills.</p> <p>2. Extreme weather will affect the enterprise's supply and time, once the upstream raw material prices rise and material supply time is delayed due to extreme weather, it will indirectly affect the Company's operating costs, production and supply time and cycle, thus affecting the Company's lead time.</p>	The Company defines natural disasters as a potential material risk, particularly specific to coastal areas. The Company takes effective measures to reduce the potential impacts that may arise from natural disasters depending on the severity and location of the extreme weather. At the same time, the Company promotes the establishment of alternate material supplier, set up secondary and tertiary supplier resource pools. The same material can be contracted with a number of suppliers, in order to reduce the upstream impact on the Company's normal production due to the uncontrollable factors.
Long-term natural factors	As the focus on long-term natural factors such as sea level rise and warmer temperatures due to climate change continues to increase, costs of Company response to climate change are likely to increase.	The Company is replacing low-energy-consuming equipment to reduce power consumption in the production, promote various energy-saving programs such as solar power generation, and increase investment in environmental protection equipment.

2.1.2 Refinement of environmental management

The Company continuously improves the construction of environmental management system. We specially set up the safety and environmental protection committee, which has established the responsibility system of the competent personnel, set environmental protection and energy saving data KPI at the beginning of each year and reported the achievements every month. The Company rationally utilized the energy and conserved the resources and fully considered the impact of the enterprise's production and operation on the ecological environment. A meeting of the committee members is held every half year to discuss the progress of important work on environmental protection, safety and energy saving and emission reduction, the annual KPI achievement, the achievements and progress, the future environmental protection and energy saving plan, and other related contents.

At present, all production areas of the Company have passed ISO14001 environmental management system certification.

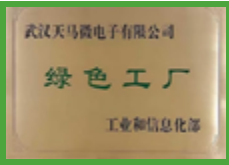
In response to major environmental emergencies, the Company has prepared an environmental emergency response plan and submitted it to the administrative department of environmental protection for the record. The Company carries out environmental emergency drills on a regular basis every year.



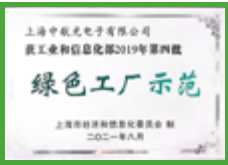
ISO14001 Environmental Management System Certificate

• Key Performance

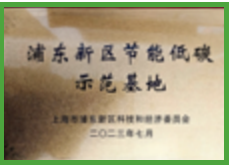
Wuhan, Shanghai, Xiamen and Shenzhen sites were honored with national “Green Factories” ; The Chengdu site was honored with provincial “Green Factories” .



Wuhan Tianma Microelectronics Co.,Ltd. was honored as “Green Factory” .



Shanghai AVIC Optoelectronics Co.,Ltd. was honored as “Green Factory” .



Shanghai Tianma Microelectronics Co.,Ltd. was awarded the “Pudong New District Energy Saving and Low Carbon Demonstration Base”

2.1.3 Green transformation of the energy structure

In order to actively respond to the national “Dual Carbon” goals, the Company actively has arranged green energy transformation, optimized energy structure, promoted the application of new energy sources, responded to voluntary subscription of the national green power certificate.

TIANMA will implement rooftop distributed photovoltaic projects in phases, explore the development mode of distributed rooftop photovoltaic power generation and grid-connected consumption, step by step implement the rooftop photovoltaic construction of a batch of Company sites before 2025, and complete the development and construction of photovoltaic power generation suitable for the roof by 2030.



Xiamen Tianma Microelectronics Co.,Ltd.'s First Purchase of Green Power Totalling 2,788 Million KWH



Wuhan Tianma Adopts Red and Blue Warning Lights of Solar Rotary LED to Replace Traditional Warning Lights, Realizing the Promotion and Application of Clean Energy

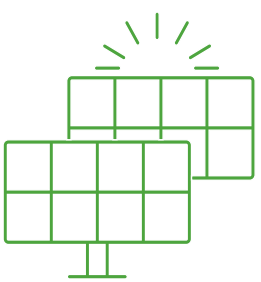


2.1.4 Increased energy use efficiency

In order to achieve the goal of green production, the Company continuously improves energy management system, enhancing the of energy utilization efficiency, steadily advancing energy-saving and technological reforms in all aspects of corporate production, operation and transportation. At present, all production areas of the Company have passed ISO50001 energy management system certification.



ISO50001 Energy Management System Certificate



The Company establishes an energy-saving statistics and reporting system, carries out regular energy-saving inspections and special checks, formulates rules for energy-saving EHS performance assessment, and carries out performance appraisals. In addition, the new renovation and expansion projects carried out by the Company are required to complete the environmental impact assessment and acceptance , formulating the monitoring plan, launching environmental monitoring on a regular basis.

Headquarters

• Set up a perfect energy metering equipment, and build energy control platform

Bases

• Disaggregate energy and cost saving targets to departments

• Identify energy use and energy saving opportunities

• Establish and implement energy saving inspection mechanism

• Carry out intelligent management of energy saving projects

• Organize monthly energy meetings and report energy saving results

• Building an Energy Management Platform to Improve Energy Operation Efficiency

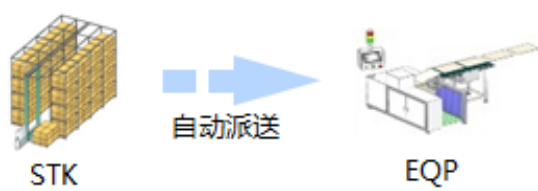
In order to achieve smart measurement of energy consumption data and optimize the allocation of resource, the Company actively organized the energy management platform project. At present, the Company has completed the first phase of construction, achieving the development of functional modules such as energy consumption analysis, energy efficiency analysis, cost analysis, and report management, realizing functions such as automatic collection, storage, real-time data analysis of energy consumption, and maximizing the efficiency of energy operation.



Energy Management Platform

• Replacement of the Cartridge Recognition System to Reduce Ineffective Handling

The Xiamen site has a total of 21 sets of STK automatic handling equipment (power 76-189KW), through analysis of the delivery data and related variables of main energy-using equipment, it is found that the equipment STK900T05 has a high ineffective delivery rate. During the reporting period, the Company improved the recognition accuracy to 100% and reduced the invalid handling rate by 3% by replacing its cassette recognition module and testing the angle of all cassette recognition modules, resulting in an annual electricity saving of 558,500 kwh.



Cartridge Recognition System

• Introducing Industrial Acoustic Imagers to Optimize Energy Management

CDA air compressor system is the largest energy consumption system in the Company. The gas transport pipeline network is prone to leakage of valves, hoses and other parts due to aging and damage. Daily energy-saving inspections are only carried out by “listening” and “touching” , which limits the effectiveness of CDA leakage inspections. In order to improve the efficiency of gas leakage management of the air compressor system, during the reporting period, the Company imported one industrial acoustic imager, which can quickly lock the leaking points, repairing 266 leaking points, and the revenue saved for the whole year was as high as RMB 168,000.



Industrial Acoustic Imagers

• Exploring New Energy Saving Models and Ptomoting Emission Reduction Projects

During the reporting period, all regions actively carried out clean production work and explored new modes of energy saving and carbon reduction. With the completion of energy-saving projects like motor phase-out, production process, lighting system, Fan Filter Unit (FFU) DC renovation, energy-saving renovation of high energy-consuming equipment, motor phase-out, production process, and lighting system, the Company has now reduced emissions by more than 40,000 tons of carbon dioxide.



Screw Machine Heat Pump Project

• Promoting Energy Efficiency in Buildings to Reduce Total Energy Consumption

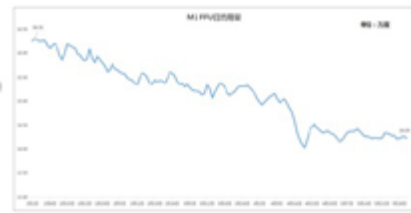
In order to reduce building energy consumption, the Company has adopted a series of initiatives to optimize and slow the total building energy consumption by adopting high and low pressure air supply separately, applying integrated heat recovery of dry air compressor system, adopting energy-saving FM control power system, setting up control level for partitioning clean room, choosing a new type of direct current motor, using a new type of voltage dropping equipment, and using a new type of keel LED lighting on the existing buildings.



Energy-Saving Renovation Project for Magnetic Levitation Ice Machines

• Technology Improvement to Promote Energy Saving and Environmental Protection

Under the premise of ensuring the standard environment of clean room, the Company reduces the speed of FFU filtration fan to save energy, M1 vacuum area ≥ 950 decreases by 800rpm, non-vacuum area ≥ 1000 decreases by 800rpm, STK area ≥ 1200 decreases by 1050rpm, the average daily power of 16.3 decreases by 143,000 kWh. The annual savings reaches RMB 4.64 million.



Electricity Savings Schematic

• Scientific Reduction of Industrial Energy Consumption to Enhance Energy Utilization

In order to reduce industrial energy consumption, the Company adopted contractual energy management to carry out energy-saving renovation, replacing the 6# medium-temperature unit, which has the lowest efficiency, with a 1,380RT unit. In addition, the Company improved the operating efficiency of the unit by adding three new groups of cooling towers with a total circulating volume of 1,500m³/h, adding new units with COP, and renovating the self-control platform of the ice water system.



Optimization of Mesophilic Systems

In the office process, the Company advocates environmentally friendly operation mode, implementing various green office initiatives in the daily operation process. The Company installs control panels in the office area associated with intelligent control systems, which not only meet personnels to manually switch on and off the lighting, but also meet the management needs of regular centralized switching of lighting on and off before and after work time. In the factory, there are people on duty to check the equipment. Air-conditioners in public areas, controlled in a unified way by the factory, are installed by counting appliances, while the terminal control panel operates in parallel to achieve manual opening, closing or adjustment of the wind. In addition, the Company, according to the season, opens or closes supply of water in phases, advocates double-sided printing of office paper, paperless office and a series of initiatives to effectively reduce the energy consumption within the Company, promoting green development of enterprises.

• OA Paperless

In order to promote the improvement of OA system approval efficiency, the Company has taken a series of initiatives such as regularly updating the system, optimizing processes and promoting paperless office. The number of business processes used online reached 597, and the number of OA applications as of 2023 was 1,246,451, saving approximately RMB 1,156,553.6 in paper and printing costs. In 2024, the Company will continue to promote paperless office and reduce the number of paper signing processes, raising the annual paper and printing cost saving goal to no less than RMB 1,200,000.

• Desktop Virtualization

In order to achieve the Company's energy saving and emission reduction goals and to reduce greenhouse gas emissions. In 2023 the Company reduced energy consumption through desktop virtualization projects, in which thin clients achieved an annual reduction of 50% in power consumption compared with traditional PCs, with a cumulative annual balance of RMB 656,640 in electricity costs. According to this project, the Company made it possible for the computing resources of individual servers to be shared by multiple environments through virtualization technology, resulting in a 66% increase in server utilization and a cumulative balance of RMB 446,094 in electricity costs. In addition, because running multiple servers generates a lot of heat and requires additional energy for cooling, the Company has been able to significantly reduce CO₂ emissions by consolidating multiple servers into one through virtualization technology.

2.1.5 Green product management and innovation



• Green & Healthy EL Devices

With the increasing demand for application scenarios such as larger screen size, higher brightness, and high brushing for games, the requirements for OLED panels to be green and low-carbon have further increased. The Company developed the U8 material system by building a systematic optical and electrical simulation platform, optimizing the stacking structure of OLED devices, and improving the luminescence efficiency as well as the energy conversion efficiency of materials. Compared with the previous generation of material system T7+, Electroluminescent (EL) luminescence efficiency of the U8 material system is increased by 11%, the voltage is reduced by 9%, power consumption is reduced by 8% relative to the industry standard, low blue light is reduced by 14% relative to the industry standard, which significantly reduces the energy consumption of OLED screen.



Green & Healthy EL Devices

FOCUS ON WATER RESOURCES MANAGEMENT

The Company recognizes that water is a valuable resource. Water reuse and recycling are an important part of manufacturing. In order to reduce water-related risks, the Company has incorporated water safety-related issues into sustainability theme, demonstrated by identifying areas of operation where water resources are under pressure, reused concentrated water to reduce environmental loads while mitigated risks to fresh water supplies.

In addition, the Company has introduced a number of water-saving measures in the manufacturing process. We constantly improve the wastewater reuse rate and water resource utilization efficiency through source management, end-end optimization and technological innovation. Online pollutant monitoring facilities have been installed at all production area wastewater outfalls and are connected to the environmental protection department. At the same time, each region outsources a third-party to monitor water quality at the release point on monthly basis, which is available to the public. During the reporting period, there is no exceeding over the standard.



2.2.1 Water resource management system

All of the Company's water withdrawn come from municipal water supply. TIANMA routinely monitors the amount of water withdrawn, which is mainly used for manufacturing, canteen, dormitories and green irrigation.

In order to ensure the effectiveness of water management, the Company has set up a Safety Committee, which defines the main responsibilities of each level and department in the Company's EHS management, promotes the implementation of the EHS goals and targets. The Safety Committee holds regular meetings to discuss the implementation of various environmental safety and health targets, which includes promoting the implementation of projects related to water management. In addition, the Company has set up a company-owned water conservation team in charge by the production area, which is responsible for the organization and leading of the whole work, setting up a person specifically responsible for the planning, arranging, organizing and implementing it. At the same time, the company has formulated regional water conservation implementation programs and annual water conservation target indicators in combination with the production area. By adopting measures, combining daily inspection and month-end assessment, water conservation inspection is incorporated into the daily inspection mechanism of the production area to guarantee the orderly development of water conservation work.



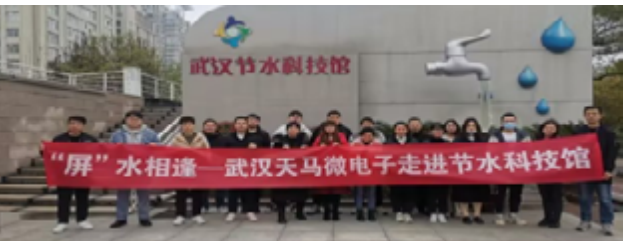
Shanghai AVIC Optoelectronics Co.,Ltd. was awarded "Shanghai Water Conservation Demonstration (Benchmark) Enterprise"



Wuhan Tianma Microelectronics Co.,Ltd. (Zuoling factory) was honored as a 2023 Water-Saving Enterprise in Hubei Province

• Organzing Water Conservation Month

In order to enhance the awareness of water conservation among all employees, Wuhan Tianma regularly carries out water conservation microclass learning, water conservation commitment letter signing, the Water Conservation Science Museum visiting, and differences water conservation logos findings and other water conservation month activities.



Visit to the Water Conservation Science and Technology Museum

2.2.2 Water resource management goals

As water risks increased, the Company set water use goals to minimize reliance on water, minimizing environmental impact through water intensity management of facilities.

The Company pays close attention to the policy requirements of the nation and local governments where the sites are located in respect of water consumption, water reuse and discharged water quality. The Company sets annual water resource management goals in accordance with the latest regulations. The Company's target for water consumption per unit of product in 2023 was **3%** lower than that in 2022. The actual reduction in 2023 was **4.82%**, which means it has fulfilled the set target.

• Goal Completion



2.2.3 Water risk identification and management

The Company's production equipment is expensive and the production process requires large amounts of water. The Company's production area is located in some of the richest rainfall areas in China. In recent years, the probability of heavy rain and typhoons in summer is high, and the impact of extreme weather phenomena such as heavy rain and super typhoons on the company has increased,which is prone to make damage to the Company's valuable assets and affect the Company's normal production.

To this end, the Company assesses water resource management risks on three levels: based on the likelihood of their occurrence and the degree of their impact: high, medium and low. Elements considered in the assessment include water-related policies;regulations, markets, entities, etc. Appropriate management measures are developed. During the reporting period, the Company assessed the risk of the watersheds in each production area, and the production areas of the Company were selected as areas with relatively abundant water resources, such as coastal cities or cities along the rivers, where sufficient water supply can ensure that the normal production and operation of the Company will not be affected. The production areas of Shanghai, Wuhan, Xiamen and Shenzhen are all in high water risk areas, where typhoons and floods will affect the Company's production, and in severe cases, may cause production interruptions. Currently, the Company has taken actions to mitigate the risk of typhoons, such as climate monitoring and preparation of emergency supplies.

In the water resource management, the Company sets water intensity goals and annual water conservation targets, for which monthly and quarterly reviews and annual reports are conducted, and the Company reviews the achievement of the targets and makes improvements. In addition, when setting annual targets, the Company incorporates the target of reducing the total amount of wastewater pollutant discharges and the intensity of water intake per unit of product into key performance indicators for regular performance assessment, and conducts regular evaluations every year. Awards and bonuses are issued to outstanding teams to ensure that the impact of wastewater pollutant discharge on water resources and the environment is reduced.

• Optimization of Inorganic Recycled Water Systems

With the increase of modular section modification and expansion of production line, inorganic recycled water discharge increased. Shanghai Tianma, reduced the discharge of wastewater by 298m³ per day through the expansion of the inorganic recycled water system, the daily treatment is from 1,080m³ to 1,680m³, the first level of concentrated water is from the direct discharge to the organic recycled water system, thus 107,000 tons of tap water was saved. Wuhan Tianma can reduce about 5,000 tons of water per day by collecting and discharging some of the compliant discharged water from the production line into the inorganic recycled water system, which then transmits water into the pure water system and the RCW system, thus effectively enhancing the utilization of water resources.



Shanghai Tianma (left) Wuhan Tianma (right) inorganic recycled water system equipment

• Ozone Wastewater Recycling and Treatment System Project

Ozone wastewater recycling and treatment system project Company added a set of ozone wastewater recycling system with a treatment scale of 2500m³/d, through the exhaust of top of the tank, UV (ultraviolet ozone removal, ozone concentration <0.1ppm) and activated carbon catalyzing and decomposing the ozone in the water, it has achieved an average of water daily recycling of 2,300m³/d.



Ozone wastewater recycling and treatment system

Not only that, the Company regards our suppliers as important stakeholders, and if the suppliers' water supply is at risk, they may face the risk of not being able to deliver on time, which will directly affect the Company's normal production operations. The Company regularly examines our suppliers, including examining their water environment, such as legal permits, water quality standards, and wastewater reduction, and collects water-related information from suppliers at least once a year. After working with suppliers to assess water risks, develop improvement plans and follow up on the improvements, suppliers' water risks have been reduced.

In the future, the Company will continue to focus on supplier’s water-related management to achieve mutual benefit and mutual assistance.

2.3 IMPROVE WASTE MANAGEMENT

2.3.1 Regulatory system for compliant emissions

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, the *Environmental Noise Pollution Prevention and Control Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China* and other laws and regulations related to environmental protection. We have formulated and put into effect the *WT M00001 Management Manual*, *TM-E-W113001 Provisions on Management of Wastewater*, *Waste Gas and Noise of TIANMA*, *TM-E-W113004 Provisions on Energy Management of TIANMA*, *TM-E-W114001 Provisions on Management of Industrial Solid Waste of TIANMA* and other documents.

All sites of the Company carry out regular self-monitoring in accordance with the requirements of the regulations, which includes wastewater, waste gas, groundwater, soil, rainwater, ambient air and noise. The monitoring results are regularly announced to the public. During the reporting period, all the monitoring results were within the standard requirements, and there was no environmental pollution.

2.3.2 Waste reduction and compliance disposal

The Company continues to improve solid waste management, waste liquid management, and waste gas management, combing with multiple measures to recycle solid waste and waste liquids to ensure compliance treatment and disposal at all stages.

Solid waste management

General waste

According to the Company's regulations, the generation department shall collect and record the generated ledger, transfer waste to the transfer station, arrange forklift for transfer by the logistics department, collect it to S1 solid waste warehouse, and then transfer it to the utilization unit for reuse or disposal by the outsourcing solid waste manufacturer.

Hazardous waste

According to the Company's regulations, hazardous waste management sets up the responsibility system for prevention and control of environmental pollution by hazardous waste, entrusts others to transport, use and dispose of hazardous waste, and reviews the qualifications of the use and disposal manufacturers every year; the transfer of hazardous waste should be in accordance with the relevant national regulations and filled in the operation of the hazardous waste transfer joint sheet.

Domestic garbage

Cleared by the sanitation department, kitchen waste and waste oil and grease from the cafeteria is recycled by the relevant qualified units entrusted by the cafeteria contractors.

Waste liquid management

Equipment inspection

Regularly optimize, test and maintain the waste liquid treatment facilities and equipment to ensure the stable operation of the waste liquid treatment system.

Real-time monitoring

All production area wastewater discharge ports are installed with waste online monitoring facilities, which are connected to the environmental protection department.

Third-party testing

Each production area will commission third party to test the quality of water at the discharge ports every month, and the test results are all qualified and publicized.

Personnel training

Regular training is provided to managers to strengthen their management and emergency response capabilities.

Exhaust gas management

Strict normalized control

Compliance management of exhaust gas operation is carried out in accordance with national laws and regulations. The Company's procedural documents, such as *WA-E-W104006 Provisions on Management of Three Wastes and Noise*, *WA-E-W103007 Provisions on Management of Environmental Protection Audit*, *WA-EW103007 Guideline for Operation and Maintenance of Exhaust System of the Factory Department*, and *TM-E-P13000 TIANMA EHS Monitoring and Management Procedure*, are formulated. The exhaust gas treatment system is operated in accordance with design documents, operating instructions, etc.

• Separating Waste Disposal to Ensure Compliance Operation

The Company strictly abides by relevant laws and regulations. We have formulated internal systems and regulatory standards such as control procedures for hazardous waste and management procedures for hazardous waste. The Company sets up hazardous waste identification signs on hazardous waste containers, packages and hazardous waste storage facilities and places in accordance with the regulations; carries out zoned storage according to the types and characteristics of hazardous waste, adopts anti-corrosion and seepage-resistant floors and skirts, and sets up interception, diversion and collection facilities to prevent leaking substances from spreading to the external environment. In addition, the Company will not store hazardous waste for more than one year, in which case approval must be obtained from the ecological and environmental authorities to ensure that all hazardous waste discharged and managed by the company meets the environmental standards of the location where it operates.

• New Waste Reduction Projects Green Production Promotion

In order to prevent environmental risks, during the reporting period, the Company, in line with the principle of waste reduction and harmlessness, actively adopted raw materials and production processes that do not produce or produce less solid waste, and introduced waste reduction projects such as prolonging the service life of stripping fluid, Solvent Recovery System(SRS), and mixed-acid collection and treatment system, with an annual reduction of more than 13,000 tons, so as to solve the problem of solid waste management fundamentally.

• Carrying out Waste Liquid Treatment

In order to reduce production costs, the Company has built an internal mixed-acid system that disposes of our own waste liquids. By neutralizing and precipitating the mixed-acid waste liquids collected from the CRS system, the concentration of the treated waste liquids is reduced to the standard of wastewater, which is ultimately discharged after the treatment of the wastewater station, and the annual treatment capacity reaches 14,000 tons/year. In addition, the Company has constructed the SRS stripping fluid recovery system, which is distilled and purified by the system and reused in the production line, with a designed annual utilization of 8,640 tons, minimizing the impact on the environment.

• Carrying out Material Recycling

In order to reduce the emission of solid waste and enhance the utilization rate of materials in a scientific and reasonable manner, the Company joins hands with suppliers to promote the recycling and recovery of materials. The Company systematically identifies materials that can be recycled and recovered, defines the relevant standards and process requirements for recycling and recovery, and organizes suppliers to sign relevant agreements. The Company has achieved tens of thousands of times of recycling of blister trays and EPP BOX, thus reducing more than one million tons of solid waste emission; meanwhile, the Company has achieved the recycling of tin dregs and nitrile gloves, and implemented the recycling activities in multiple ways.

• Compliant Disposal of Hazardous Waste

During the reporting period, each production area of the Company entrusted qualified vendors to reasonably dispose of hazardous waste such as waste organic solvents, waste acids, empty bottles of waste chemicals and sludge (hazardous and waste) in accordance with the national requirements, and the vendors were evaluated and inspected on a regular basis to ensure that the hazardous waste was disposed of legally. The total amount of hazardous waste disposed of by the Company's various production areas in 2023 was 19,065.37T.

武汉市创建“无废工厂”示范单位名单公示（第一批）

来源：武汉市经济和信息化局 发布日期：2023-10-11 16:55 分享

根据《市经济和信息化局 市生态环境局关于印发武汉市“无废工厂”建设实施方案的通知》，市经信局、市生态环境局组织全市“无废工厂”建设单位申报，经各区推荐、专家评审，认定54家企业为武汉市第一批创建“无废工厂”示范单位。现将名单公布，如有异议，请于公示期内以书面形式实名反馈。公示时间：2023年10月11日至2023年10月17日。《联系方式：市经济和信息化局 85314932，市生态环境局 85005208》

武汉天马微电子有限公司（流芳厂区）

武汉天马微电子有限公司（左岭厂区）

Wuhan Tianma was awarded “Wuhan Waste-Free Factory” in the first batch

2.4

PROMOTE ENVIRONMENTAL AWARENESS AMONG ALL EMPLOYEES

In order to raise the awareness of energy saving and environmental protection of all employees, the Company actively carries out diverse kinds of thematic environmental protection training, environmental protection promotion activities and environmental protection month theme activities, advocating the employees to integrate the concept of energy saving and emission reduction into their daily life and work, so as to facilitate the national “Dual Carbon” goals.

• New Effectiveness of Environmental Protection Promotion in Internal Magazine

The vision of an enterprise determines the vision of our employees, and the internal magazine is an important carrier for the promotion work of the enterprise. In order to pass on the Company's environmental protection concept, the Company carries out quarterly promotion of environmental protection awareness in the Company through the internal magazine Green Information. During the reporting period, Chengdu Tianma carried out heavily polluted weather promotion and training through the internal magazine, effectively informing employees of the personal response to heavily polluted weather and raising their awareness of self-protection.



Environmental Promotion

• Organization of Environmental Protection Month Activities

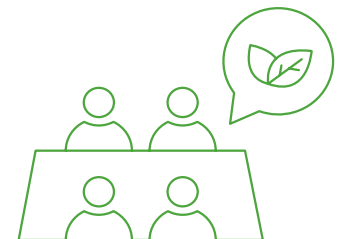
In order to enhance the employees awareness of environmental protection, the Company carried out environmental protection month activities, by posting energy-saving and environmental protection promotion posters, banners, slogans and columns in the factories, offices, canteens and other public areas. The number of participants in the activities reached 636 through engaging a series of activities such as on-line promotion, environmental protection quiz, environmental protection photography competition, etc.,. These activities have expanded employees' knowledge on environmental protection and promoted the Company's culture in environmental protection and energy conservation.



Environmental Protection Month Activities

• Conducting Training on Environmental Protection Knowledge

July 10 to July 16, 2023 is the 33rd National Energy Saving Awareness Week in China. In order to further spread the concept of energy saving, promote energy saving of all employees, and help realize carbon peak and carbon neutrality, the Company carried out the energy saving promotion week activities with the theme of “Shared Responsibility for Energy Saving and Carbon Reduction”, so as to help enhance the energy saving and low carbon awareness of all employees.



CULTIVATOR OF EXCELLENT QUALITY

TIANMA, with the goal of global leader, continuously improves our technology, product and service capabilities, accelerates the intelligent transformation of factories, develops into the field of small and medium-sized displays, and expands the in-depth layout of its global business in various fields. The Company integrates global resources, makes full use of forward-looking technological advantages and quality advantages, and provides display solutions and rapid service support globally, so as to accelerate progress towards the strategic goal of a leading enterprise in the global display field.

3.1 Enhance R&D strength

3.2 Build information security

3.3 Promote intelligent manufacturing

3.4 Consolidate product quality

3.5 Protect the rights and interests of customers



OUR GOALS

- Critical information systems are **99.8%** or more
- non-critical information systems are **99.6%** or more
- No more than **0** major information safety incidents per year
- **100%** coverage of information safety awareness education
- **100%** pass rate on information safety examinations

OUR ACTIONS



Enhance R&D strength



Build information security



Promote intelligent
manufacturing



Consolidate product quality



Protect the rights and interests
of customers

RESPONDED TO 2030 SDGs



3.1

ENHANCE R&D STRENGTH

The company always adheres to the principle of innovation-driven. By carrying out intellectual property protection, laying out forward-looking technology and new product development, encouraging all employees to innovate, the Company continuous optimization of products and solutions, improve the company's research and development strength.

3.1.1 Intellectual property protection

The Company adheres to the intellectual property management principle of “complying with intellectual property laws and regulations, respecting third-party intellectual property rights to stimulate the creation and effective use”. We actively declare various patents in the actual business activities and protect intellectual property rights. Taking the national standard GB/T-29490 *Enterprise Intellectual Property Management Standard* as a guideline, the Company vigorously promotes the construction of intellectual property management systems, sets up a full-time management department for intellectual property, and compiles and publishes nearly twenty intellectual property management systems.

By the end of December 2023, the Company

Had been granted a total of

13,901

Had filed a total of

20,319

Had been granted an
annual total of

1,435

Had filed an annual total of

1,701

R&D investment

3,344,997,800
RMB

The proportion of R&D
investment in operating
revenue

10.37%

3.1.2 Deep developing technology innovation

The construction of innovation and R&D capability is the cornerstone of the long-term development of an enterprise. The Company has set up the innovation center, R&D center, and R&D centers of each division to coordinate the development of technology and product design, continuously optimize the product design, and flexibly satisfy the differentiated needs of different customers around the world. In addition, the Company has actively built a technological innovation system for the deep integration of production, learning, and research, carried out technical cooperation with a number of colleges and universities, scientific research institutes and industry chain partners to actively promote the deep combination of the innovation chain and the industry chain.

On February 23, 2023, LexisNexis® Legal & Professional released the Top 100 list of "Global Innovation 2023", TIANMA was one of the 13 mainland Chinese companies that made the list.

• Automotive-grade Dynamic Flexible OLED

At present, TIANMA has successfully completed the technology development of the first in-vehicle dynamic bending OLED screen in China, using flexible OLED screen technology. The product performance has more than 200,000 dynamic bending capabilities while meeting the mechanical strength of the vehicle regulations. According to the design, this product can be changed according to the "demand", when the user needs the screen, it can be used as the vehicle instrumentation, navigation, passenger entertainment, etc., which can be bent and adjusted according to the user's height, viewing habits, etc.; when it is not needed, it can be "hidden" to reduce power consumption and ensure driving safety at the same time.



• Automotive-grade Quantum Dot Mini-LED Technology

At present, Mini-LED technology in the automotive cockpit display commercialization is still mainly white light technology, and Mini-LED technology of quantum dot film + blue light architecture is still a blank in the domestic commercialization. Compared with traditional automotive Mini-LED technology, the Company has developed automotive quantum dot Mini-LED technology, which features lower power consumption, higher color gamut (NTSC ≥ 110%), better display screen contrast and friendlier halo design, effectively filling the gap of domestic commercialization of automotive quantum dot blue light Mini-LED. The Company's breakthrough in automotive quantum dot PM / AM Mini-LED technology not only meets the European RoHS cadmium standard, but also triggers the innovation of new technology architecture and raw materials, leading to the reintegration of the entire supply chain of automotive displays, and realizing extremely high photoelectric conversion efficiency.



• High PPI Micro-LED Technology

Sharp edge of a sword comes out from grinding, excellent product performance can only be achieved with the meticulous cultivation of craftsmanship. The Company has been deeply cultivating LTPS backplane design and Micro-LED manufacturing process for many years, created a series of fine Micro-LED. During the reporting period, the Company showed our latest achievement of 1.63" 403PPI Active-matrix Micro-LED, which is equipped with high-definition, good color, and high-efficiency features, can be widely used in various smart wearable and mobile terminals.



• Fluidic Microfluidic platform

Digital Microfluidic has a broad application prospect in the field of life sciences. Combining the advanced TFT manufacturing process and panel design technology, the Company has developed the Fluidic™ (Panel-Level-Microfluidic) panel-level microfluidic technology, which has the advantages of high-precision, high-throughput, high-flexibility and batch production. In addition, the Company further optimized the Fluidic™ O series microfluidic technology, which is the first DMF substrate in the industry realized publicly based on Oxide mass production line. Compared with the traditional passive DMF technology, the driving flux has been improved by more than 100 times, and the driving precision can be improved by more than 1,000 times, which has brought a brand-new possibility to the digital microfluidic technology.



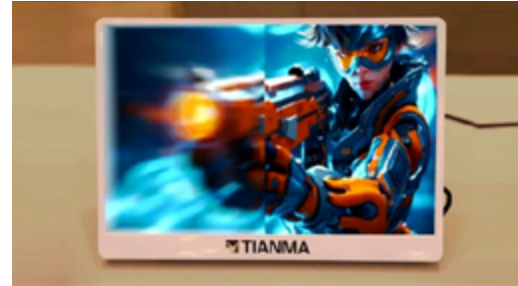
• Super High OLED Display Technology

At present, the pursuit of the ultimate "screen-to-body ratio" is still the direction of unremitting efforts of cell phone screen manufacturers. The Company's research and development innovation of "dynamic four-side curve" realizes the four-side equal width display effect and the visual effect of "true full screen", which brings users a more immersive cell phone experience, realizes the ultimate display of 0.8mm corner height, and overcomes the problem of 0.24mm compressed deformation of the corner shape.



• High Refresh Rate Oxide Technology

Under high mobility, the Company's latest high refresh rate oxide technology breaks through the device stability, Cu process, oxide driver design and other challenges, making the screen refresh rate to WQ 240Hz, narrow bezel also reduced from 1.95mm to 1.5mm, coupled with a 3ms fast response and DCI 100% high color gamut, creating a full range of high-end gaming laptop products, bringing a more fluent and silky smooth "Aerobic" gaming experience.



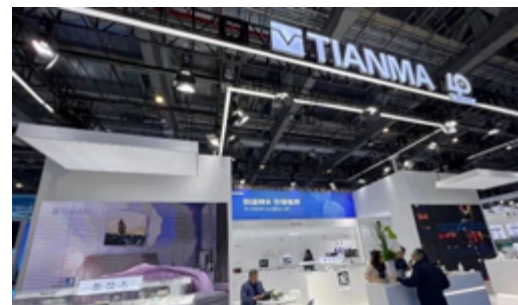
• TIANMA Debuts at Auto Shanghai 2023, Leading New Development of Intelligent Cockpit

On the April 18, the 20th International Automobile and Manufacturing Technology Exhibition officially kicked off at the National Exhibition and Convention Center. The new or concept models are equipped with TIANMA screen, from 7-inch to 12.3+27-inch combined screen, from gauge display, center control display to passenger side and rearview mirror, from LTPS screen to Mini-LED, TIANMA display solution basically covered the entire intelligent cockpit, held a media day with the theme of "not only leading, but also more comprehensive", inviting more than 10 industry media to visit the TIANMA'S showroom.



• TIANMA Medical-grade Full Series of Display Solutions Debuts 2023 CMEF

The 87th China International Medical Equipment Exhibition (Spring), the world's largest medical equipment exhibition, was grandly held from May 14 to 17 in Shanghai National Exhibition and Convention Center. TIANMA made a stunning appearance with a variety of hot medical display technologies such as FHD, 4K2K and full true color, as well as a full series of medical-grade professional display solutions.



3.1.3 Innovation incentive management

In order to encourage innovation and establish the good innovation ecosystem, the Company constantly absorbs and develops human resources, cultivates skilled and experienced personnel and teams for a long period of time. The Company recognizes and rewards outstanding inventors and teams to stimulate team innovation. The Company encourages employees to actively participate in various innovation activities, creating a corporate atmosphere of innovation.

• Eliminating the Inkjet Printing, Guarding the Health

During the production capacity sprinting stage, Wuhan TIANMA suffered from time-consuming handling of abnormalities in the inkjet printer, and the use of inks and thinner is a hazardous chemical, which affects the occupational health of the employees due to frequent exposure. By carrying out the project of "Cancellation of inkjet printing, guarding the health", we standardized the size and position of the material code, and synchronously modified the software and adjusted the hardware of the machine independently, so as to realize that the content of the material code of different models of FPC can be bound with the corresponding content of the glass code. We used this innovative means to cancel the code spraying process commonly used in the industry, and won the Diamond Award in the ninth Micro-innovation Competition Monthly Competition and the Second Prize in the Grand Final.



Eliminate the Inkjet Printing

• Self-designed and Developed Water Flotation Conveyor to Improve Production Pollution

For Shenzhen Wuyuan Panel Factory, in the process of producing touch screen, the silver particles which cannot be filtered out by the filter core will be adhered to the transfer wheel, and then transferred to the product when transferring, resulting in the contamination of the contact surface of the product after development.



Micro-innovation Competition Group Photo

• Actively Participating in Innovative Activities, Contributing to the Sound Development of the Company

Science and technology are the first productive force. Science and technology workers are the main body of science and technology innovation. During the reporting period, the Company actively participated in all kinds of innovation activities, and won five excellent achievements and 15 excellent projects in the annual selection of excellent management innovation achievements, among which, in the Ninth Micro-Innovation Competition, the Company achieved four Diamond Awards, three Gold Awards and seven Silver Awards in monthly competitions, and three Second Prizes and one Third Prize in the Grand Final. Meanwhile, the Company carried out 110 key projects of management innovation throughout the year, collected 176 cost improvement ideas and adopted 76 golden ideas throughout the year, and cultivated more than 500 management innovation professionals, which not only improved the enterprise's innovation ability, but also boosted the Company's steady development.



Golden Idea Competition

• Pioneering Innovative Monitoring Mode for OLED Packaging, Realizing Dual Assistance in Risk and Cost Control

OLED packaging film layer as a defense against external water and oxygen invasion, if the offset will lead to package failure and other risks. In order to monitor the offset of the film layer, the Company, in response to the problem of monitoring the offset of the CVD packaging film layer, takes the "road marking line" as the source of inspiration, and proposes to add the "text reply box" control line design in the film thickness substrate, which is convenient for monitoring the offset between the metal mask plate and the OLED device. After the implementation of the project, it has achieved a benefit of RMB 1.14 million in three months, achieving risk management and reducing the cost of materials.

3.2

BUILD INFORMATION SECURITY

In order to further improve the information security of the Company, the Company has taken a series of initiatives to improve the information security protection level of the Company by establishing an information security management system, formulating the information protection system for employees, strengthening the defense of the system and the network, organizing the information security publicity month activities, and strengthening the data protection and information protection.



3.2.1 Information security management system

In order to ensure continued robust operation of the Company's network system, the Company has set up the information security working group, which is responsible for the establishment, implementation and daily operation of the information security management system. We have formulated internal systems and operational procedures including the *Information Security Management Manual*, *Remote Access Security Management Regulations*, *Supplier Safety Management Measures*, *Key Management Measures* to build up a strong information security system, and to ensure the Company's information infrastructure, information application systems and products, and information security of customer and products. At present, the Company has obtained ISO/IEC 27001:2013 and GB/T 22080-2016 information security management certifications, and has also obtained TISAX certification, meeting the customer side's requirements for information security.



Information Security Management System Certification

In order to effectively control the risk of information security, and effectively safeguard the information security of the Company, employees, and customers, the Company's production system and digital control system are physically isolated from the external network, which fundamentally eliminates the possibility of external attacks. The Company also improves our information security management construction by setting up anti-disclosure systems, firewalls, restricting third-party access, and carrying out information security publicity.



Announcement of the Company's Digital Anti-disclosure System On Line



Company conducts Network Security Month activities

3.2.2 Data security and privacy protection

In order to protect the legitimate rights and interests of employees and maintain network information security, the Company has completed data security planning and construction in accordance with the *Data Security Law of the People's Republic of China*. Xiamen site has completed the pilot data security construction to implement the security risk countermeasures for cloud data, pipeline data, and terminal data, and it has been extended to Wuhan, Shanghai, and the new line construction-related regions and units. The technology and management have been combined to carry out data security work and gradually eliminate security risks.

By formulating the system for the protection of employee information, the Company takes responsibility for the collection and use of employee data, clarifies and implements the security management responsibilities of relevant personnel, implements authority management for employees, and takes measures to prevent leakage of confidentiality.

The Company's management of customer information security mainly focuses on information security construction and information security management of customer confidentiality projects. Customer information security requirements generally include 9 aspects: information security management system, physical environment management, personnel management, information asset management, IT system management, customer information asset transfer process management, production area management, confidential material management, and second-tier supplier management. The Company internally carries out information security construction for customer confidentiality projects from the above aspects.

Without approval, employees who divulge the Company's commercial secrets or other confidential matters, data and information in any form, including but not limited to disclosure, use, license others to use, make others aware of, copy, translate, talk to the outside world, etc., shall be regarded as divulging the Company's interests and causing damages to the Company's interests, and shall be notified, warned, demerit, dismissed, expelled and other sanctions according to the gravity of the damages, and those who have caused serious damages may be transferred to the judicial authorities for handling.

3.3

PROMOTE INTELLIGENT MANUFACTURING

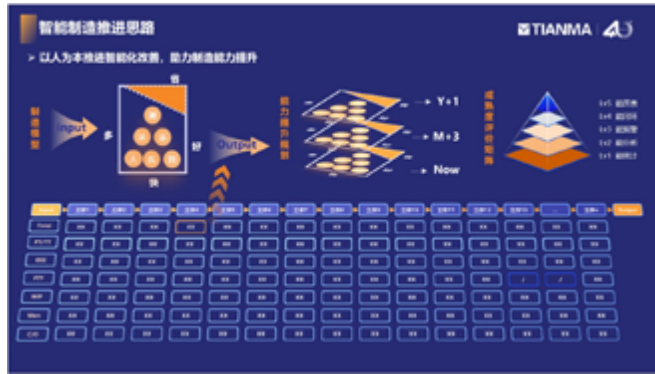
With the deep development of the new round of global scientific and technological revolution and industrial change, the new generation of information technology, new material technology, new energy technology has been constantly progressing, which has been integrated with advanced manufacturing technology at an accelerated pace, providing opportunities for the high-end, intelligent and green development of manufacturing industry. TIANMA actively responds to the development strategy of "Made in China 2025", continuously improves the Company's intelligent level, which helps the enterprise's high-quality development and the industry's intelligent change.

3.3.1 Intelligent manufacturing planning

Guided by the top-level construction of digital transformation, the Company promotes the high-quality development of intelligent manufacturing with Xiamen Tianma and Wuhan Tianma as pilots. Focusing on the development goals of shorter delivery cycle, more stringent cost requirements, and finer quality control, the Company has clearly defined the development direction of stabilized production as the core, returned to the main line of business, established intelligent reform demonstration pilots through business process sorting, and started from the scene to ignite the "spark" of intelligent manufacturing. Relying on the base of information technology, we are agile in iteration, gradually expanding the scope of demonstration, and then creating an intelligent factory that has the best operating efficiency and leads the industry.



Smart Factory Construction Plan with "Stabilized Production" at Core

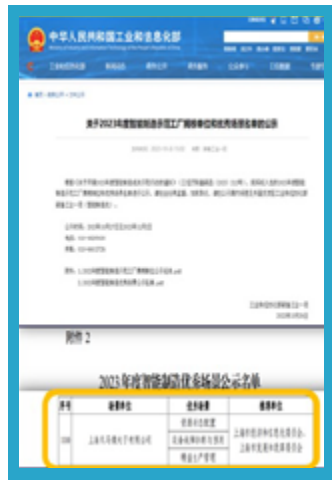


Intelligent Manufacturing Promoting Ideas

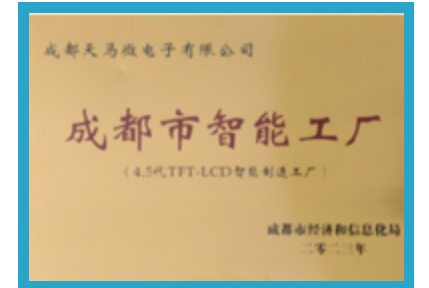
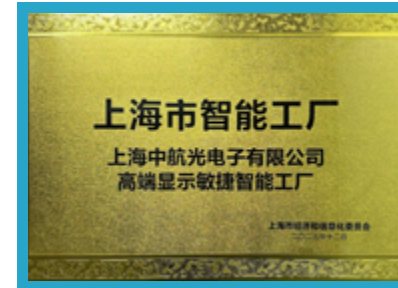
3.3.2 Intelligent manufacturing achievements

The Company continues to be committed to intelligent construction, and actively promotes the digital application of the manufacturing model of "faster, better and more economical". We have enhanced the vitality of enterprise innovation, providing intelligent manufacturing construction cases for the improvement of the domestic panel technology capability and the rapid increase in yield rate as a reference, contributing to the enterprise and the industry with the power of intelligent manufacturing, realizing the enterprise's high quality and low-cost sustainable development.

• Intelligent manufacturing national awards



• Intelligent manufacturing provincial and municipal awards



• Intelligent Scheduling Drives Flexible Production Lines for Mass Product Customization

Focusing on the goal of flexible and efficient delivery, the Company has built a modular intelligent production line through high-efficiency simulation and other means. Meanwhile, we have responded to the challenges of significantly shortening the product delivery cycle and large-scale product customization of the flexible production line through the adjustment of scheduling intelligence and the uninterrupted 24/7 transfer of the entire material.



Intelligent scheduling drives flexible production lines for mass product customization

• AI Intelligent Management of Quality Across All Latitudes

Focusing on the goal of intelligent quality management and the implementation of the concept of stabilized production, the Company has built systems for intelligent detection of product defects, intelligent tuning of equipment parameters, and big data analysis of yield rate by combining AI, big data and other means to ensure good quality conditions, strict implementation of standard operations and fast recovery from abnormalities, realizing the full-dimensional data connecting the product research and development, and manufacturing processes, achieving front-end abnormality management. The efficiency of product abnormality disposal has been greatly improved and the product yield rate continues to lead the industry.



AI Intelligent Management of Quality Across All Latitudes

3.4

CONSOLIDATE PRODUCT QUALITY

The Company adheres to the quality policy of "customer-centered, value-creating oriented; adheres to the concept of 'zero defects'; strictly complies with the rules, dynamically optimizes the process; conducts continuous improvement, and sets up a benchmark for quality in the display industry". The Company has treated the product with high quality, striven to provide customers with high-quality and stable products by establishing and continuously improving the quality management system, positively undertaking the responsibility of the products, and practically improving the quality of the products.

3.4.1 Quality management system

Key Performance

In 2023, a total of
30 LCD module products
passed UL certification and obtained UL certification reports

Based on domestic and foreign laws and regulations, the Company has established a perfect quality management system through the standards ISO9001, QC080000, ISO/IEC17025, EU RoHS, EU REACH and China RoHS, and other standards. The Company has formulated internal management methods, such as *Product Specification and Control Procedure for Nonconforming Products*, to strengthen the product quality management.



ISO9001 Quality Management System Certification

Designing with a Small Step to Inward Shrinkage, No Longer Disturbed by Short-circuit Black Screen

Flexible circuit boards as an important part of the LCD module, because the top of the connecting finger is commonly found in the metal fringe, and in the panel compression process, high temperature and pressure will make the metal fringe piercing the insulating layer, making the LCD short circuit. The Company carries out the project of "Designed with a small step to inward shrinkage, no longer disturbed by short-circuit black screen", referring to the design of eaves and shrinking the left and right metal layers, to solve the short circuit problems caused by metal fronts from the source, effectively improving the yield of the products.

3.4.2 Quality management strategy

For the purpose of continuously improving the products and services quality and enhancing customer satisfaction, the Company continuously improves the quality management capability of employees and carries out diversified quality management knowledge competitions, quality education activities and quality awareness training activities.

Organzing Quality Knowledge Competition

In order to ensure the production quality of products to realize the high-quality development of the Company, we carry out the quality knowledge competition, through the competition mode of "encouraging by comparison, promoting learning by competition", enhancing the employees' awareness of participating in quality management, and strengthening the employees learning of quality management knowledge.

Organzing "Quality Leadership Core Competitiveness" Seminar

In order to continuously improve the Company's quality reputation and build the core competitiveness of "Quality Leadership", the Company organized a seminar on "Quality Leadership Core Competitiveness" in 2023, in which the Company discussed the quality standards, indicator requirements and capability shaping.The whole team of employees interacted and discussed with each other, and finally reached a consensus to improve the product competitiveness of the Company.



"Quality Leadership Core Competitiveness" Seminar

Carrying out Total Quality Management Knowledge Competition

The Company solidly promotes total quality management, improve the quality awareness and quality of all employees. In order to further consolidate the foundation of enterprise quality enhancement work, the Company organized all employees to carry out total quality management knowledge competition in September 2023. Each division organized the quality-related employees, and the participation rate reached 100%, hitting a new record high, and issued the "excellent question personal award" for the first 100 employees.



Total Quality Management Knowledge Competition

3.4.3 Hazardous Substance Control

Key Performance

In 2023, the Company established and improved the hazardous substance management experience library of
176 domestic and foreign customers; in 2023, a total of 30 LCD module products passed UL certification and obtained UL certification reports

In order to keep abreast of the changing trends in the industry and ensure the provision of high quality products to customers, the Company has set up the green product management platform, and strictly controls the material selection stage in the research and development stage, and selects the raw materials in line with the HSF policy and customer requirements through the assessment of environmental protection requirements of the project, and at the same time, increases the efforts to promote the harmlessness of suppliers to realize the material, and strictly controls the stage of design, production and customer service, and builds up one-stop green product production management to provide customers with trustworthy products.

At the same time, the Company dynamically follows up the changes in external laws and regulations, and a total of 59 environmental protection-related laws and regulations were identified in 2023, which have all been transformed into tthe Company's internal environmental protection control standard -- *TIANMA Environmental Substance Management Standard* (version 2.3), being officially released in October. Through persevering efforts, the types of hazardous substances control compiled by the Company is also being continuously improved, from 71 categories of restricted substances in 2012 to 128 categories of hazardous substances for which standard benchmark requirements have been established in 2023.

During the reporting period, Wuhan Tianma and Xiamen Tianma have passed the QC080000: 2017 system certification.



Wuhan Tianma IECQ Certificate of Conformity



Xiamen Tianma IECQ Certificate of Conformity

Improvement of Hazardous Substance Control and Transparency of In-vehicle Products

In order to provide customers with more environmentally friendly products and solutions, the Company, following the requirements of hazardous substances laws and regulations related to in-vehicle products, delivers a complete list of materials and chemicals contained in each component of the product when delivering the product to the customer. In 2023, we submitted information on the classification of materials and chemicals and their hazardous levels in our products to provide a scientific analysis basis for the recovery of 95% of vehicle materials, and to provide quality assurance for the application and promotion of our products.

3.5

PROTECT THE RIGHTS AND INTERESTS OF CUSTOMERS

The Company adheres to the customer-centered approach, dedicates us to providing global customers with leading technology products and quality services, and continuously improves customer satisfaction by continuously optimizing the overall business operation process.



3.5.1 Integrity cooperation

Adhering to the principles of "voluntariness, fairness, compensation of equal value, honesty and credibility", the Company has formulated the *Business Ethics Management System*, *Customer Development and Management Process*, *Customer Privacy Management and Fair Trading Management Process* and other norms, which require that all business relationship shall comply with the highest standards of integrity, promote the monitoring and reinforcement of procedures to ensure compliance with the requirements of the integrity of management, eliminate unfair competition and malicious dumping.

The Company never enters into monopoly agreements or engages in monopolistic behavior with competing operators. We never enter into transactions, partnerships, or other business relationships with entities or organizations that are not in compliance with the law or that are in serious violation of business ethics and morals.

The Company signs integrity agreements in compliance with the wishes of the clients, completes the integrity self-inspection of the corresponding service personnel within the Company every year according to the requirements of the clients, and feeds back the results of the integrity self-inspection to the clients. At the same time, according to the client's request, we fill out and feedback questionnaires about ethical performance and implement them according to the relevant requirements.

3.5.2 After-sales service management

In order to correctly deal with customer objections and standardize the process, the Company stipulates after-sales service duties and work procedures, clarifies departmental responsibilities, quickly responds to quality objections of products and services after sale, and takes corrective measures for major quality problems. We continuously improve and enhance product and service quality, maintain the rights of customers.

Products judged to be unqualified are labeled in accordance with the Provisions on *Product Identification and Traceability*, and unqualified products are handled in accordance with the *Regulations on Product Isolation and Rework Process*. Once the unqualified products and defective products are found to be shipped, the after-sales department takes the initiative to recall them. The products will be returned, scrapped, reworked and other treatments according to the specific circumstances, and internal records will be made for each stage of the treatment of unqualified products. Relevant departments regularly conduct spot checks on the number of unqualified products, and the production factory analyze the causes according to the *Corrective and Preventive Control Procedure*, formulate a plan to optimize and reduce unqualified products, and track the progress and effectiveness of the plan.

3.5.3 Customer satisfaction survey

In order to measure and improve customer satisfaction, the Company has formulated the *Customer Satisfaction Management Procedure*, implemented an effective satisfaction tracking mechanism, conducted customer satisfaction surveys on a regular basis to ensure service quality.

• Some of the customer awards received in 2023



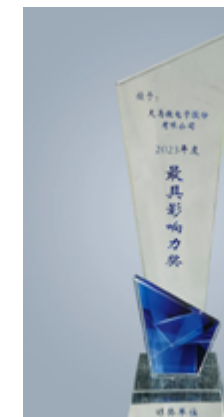
Honored with OPPO
"Quality Excellence
Award"



Honored with Voice Holdings
"Most Valuable Partner Award" and
"Outstanding Quality Award"



Honored with Lenovo
"Diamond Award" and "Quality
Excellence Award"



Honored with "Most
Influential Award" by HeT



Honored with Mindray
"Outstanding Quality
Award"



Honored with Noble Automotive
"Quality Excellence Award"



Honored with Xiaomi "2023 Quality Award"

PEOPLE-ORIENTED DREAM BUILDER

TIANMA adheres to the people-oriented approach, providing employees with multi-dimensional welfare and care covering health, life protection, etc. By continuously improving the talent development path, optimizing the employee training system, establishing employee incentive mechanisms, and creating a comfortable and safe office and living environment for employees, TIANMA allows employees to combine their self-worth with the Company's value and realize common development and progress.

4.1 Pay attention to employee rights and interests

4.2 Focus on employee welfare

4.3 Achieve employee development





4.4 Value employee health



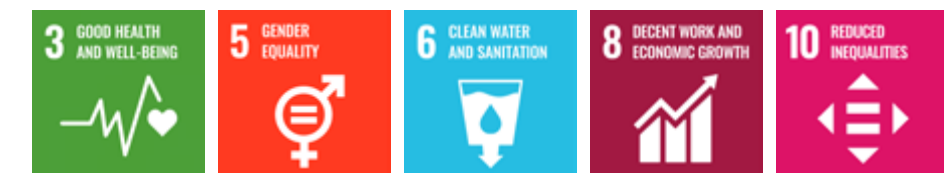
OUR GOALS

- Hold at least **1** employee congress every year and sign collective agreements
- Reach **100%** signing rate of collective agreements
- **0** forced labor
- **0** incidents of harassment, discrimination and abuse
- **0** child labor
- **0** young workers in toxic and hazardous jobs
- **0** late wages payment
- More than **25%** of new hires are females for the purposes of increasing diversity, equality, and inclusion.
- **100%** achievement rate of 2023 campus recruitment
- **100%** assessment coverage rate of new college students at the training stage
- **100%** CSR training rate for new employees
- **0** incidents of general and above production safety
- **0** deaths, serious injuries, diagnosed occupational diseases and acute industrial poisoning deaths

OUR ACTIONS

-  Pay attention to employee rights and interests
-  Achieve employee development
-  Focus on employee welfare
-  Value employee health

RESPONDED TO 2030 SDGs

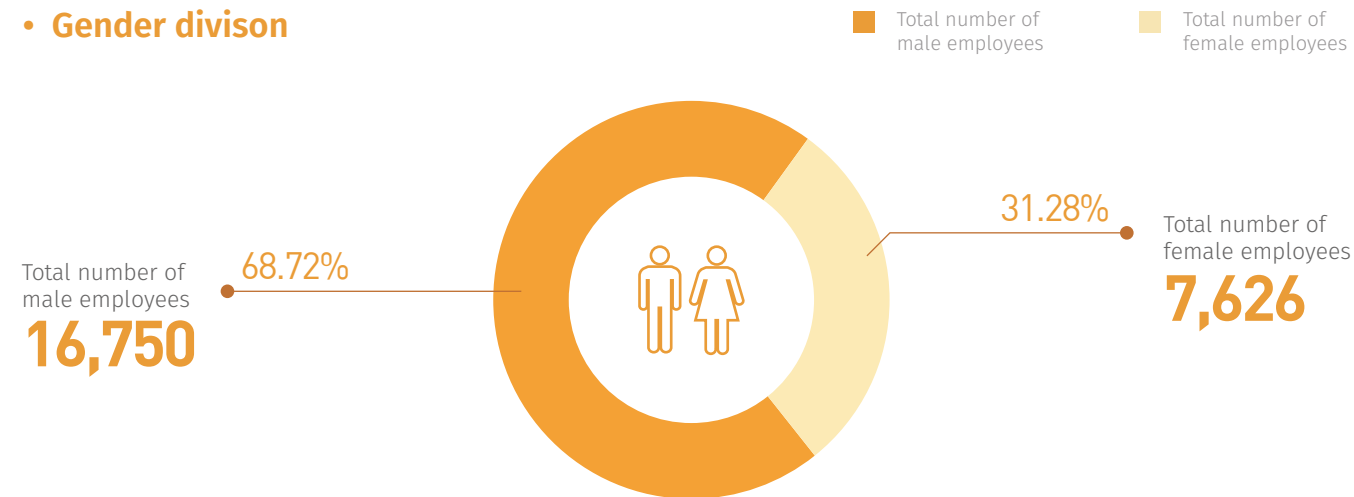


4.1

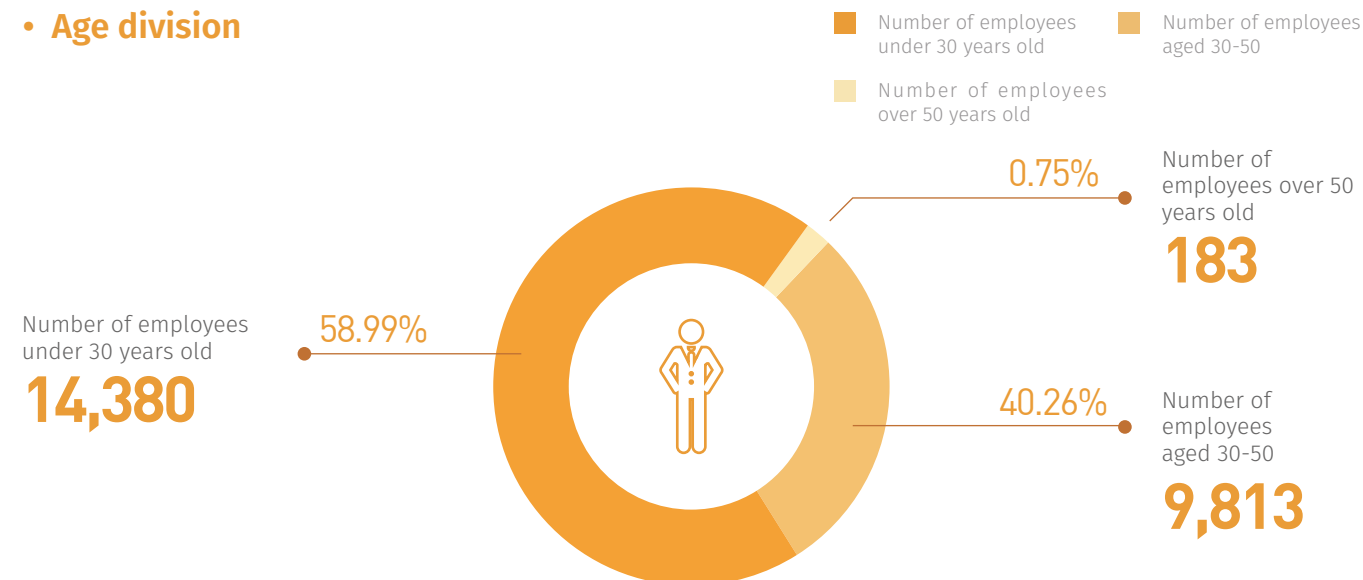
PAY ATTENTION TO EMPLOYEE RIGHTS AND INTERESTS

TIANMA takes "Achieving employee" as our own responsibility, opens up the communication and suggestion channels for employees, establishes a fair and reasonable employment mechanism, provides employees with a decent working environment, actively meets the needs of employees at all levels, and builds a harmonious labor relationship and a good internal environment.

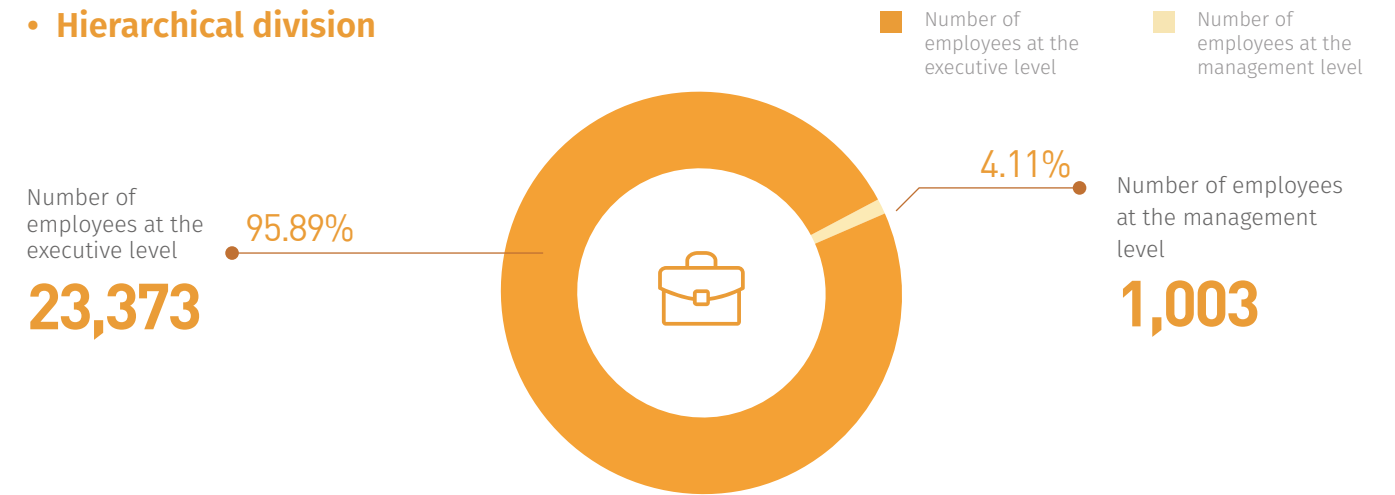
• Gender division



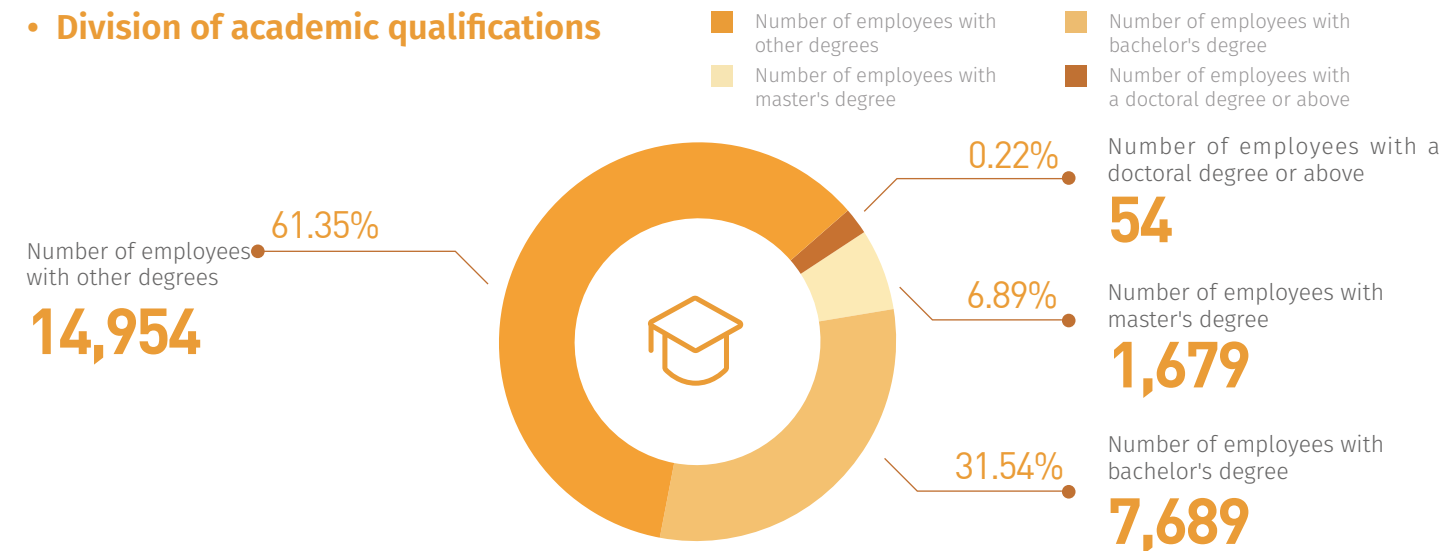
• Age division



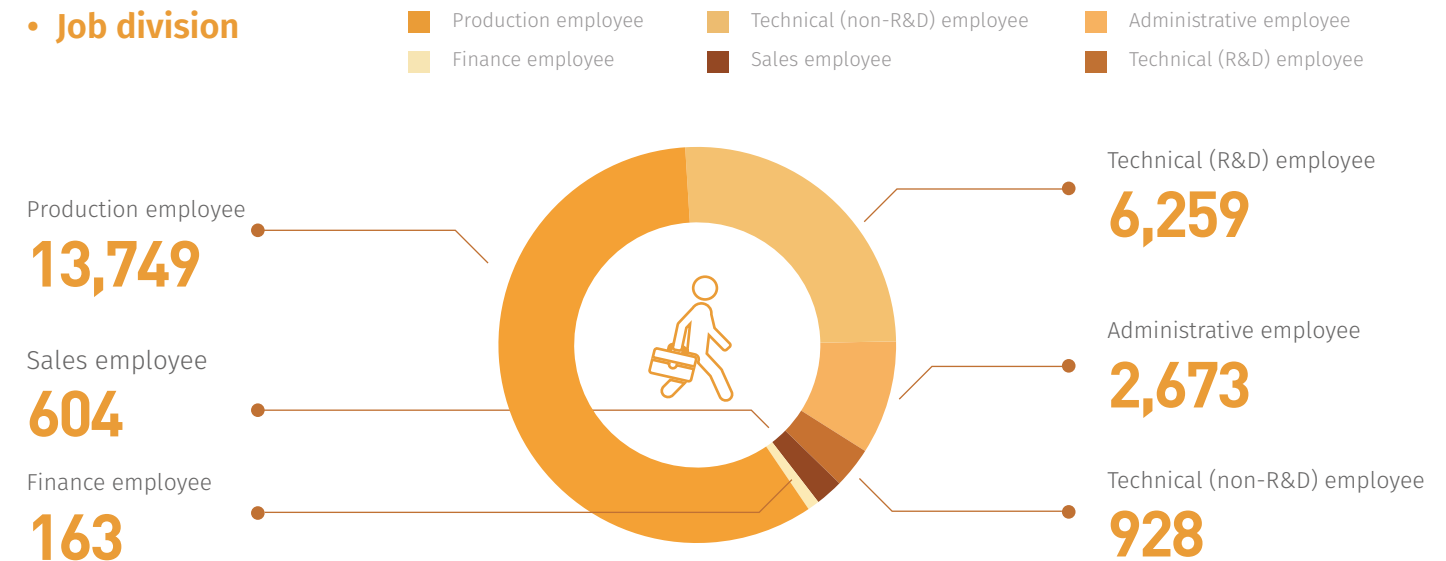
• Hierarchical division



• Division of academic qualifications



• Job division



4.1.1 Employee communication and democratic management

The Company has set up a variety of communication channels to collect employees' opinions and suggestions, and accept employees' reports and complaints, respond to employees' concerns in a timely manner, pay attention to the reasonable needs of employees, effectively solving the pain and difficulties in the work and life of employees.

Online communication channels

- Open hotlines and mailboxes to fully accept employee reports and complaints.
- Respond to employees' concerns in a timely manner through the WeChat platform.

Offline communication channels



TIANMA Employee Symposium

- Set up employee suggestion boxes. The Company sets up employee suggestion boxes in the canteens, dormitories, offices and other areas in conspicuous positions, and arranges persons responsible for regular collection and reply.
- Organize employee exchange meetings. The Company invites the Company Management to attend the exchange meeting to listen to the opinions or suggestions put forward by employees. In response to the aforementioned feedback, each question is answered and dealt with in the light of the actual situation;
- Strongly support the work of labor unions. For matters involving employees' vital interests, such as wages, welfare, labor safety and health, the Company listens to employees' opinions through democratic forms, such as employee congresses and labor union meetings, and pays attention to and focuses on employees' reasonable needs.

The Company regularly conducts satisfaction surveys on employees, and organizes improvements to the survey feedback, so that employees feel cared for and valued, improving their sense of participation and belonging, and enhancing corporate culture and cohesion.

• 2023 Company Satisfaction Survey

The results of the satisfaction survey conducted by the Company in 2023 show that most employees are highly satisfied with the Company. Among them, 75% of the employees said that they were satisfied with the overall impression of the Company; in terms of working environment: 85% of the employees said that they were satisfied with their office area; in terms of living environment: the employees are generally satisfied with the environment in the living area, which is mainly reflected in the introduction of shops and catering floats in the living area, meeting the diversified dietary needs of the employees; the integrated management of private cars to meet the needs of the grass-roots employee to park their cars; and the provision of washing machines in dormitories to meet the needs of the employees; in terms of training and development: the Company customizes training programs for different levels, and 75% of employees said that they are optimistic about their career prospects.

75%
of the employees said that they were satisfied with the overall impression of the Company;

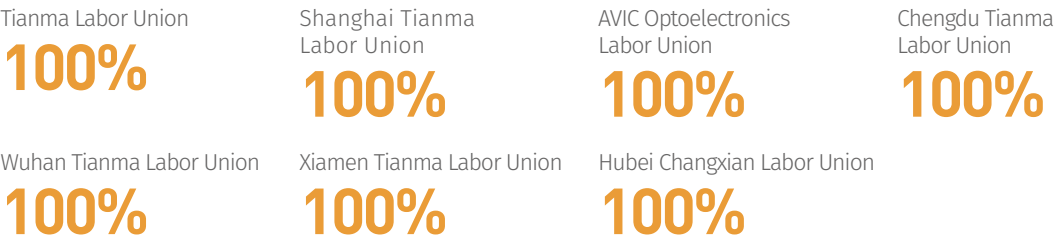
85%
of the employees said that they were satisfied with their office area

75%
of employees said that they are optimistic about their career prospects

The Company has stipulated provisions on labor contracts, labor rewards, working hours and rest and leave, insurance and welfare, labor health and safety, vocational training, special protection for female and young workers, labor unions and labor union activities through collective contracts and special collective contracts, which have effectively guaranteed the exercise of the freedom of association and the right to collective bargaining by the employees.

In 2023, the number of employees covered by collective contracts and special collective contracts accounted for 96.77% of the total number of employees of the Company, which effectively safeguarded the basic rights of employees.

Percentage of employees covered by collective agreements



Note: In 2023, Wuhu Tianma, Jiangsu Tianhua Automotive Electronics and Wuhu Tianma Automotive Electronics were in the construction period, Wuhu Tianma had not signed any collective contract for the time being, and Jiangsu Tianhua and Wuhu Tianma Automotive Electronics had not yet formed a labor union.

• Quarterly Employee Exchanges, Labor Unions Built Consensus for A New Chapter

The Xiamen Tianma Labor Union regularly organizes quarterly employee exchanges to collect the opinions and suggestions of the employees, so that everyone manages everyone's affairs, giving full play to the wisdom of the whole employee and establishing an effective communication and consultation mechanism.



Xiamen Tianma labor union organizes quarterly employee exchange meetings

4.1.2 Employee recruitment with fairness and openness

Key Performance 0 incidents of recruitment violations

The Company actively creates a fair and free recruitment environment, and employees have the right to freely choose. The Company has formulated a sound recruitment management system for the whole recruitment process in accordance with the requirements of relevant national laws and regulations. The Company's recruitment process is based on the principle of "fairness, impartiality and openness", which is mainly reflected in the following: ensuring consistency and equal competition in the recruitment process and selection criteria; not setting discriminatory conditions in terms of race, gender, nationality, age, pregnancy or disability; and being open and transparent in the recruitment process and results.

The Company has set up comprehensive and strict procedures to deal with recruitment violations. If any form of discriminatory behavior, fake job advertisements, illegal charging of fees or other irregularities are found in the recruitment process, the Company will take measures to stop the relevant recruitment practices in a timely and effective manner. At the same time, the Human Resource Center of the Company, in conjunction with the internal Compliance Department, will investigate, collect and evaluate relevant evidence, such as interview records, communication records, complaints and reports, etc., and make appropriate decisions and treatments according to the degree of corroboration of the evidence. Finally, the Company will summarize the reasons for the occurrence of the corresponding incident, timely revise the recruitment process, and prevent the recurrence of similar violations.

In the process of recruiting employees, the Company effectively fulfills our social responsibility and focuses on localized talent management and cultivation. The Company gives priority to recruiting people from local communities to enhance the efficiency of localized operations, promote employment and increase tax revenue, and contribute to the development of local society. The Company promises not to collect fees from applicants in any way during the recruitment process.



4.1.3 Decent work for employee

Key Performance The percentage of employees receiving training on human rights policies or procedures is **100%** of all employees. Total hours of employee training on human rights policies or procedures **2,396.09** hours.

The percentage of security personnel receiving training on human rights is **100%** of all security personnel.

The Company explicitly prohibits discrimination, opposes harassment and abuse, and does not set discriminatory rules in terms of race, gender, nationality, age, pregnancy or disability in all aspects of recruitment, promotion, remuneration and training, etc. There were no incidents of discrimination, harassment or abuse in the Company in 2023.

The Company has formulated the Regulations on the *Management of Child and Young Workers*, and formulated relevant policies and comprehensive preventive measures in important aspects such as employee recruitment and employment, and eliminated the use of child labor under the age of 16. There was no child labor in the Company in 2023.

The Company explicitly prohibits the use of forced, bonded or indentured labor and has detailed and reasonable regulations on important aspects of recruitment, employment and departure, and eliminates the use of forced labor in practice. In 2023, there was no forced labor in the Company's operations.

The Company respects and guarantees human rights, protects the personal rights and interests of all employees, eliminates exploitation and use, and prevents illegal recruitment, transport, transfer, and threats of violence against people for profit, and prohibits human trafficking and slavery. The proportion of company security personnel who have received human rights training was 100 % in 2023 and no human trafficking or slavery.

The proportion of company security personnel who have received human rights training was **100%**. There were **no forced labor** in the Company's operations.



Security Personnel Regularly Attend Training

4.2

FOCUS ON EMPLOYEE WELFARE

The Company has a comprehensive welfare and protection system, paying endowment insurance, unemployment insurance, medical insurance, employment injury, maternity insurance, housing provident fund and other welfare for employees in accordance with the law. In order to further improve the well-being of employee, the Company organizes a variety of welfare activities and provides attentive administrative services.



4.2.1 Wonderful employee activities

T-MAN Activities

"Resilient Growth - Facing the Future". The new hires of the 2023 Campus Recruitment from all over the world are starting their career and running with the dream. The Company organized various activities and training to guide them to start the new journey of "T-PLAN".



Traditional Festivals

During traditional festivals, the Company will hold celebrations and prepare warm festival gifts. Employees can participate in the fun of wrapping rice dumplings, taking photos of dragon boats, the Mid-Autumn Festival garden party, DIY lanterns and other exciting activities to experience the charm of traditional Chinese culture.

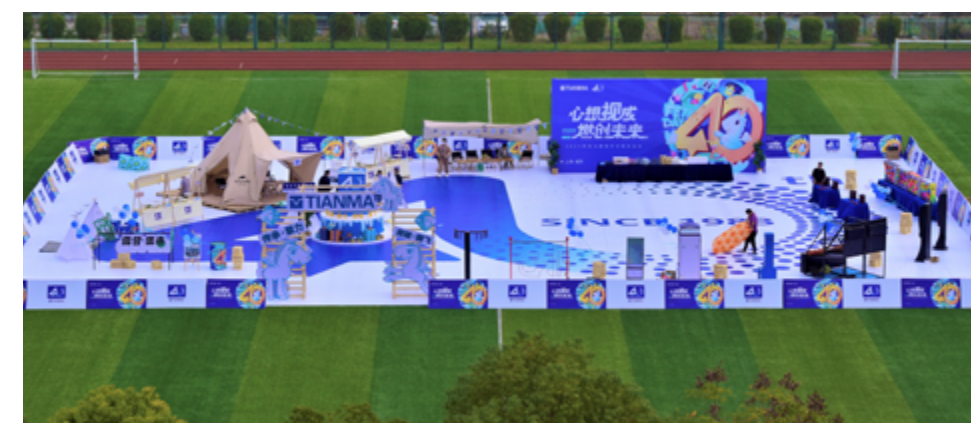
Women's Day
- the Company sent blessings to female employees



Lantern Festival
- the Company's "Welcoming Spring and celebrating the Lantern Festival in the Rabbit Year" activities



Dragon Boat Festival
- the Company carried out a dumpling wrapping competition



Welcoming the 40th anniversary of TIANMA, the Company held a Mid-Autumn Festival garden party



Associations

In order to enrich the spare time life of the employees, active body and mind of all employees, strengthen the communication between employees, reflect the collective warmth, and enhance the cohesion of the enterprise, the Company has set up a rich variety of associations for the employees, there are handicrafts, basketball, badminton, yoga, etiquette, guitar, dance, love music, outdoor sports alliance, fishing, photography, gaming and other associations.



Football Competition



Yoga Association



Basketball Competition



Sports Meet

The Company organizes sports competitions/fun sports activities/parent-child sports activities/runs around the factory/water sports carnival. The combination of sports competitions and fun games brings a sports event where everyone can show off their skills.



Sunshine Running Team Sports Meeting



Parent-Child Sports Meeting

Water Sports Carnival



Dream Lab

The Company organizes the Dream Lab activity, which allows talented TIANMA people to have a stage to show themselves after work. The performances are in various forms, combining dance, opera, sketches, songs and other forms.



T-MAN Art Performance



Dream Lab



Dream Lab-Best teams

4.2.2 Enrich employee welfare

In order to enhance the happiness of employees and meet their diversified needs, the Company attaches importance to the clothing, food, housing and transport of employees, providing employee dormitories, employee canteens, carrying out free clinic activities, TIANMA Summer Child Care Camp, and other rich employee welfare guarantee, which continue to enhance the employee's sense of happiness and satisfaction, and help employees to better balance their work and life.



Employee Canteen

The Company has set up a good and inexpensive employee canteen in the park, which is convenient for the employees to have meals nearby. The Company regularly issues questionnaires on canteen quality and menu demands to employees to fully listen to employees' opinions and suggestions on meals. At the same time, the Company has set up special employees to check the source of food materials and hygiene in the canteen to ensure the quality and safety of meals.



Employee Dormitory, Temporary Rooms

The Company provides dormitories for the majority of employees in the park, and adopts standardized management, and conducts regular fire drills every year to ensure that the collective life of employees is safe and secure.



Preventing Heatstroke and Cool Care

In hot summer, to ensure the safety of front-line employees, the Company carries out the activity of sending coolness, and sends care to the front-line employees who work in high temperatures. In order to prevent safety accidents in high-temperature environments, the Company has set up a summer heat-prevention and cooling group to formulate protection measures and carry out heat-prevention and safety education from multi-dimensional aspects such as activities, publicity, diet, training, prevention and supervision. At the same time, the Company held various kinds of heatstroke prevention and cooling knowledge quizzes with prizes for the employees to popularize the knowledge of heatstroke, heatstroke prevention, heatstroke cooling and the reasonable use of heatstroke prevention drugs.



TIANMA Summer Child Care Camp

In order to meet the urgent needs of some colleagues being unable to take care of their children during the school's summer holiday, Tianma Labor Union, Wuhan Tianma Labor Union and Chengdu Tianma Labor Union upgraded the safety protection of the meeting room, arranged the courses scientifically, and equipped with extracurricular books, chessboards, copybooks, etc., which created a warm and lovely atmosphere for the children. The labor union gathered the strength of all departments, planned and deployed with heart to effectively improve the safety, professionalism and standardization of care services, and set up a summer paradise of happy growth for the children of employees.



Visiting Platform

Observation and understanding by children of TIANMA employees

TIANMA Technology & Advanced Technology

Small Class *The Secret of the Screen*

Children of TIANMA employees experienced the new technology of "Screen" in small science and technology experiments.



Summer Open Day

Accompanied by the breeze of June, "Smart Tianma" was held in Shanghai Tianma Puxi District, attracting more than 300 TIANMA employees and their families to participate in the open day. The Company has arranged a series of activities on the site, such as "The Secret of Screen" mini classroom, visiting the exhibition platform, childhood games and so on. The children were very active and enthusiastic, the games were completed quickly and well, the knowledge competition was well answered, and the hands-on mini classroom was also in full swing. The children learned more about the working environment of their parents, tried TIANMA's technology products, and participated in fun games and competitions. Let us share the joy and be "intelligent" in the future!

Free Clinic Activity

Career is accompanied by health, and excitement is accompanied by life. In order to provide better care for the physical health of the employees, early prevention, early detection and early treatment of diseases, the Company organizes annual health checkups and all-round free clinic activities from time to time in collaboration with community hospitals, so that the employees can take care of themselves while busying with their work and life.



4.2.3 Considerate Administrative Services



To create a convenient life in the park, the Company has explored the possible needs of the employees, introduced new energy vehicle charging piles in the living park and planned special parking spaces for new energy vehicles, which provides convenience for the charging of employees using new energy vehicles; set up nursing rooms for mothers and babies; introduced large-scale outdoor drinking fountains, so that the employees can drink healthy room-temperature drinking water at any time; enriched catering and opened takeaway delivery service to ensure employees can eat well even without leaving home, and improve the quality of life in the park.

At the same time, the Company organizes annual physical check-ups for employees to help them know their own health conditions; provides consultation services at the infirmary, and provides medication according to seasonal and influenza symptoms, to help employees get well soon. In the month of National Healthy Lifestyle Awareness Month, the Company joined hands with the District Centers for Disease Control to carry out offline publicity, consultation and health knowledge quizzes with prize activities, which bring happiness to our employees by improving various details in their lives.

The Company organizes regular special training for the property safety management team on courtesy and etiquette, human rights protection, anti-violence, etc., to improve the execution, image and personal capability of security officers; regularly organizes and carries out various emergency drills to improve the safety management ability to deal with emergencies; The public security organs of the area and the Company and property security jointly set up a joint defense team in combing of officers from both the police and enterprises, increasing police officers and security forces in-puts to strengthen the Company's internal and peripheral security management, while inviting public security organs to do legal advocacy in the Company and carry out thematic lectures and activities, thus help to guarantee the safety and security of the Company and employees. The administration has set up a convenient service center in collaboration with the property management to provide the employees with convenient services in their daily lives.

4.3

ACHIEVE EMPLOYEE DEVELOPMENT

The Company is committed to building different levels of talent groups, continuously promoting employee learning and growth, through a clear path of employee development, effective means of employee incentives and continuous improvement of the employee training system, fully mobilizing the enthusiasm of the employees to learn, and continuously optimize the development of the employees, and steadily improve the skills of the employees, and consolidate the construction of the talent team, to achieve the development and growth of employees and the enterprise together.

4.3.1 Talent development system

In accordance with the 14th Five-Year Plan, the Company has defined the focus and overall plan for talent development, including talent management focusing on management and professional capabilities, and establishing diversified recruitment methods, such as campus recruitment and social recruitment, to maintain the required human resources. In addition, the Company provides employees with the professional knowledge they need through "TIANMA E-learning".



TIANMA e-learning upgraded and launched new functions

4.3.2 Employee training management

The Company attaches great importance to talent cultivation, based on the needs of employee capacity development, develops and carries out all kinds of training activities, strengthens the management of employee training from the three aspects of training content, training instructors and training assessment, strengthens the construction of the talent team, and lays a solid foundation for the Company's talent reserve and sustainable development.

Training content	Training instructors	Training assessment
<ul style="list-style-type: none"> Newcomer training (social recruitment and campus recruitment); On-the-job training (specialized technical training/management training). 	<ul style="list-style-type: none"> Internal instructors: managers and technical experts, etc; External lecturers: Hiring instructors from external consulting organizations. 	<ul style="list-style-type: none"> Written tests after class, Post-training assignments, Equipment practice, etc.

In order to create multi-level talents to meet the Company's high-quality development, the Company carries out different levels of training content according to different types of employees.



For new employees

The Company provides a T-PLAN program and communicates and interacts with trainees through live broadcasting.



For management personnel

The Kunpeng Plan, Ji'ao Plan, and Junma Plan are carried out.



For the professional and technical employee

In order to improve digital literacy and capability, the Company builds a capability model and curriculum system by identifying 8+3 key roles; the Company creates several major types of training courses, such as "Quality Class", "Lean Class", "DFSS Class" and "TRIZ Class", combining online and offline training to lay a solid foundation for the cultivation of professional and technical talents.



Participants of the fourth phase of the Kunpeng Plan



Team expansion training of the fourth phase of the Kunpeng Plan



Participants in the on-site Training of the first phase of the Ji'ao Plan



DFSS training for R&D personnel



Six Sigma Black Belt training completion



Six Sigma Green Belt certification receiving

4.3.3 Talent incentive mechanism

The Company provides employees with market-competitive salaries by taking into account the business situation and development strategy, and gaining insights into the external economic situation and market salary levels. By setting up a rich salary incentive system, the Company encourages each employee to give full play to their potential, demonstrate higher value contributions, and receive salary income that matches them. The Company always adheres to the principle of equality and implements diversified management. In all aspects of employee salary setting, salary adjustment and incentive bonuses, the Company takes into account the job position, performance and value contribution, market salary level, and the Company's strategic positioning, rather than gender, age, race and other factors.

In 2023, the proportion of basic salary and monthly reward per capita for front-line and non-front-line male and female employees of the Company was 1.0, and the proportion of employees at all levels receiving regular performance and career development appraisals was 100%.

	Shanghai	Shenzhen	Xiamen	Wuhan	Chengdu	Wuhu	Nantong	Total
Basic salary ratio of male and female for front-line employees during the reporting period	1.0	1.0	1.0	1.0	1.0			1.0
Basic salary ratio of male and female for non-front-line employees during the reporting period	1.1	1.2	0.8	1.0	1.0	1.2	1.0	1.0
Reward ratio of male and female for front-line employees during the reporting period	1.1	1.0	1.0	1.0	1.0			1.0
Basic salary ratio of male and female for non-front-line employees during the reporting period	1.1	1.2	1.0	1.1	1.1	1.2	1.0	1.0

Note: The number of people in each region is different. The values in the table are all retained in one decimal place, and the total value is the weighted average.

4.4 VALUE EMPLOYEE HEALTH

The Company attaches great importance to the health and safety of employees and the public, firmly implements the safety management system, actively promotes safety training and publicity, raises the safety awareness of employees, and is committed to providing a safe working environment for employees.

4.4.1 Occupational health and safety

The Company has the safety management committee, which is fully responsible for Environment Health Safety (EHS) management, and the director of the security commission is the chairman of the board of the Company. Each region has its own regional security commission, which is fully responsible for regional EHS management, and the director of each regional security commission is the person in charge of the region. At the same time, the Company has established an occupational health management system, and set up relevant personnel for occupational health and safety to be responsible for daily occupational health management in each factory, implement occupational health management in accordance with relevant regulations, take certain protective measures against various occupational hazards, and equip the personnel in each position with a targeted personal protective device.

In addition, the Company provides our employees with regular occupational health check-ups, training on occupational hazards, and special safety inspections of employee dormitories from time to time, and also conducts on-site surveys and comprehensive analyses of the overall layout of the Company's existing construction projects, the layout of our processes and equipment, the architecture hygiene, the engineering protective facilities, the personal protective device, and the emergency and rescue facilities by commissioning a professionally qualified third party to ensure that the workplaces of its employees are safety.

Organizing Emergency Skills Upgrading Training

In order to further improve employees' awareness of emergency handling, the environmental protection and safety department invited teachers from the Red Cross Society of Heqing Town to give on-site lectures and encouraged employees from all departments to actively sign up for participation. During the reporting period, the number of employees who participated in and passed the emergency training assessment and obtained the first-aid certificate reached 29, which improved the emergency handling ability of the employees.



First Aid Training

Conducting “Emergency Drill for Chlorine Leakage Environmental Emergencies”

In order to improve the safety awareness of the employees, the Company, together with the government, carried out the "Emergency Drill for Chlorine Leakage Environmental Emergencies" in Xiamen Tianma, which effectively improved the emergency response ability of the employees.



Emergency Drill



The Company hired an external organization to carry out occupational health and safety training



The Company has set up an emergency treatment process in the factory

4.4.2 Safe management of chemicals

In order to protect the safety of employees, the Company complies with the Regulations of the People's Republic of China on the Administration of Chemicals Subjected to Supervision and Control, Regulations on the Safety Administration of Dangerous Chemicals, The Provisional Rules of Supervision and Management of Major Dangerous Sources of Hazardous Chemicals, Hazardous Chemicals List and other laws and regulations related to the safety of chemicals in China and overseas, formulates strict hazardous chemical safety management system and operation procedure, approving process for the chemical procurement demand and new chemical introduction proposed by the factory, and carries out the safety control of the whole process link such as warehousing, storage, use, in-plant transport and disposal in strict accordance with the laws and regulations for the restricted substances in the operation location, highly responsible chemicals and chemicals with serious occupational health and safety hazards.

All chemical containers and outer packages are labeled with eye-catching Safety Data Sheets (SDS), which display the name of the chemical, nature, hazardous properties, flammability, operation regulations, emergency measures, etc., and provide safety warnings in a unified manner. Employees are required to read the SDS carefully and clearly understand the safety operation requirements before carrying out operations to ensure that appropriate safety measures are in place and that the operations are in compliance with the regulations and requirements.

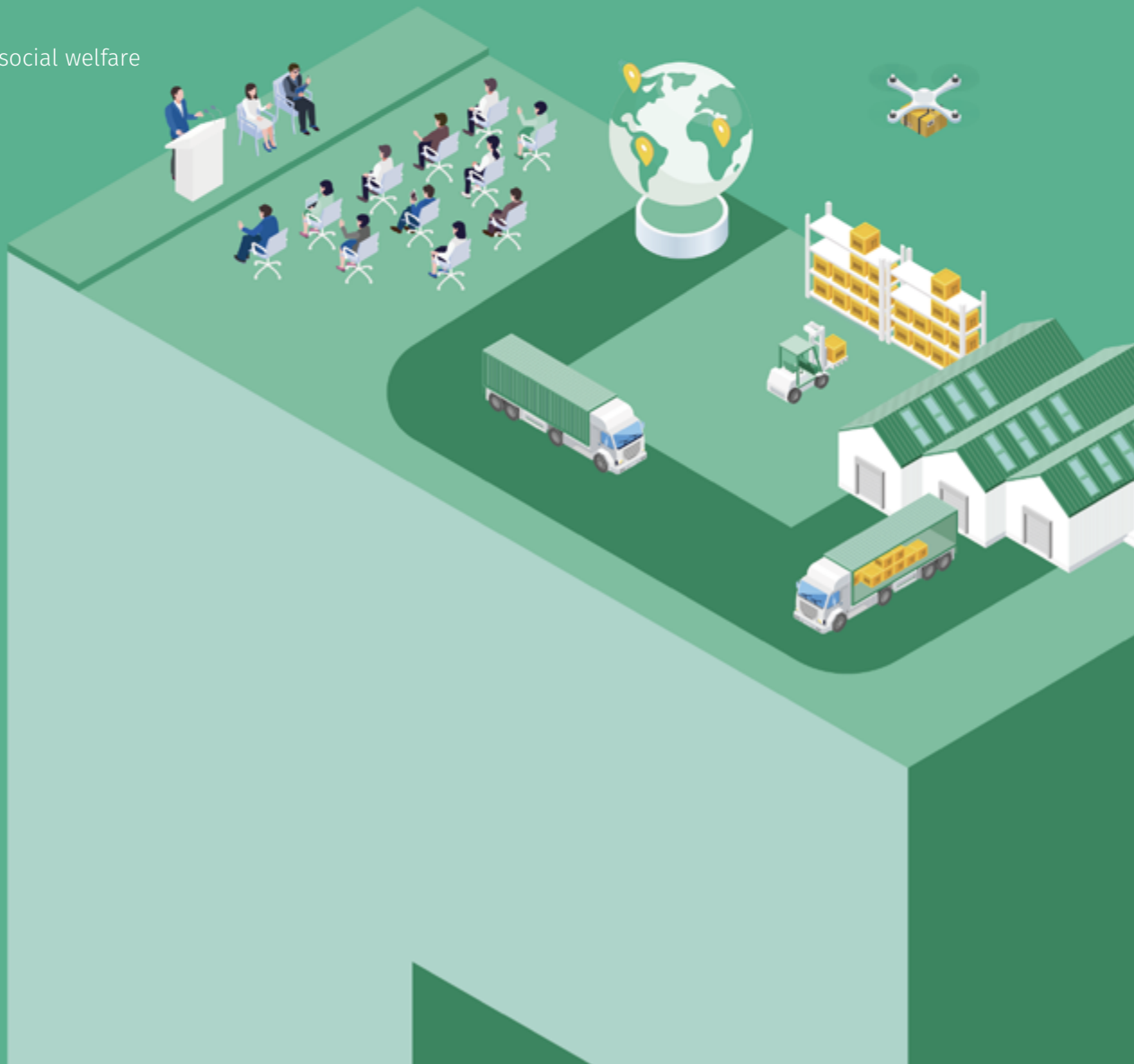
PURSUER OF SHARED PROSPERITY

Corporate social responsibility is a proper part of entrepreneurship and an important source of nurturing opportunities, promoting innovation and creating competitive advantage. TIANMA actively practices social responsibility with high quality and demonstrates our corporate commitment by building a responsible supply chain, joining hands with industry peers and helping to build communities.

5.1 Build the responsible supply chain

5.2 Advance with the industry

5.3 Contribute to social welfare



OUR GOALS

- **100%** of supplier CSR commitment signing rate
- **100%** completion rate of CSR on-site audit for CSR high-risk suppliers
- **100%** of target supplier signing rate for *Conflict Minerals Agreement*

OUR ACTIONS



Build the responsible supply chain



Contribute to social welfare



Advance with the industry

RESPONDED TO 2030 SDGs



5.1

BUILD THE RESPONSIBLE SUPPLY CHAIN

The Company promotes and builds the responsible supply chain with resilience, and promotes the sustainable development of the supply chain by formulating the environmental and social performance management methods for suppliers, carrying out supplier audits and improvement plans, convening supplier conferences for communication and empowerment, and continuously carrying out the survey on responsible minerals.



5.1.1 Supplier management

The Company formulates a complete supplier management process, specifying management requirements such as resource strategy formulation, resource introduction/withdrawal, assessment and evaluation, etc. The purchasing center regularly carries out process/system optimization based on business needs and the needs of related stakeholders, and continuously improves the supplier management system.

The supplier categories of the Company are mainly high-tech and labor-intensive, supplemented by equipment manufacturing, components agenting, education, and e-commerce. Labor-intensive suppliers are gradually reducing their reliance on manual labor by upgrading the level of intelligent manufacturing automation. During the reporting period, there was no major change in the location and supply chain structure of the Company's suppliers, and there was no country transfer.

During the reporting period, the CSR commitment signing rate of newly imported suppliers was 100%.

The Company defines ten red line requirements, or ten zero tolerance issues, including:

- | | |
|--|--|
| ⊗ Prohibition of child labor; | ⊗ Guaranteeing the safety and health of workers; |
| ⊗ Prohibition of the use of prison labor or forced labor; | ⊗ Prohibition of illegal discharge of toxic and hazardous waste; |
| ⊗ Prohibition of the use of violence; | ⊗ Avoiding media crises and serious mass incidents; |
| ⊗ No less than the minimum wage required by local law; | ⊗ Preparation and response to infectious diseases; |
| ⊗ Elimination of any major fires, explosions, and major risks of the building structure; | ⊗ Prohibition of any form of corruption and dishonesty. |

Until the end of December 2023:

51.44%

Non-productive suppliers (i.e. suppliers of related spare parts, fixed resources, non-productive consumables, etc.)



48.56%

Productive suppliers (i.e. suppliers of raw and auxiliary materials required for the production of products)

• Audit rate of new supplier introduction **100%**

• Audit rate of environmental safety evaluation for newly imported suppliers **100%**

5.1.2 Supplier Audit

The Purchasing Center regularly assesses and evaluates the suppliers in the resource pool, identifies the potential CSR risks of the suppliers, and layout the resource in advance, thus ensuring the forward-looking, rational, coordinated and fully competitive nature of the resource pool. The purchasing center collaborates with the Environmental Protection and Safety, Legal Affairs Department and other relevant departments to conduct CSR risk evaluation for all qualified suppliers in the resource pool, mainly from the supplier's five dimensions of "industry type, nature of the enterprise, the region to which it belongs, information safety, and CSR key performance", and identifies control measures corresponding to each risk level while considering the current year's transaction situation.

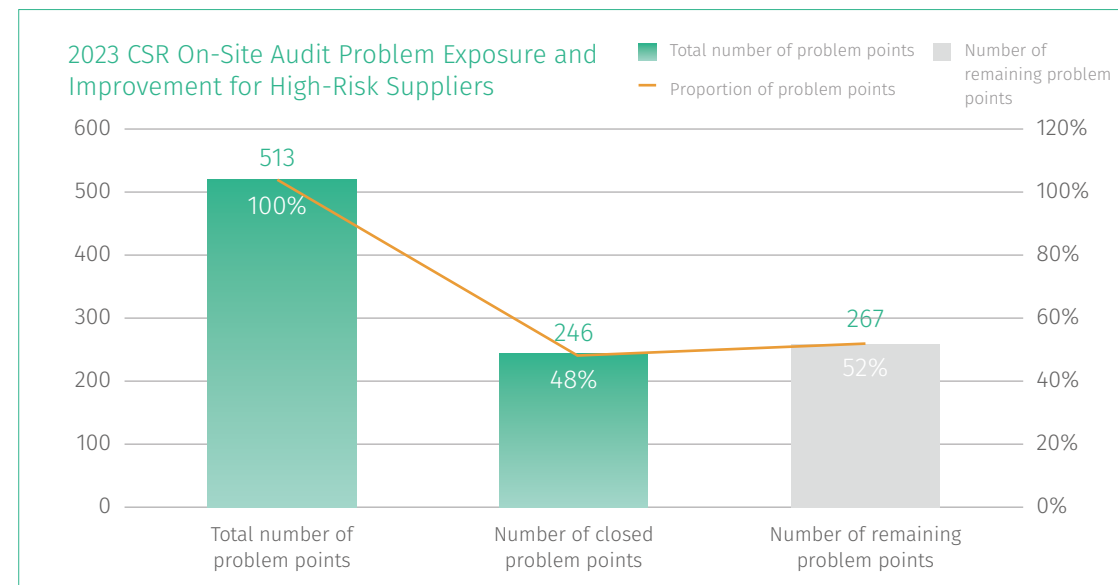
At the beginning of each quarter, the Purchasing Center coordinates the Procurement Resources, Quality, R&D, Environmental Protection and Safety and other relevant departments to conduct performance assessment of core suppliers. TIANMA has always included CSR/environmental protection abnormal events as key risk factors in quarterly supplier performance assessments to ensure that suppliers' CSR management status and performance meet TIANMA's management requirements. The critical matters may include major impact events that affect the Company's ability to obtain new projects and maintenance/incremental opportunities for existing projects, or cause in-plant line stoppages and major quality/EHS/CSR abnormalities. During the reporting period, no significant CSR events were identified from suppliers.

The Purchasing Center formulates next year's CSR on-site audit plan based on the annual CSR risk evaluation results and the resource strategy, etc., and regularly monitors and controls the implementation of CSR by suppliers. By means of an on-site audit, online evaluation and internet search, the purchasing center evaluates the CSR risks of all qualified suppliers in the resource pool in terms of labor, health and safety, environment, business ethics, and management system, and promotes the improvement of suppliers' implementation.

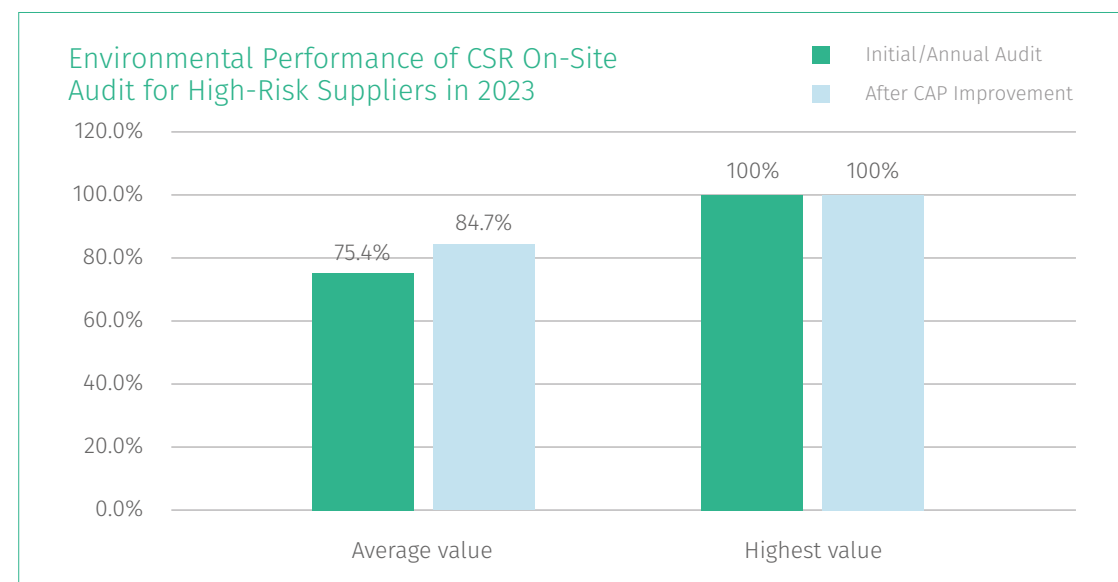


• On-site audit of 18 high-risk suppliers

During the reporting period, the Company organized third-party auditors to conduct on-site audits of 18 suppliers, issued non-conformity rectification requirements to each supplier, assisted the suppliers in formulating corrective action programs, provided remote consulting and coaching, and verified the current status of rectification. Analyzing comprehensively the initial report of the on-site audits and the review report after the discrepancy improvement CAP coaching, the data shows that: a total of 513 problems were exposed by 18 suppliers, 100% of them formulated the discrepancy improvement plan, 18 high-risk suppliers closed 246 problem points through CAP coaching, and the completion rate of the improvement was 48% by December 2023, and 72.22% of the suppliers' CSR risk level was significantly decreased.



Among them, in terms of environmental protection, no suppliers have serious negative environmental impacts, and the environmental score of each supplier's factory averaged 75.4%, with an average score of 84.7% after CAP rectification, and some suppliers were 100% compliant with TIANMA's environmental review requirements.



5.1.3 Supplier conference

Supply chain partners share some common interests with TIANMA in business development. Standing on the new historical starting point of the Company, the 40th anniversary, the Company holds a number of supplier conferences, expecting to take a new step forward together with supply chain partners.

• Supplier CSR Training

From the end of June to the beginning of July 2023, the Company held 2 supplier CSR training with a total of 209 participants. The training focused on CSR basic knowledge, RBA audit requirements, supply chain management risks and trends, supply chain management scope and practices, etc. It coaches the suppliers to reduce CSR risks and improve CSR management capabilities, and commit to jointly practicing corporate social responsibility in the areas of labor, health and safety, environment, ethics, and management systems with suppliers, promote sustainable business practices and build and share the sustainable business ecosystem.

• Supplier Hazardous Substances Free (HSF) Green Training

With the changes in environmental regulations and customer requirements, in October 2023, the Company revised the *TIANMA Environmental Substance Management Standard* and simultaneously upgraded the environmental management requirements for suppliers. In December, the Company organized a live meeting and held the 2023 TIANMA Supplier HSF Training and Advocacy Conference with the theme of "Cooperate to succeed with Green Production", aiming to train and advocate the requirements for hazardous substance management, changes in environmental regulations, interpretation of new requirements and requirements for coping with control and management of TIANMA, improving the expertise of suppliers on hazardous substance management and enhancing their ability to intercept risks of hazardous substances independently, as well as explaining the requirements of mainstream regulations in detail. A total of 303 suppliers attended this year's environmental training conference, involving as many as 491 people, 52 types of materials involved, while in order to better grasp the relevant knowledge of environmental protection of the training conference for suppliers, specially organized the special assessment after the training, using the online assessment with the QR code recognition, with a passing ratio of 96%, up to the highest in history!

• Global Partner Conference

In November 2023, the Company held the 2023 Global Partner Conference in Xiamen with the theme of "Breakthrough - Takeoff", where hundreds of supply chain partners gathered to discuss the development and the future together. A grand award ceremony was also held on the day of the conference. Based on the results of TIANMA's annual evaluation of excellence, more than 60 awards were presented to high-quality supply chain partners, such as Excellent Supplier Award, Delivery Contribution Award, Technology Breakthrough Award, Best Collaboration Award, Technology Leadership Award, Outstanding Quality Award, and Diamond Award, etc., and representatives of the award-winning guests were invited to deliver their acceptance speeches.



Global Partner Conference of TIANMA in 2023



more than
60
awards were presented to
high-quality supply chain
partners

5.1.4 Conflict minerals management

Key Performance

The survey results of 2023 conflict minerals:
100% of TIANMA's product raw materials involving conflict minerals came from Responsible Minerals Initiative (RMI) qualified smelters.

The Company has published the *Conflict Minerals Policy* on our official website, declaring to the whole society and suppliers our determination and measures of avoiding conflict minerals in products, <https://www.tianma.cn/csrzc.jhtml>.

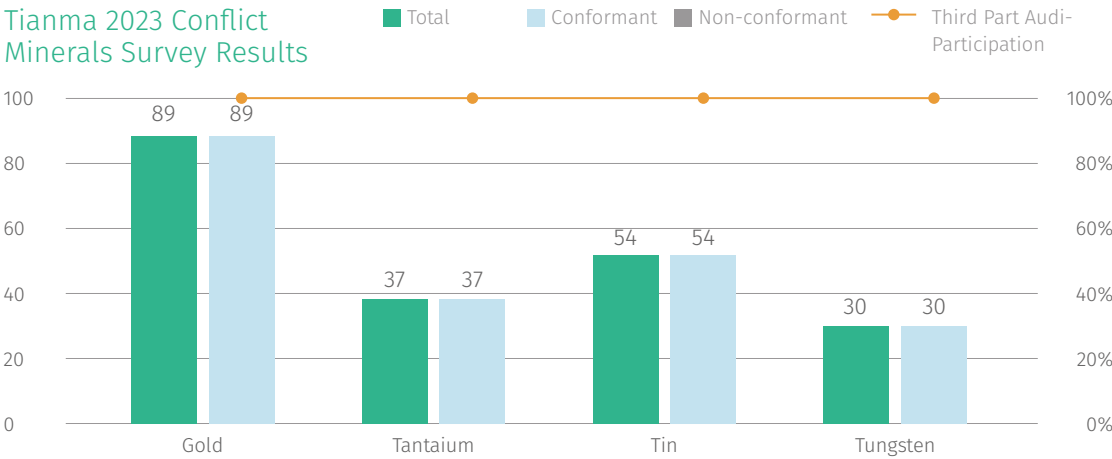
The Company complies with the requirements of the Responsible Minerals Initiative (RMI) and the *Due Diligence Guidelines for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas* of the OECD, and has signed an *Agreement for Non-Use of Conflicting Minerals* with its suppliers; set up a due diligence framework; The Company establishes the due diligence framework; issues internal control guidance documents; establishes an internal control team; develops the conflict minerals management system making the management of conflict minerals IT-enabled and efficient; provides improvement guidance for at-risk suppliers; and publishes regularly *Responsible Minerals Survey Reports* to ensure that all supply chain materials do not contain minerals from conflict areas. The proportion of gold, tantalum, tungsten and tin contained in materials and components purchased by the Company from conflict-free areas was 100% from 2021 to 2023.

The Company conducts supply chain conflict minerals surveys annually using the Conflict Minerals Reporting Template (RMI-CMRT) and Extended Minerals Reporting Template (RMI-EMRT) questionnaires and publicly releases an annual survey report, as detailed in *the Responsible Mineral Purchasing Report in 2023*. <https://www.tianma.cn/202331/39780.jhtml>



In 2023, the Company conducted the survey of 255 suppliers (suppliers whose products may contain gold, tantalum, tungsten and tin), which showed that the above minerals in the Company's supply chain input materials were sourced from 210 RMI-qualified smelters, and that the tier one suppliers surveyed by the Company accounted for 61 % of the total by purchase amount, covering 100 % of the tier one suppliers with deliveries containing gold, tantalum, tungsten and tin. Among them, the products supplied by 100 % of the surveyed tier one suppliers could be traced back to their 3TG mineral source origin.

Tianma 2023 Conflict Minerals Survey Results



5.2

ADVANCE WITH THE INDUSTRY

The Company attaches importance to our role in the development of the industry, actively participates in relevant industry associations, participate in the development of industry-related standards, shares the results with peers, and works together with the upstream and downstream industry chain to promote the development of the industry.

Industry Associations Participated in by Companies

Associations Joined	Membership
CODA of China Optics and Optoelectronic Manufacturers Association	Executive Vice President
China OLED Industry Alliance	Co-Chairman
China Electronic Chemical Materials Industry Alliance	Executive Director
China Association for Public Companies	Member Organization
China Association of Automobile Manufacturers	Member Organization
China Association for Automobile Companies	Member Organization
China Association of Automobile Manufacturers-Vehicle Instrumentation Committee	Council Member
China Display Industry Metrology and Measurement Alliance	Vice Chairman Organization
National Technical Committee 547 on Electronic Displays of Standardization Administration of China	Vice Chairman
National Technical Committee 203 on Semiconductor Equipment and Materials of Standardization Administration of China	Member Organization
Telematics Industry Application Alliance (TIAA)	Ordinary Member
MicroLED Ecological Alliance	President
Federation of Shenzhen Industries	Vice President
Shenzhen Flat Panel Display Industry Association	President
Shenzhen Hi-Tech Industry Association	Ordinary Member
Shenzhen Public Companies Association	Member

Shenzhen Advanced Manufacturing Federation	Vice President
Shanghai Optoelectronics Trade Association	Vice President
Shenzhen Quality City Promotion Association	Member
Pudong Optoelectronics Industry Association	Vice President
Xiamen Electronic Information Industry Chamber of Commerce	Vice President
Xiamen Intellectual Property Association	Vice President
Shanghai OLED Industry Alliance	Vice Chairman
Shanghai Intelligent Manufacturing Industry Association	Ordinary Member
Xiamen Investment Association of China’ s Central Enterprises	Member
Industry Federation Xiamen Torch Development Zone for High-tech Industries	President
Xiamen High-tech Development Association	Ordinary Member
Intellectual Property Alliance of Optoelectronic Display Industry in Xiamen City, Fujian Province	Council
Xiang'an District School-enterprise Cooperation Alliance	Council
Hubei Semiconductor Industry Association	Council
Chengdu New Display Industry Association	Vice President
Chengdu Electronic Information Industry Alliance	Ordinary Member
Shenzhen Patent Association	Council Organization
SID Program Committee	Member
SID Japan Chapter Advisory Committee	Member
IDW (International Display Workshops)	Member
AM-FPD (Workshop on Active-Matrix Flat Panel Displays and Devices) Program Committee	Member
Education, Culture, Sports, Science and Technology is engaged in the field of science and technology	Ministry
The third generation of the Institute of Science and Technology, the next generation of the Institute of Science and Technology, and the members of the Research Committee	Member
Self-motivated members of the Royal Society	Member
The Virtual Reality Society of Japan	Member

• Elected as the President of the 6th Council of Shenzhen Flat Panel Display Industry Association

On the afternoon of February 18, 2023, the 2022 Annual General Meeting of the Shenzhen Flat Panel Display Industry Association (SDIA) was successfully held in Shenzhen Hivac Technology Building. The General Meeting elected 80 director units by all members by secret ballot, and Peng Xuhui, chairman of the board of TIANMA MICROELECTRONICS CO., LTD. was elected as the President of the Sixth Council of Shenzhen Flat Panel Display Industry Association (SDIA).

• Two Micro-LED In-vehicle Display Standards Led by TIANMA Are Officially Released

In order to achieve resource sharing and synergy in the industry, during the reporting period, two group standards, *Technical Specification for Optical Performance of Micro-LED Display - In-Vehicle Conventions* and *Technical Specification for Optical Performance of Micro-LED Display - In-Vehicle Transparency*, which were formulated by the Crystal Mini/Micro LED Association (CMMA) and led by TIANMA, were officially released to further improve the technical development of the industry and promote the development of the industry.



Two Micro-LED in-vehicle display standards led by TIANMA are officially released

• The 8th TIANMA Professional Display Roadshow 2023 was grandly held

On December 18, the “Excellent in Achievement of Small Leaps in Visions Vastness in Large - TIANMA Professional Display Roadshow 2023” was held in Wuhan. TIANMA shared the development of the TIANMA Professional Display with more than 200 guests from the government, partners and media, Participants discussed the future trends of the professional display market.



Conducted the TIANMA Professional Display Roadshow

• 2023 China Information Technology Expo (CITE)



Gold Award of China Information Technology Expo (TIANMA 5.04" High PPI Ultra-Narrow Bezel Micro-LED Splicing Display)



Innovation Award of China Information Technology Expo (TIANMA 6.67" LCD CUP (Camera Under Screen) Display)

5.3 CONTRIBUTE TO SOCIAL WELFARE

Key performance



5.3.1 Education support program

The Company is concerned about the development of education. During the reporting period, the Company actively carried out activities such as book donations, organized training activities on safety knowledge, financial donations, establishing a fund to help students, and creating a school-enterprise co-construction, thereby promoting the common prosperity of local education and enterprises.

• Book Donation Activity in the Golden Autumn

In September 2023, Xiamen Tianma visited 12 primary schools that have established school-enterprise cooperation with the Company, donating 11,982 books and 1,089 pieces of gifts for teachers. The donated books covered various fields such as literature, popular science, history, etc., which aimed to help students expand their knowledge and cultivate their independent thinking and innovation abilities. At the same time, the Company also prepared a variety of gifts for teachers to send them holiday greetings and deliver the most sincere thanks.



On-Site Book Donation in the Golden Autumn



* Public welfare input includes public welfare education, community construction and other input

• Supporting Rural Education

In order to contribute to the construction of a strong education country in the new era, the Company has been actively involved in rural education, and has long been carrying out public welfare education projects in twelve towns of five counties in two provinces for a long time. In 2023, the Company sent more than 6,500 pieces of school supplies and educational materials to students of several schools in Baoshan City, Yunnan Province, including Xincheng Primary School, Jici Complete Primary School, Zhendong Primary School, Laomai Township Central Primary School, Qinghe Village Lianyi Primary School, and Bawan Primary School, through the financial donation and establishment of a scholarship fund, to promote the development of rural education.



Public Education Fund

• Building School-Enterprise Cooperation Base

In order to effectively solve the problem of employment difficulties for fresh graduates, the Company has signed agreements on school-enterprise cooperation in talent cultivation and college students' employment practice bases with Hefei University of Technology, Changchun University of Science and Technology, Fuzhou University and other colleges and universities through integrating educational resources of schools and enterprises and building a mechanism of cooperation and sharing to establish a talent workstation and a platform for communication of talents.



The Visit to Hefei University of Technology

• Organizing Safety Knowledge Training Activities

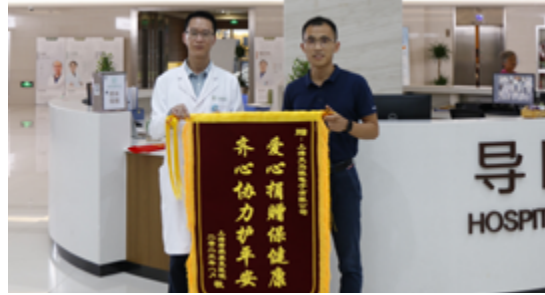
In order to help improve children's innovative thinking, the Wuhan Tianma Youth League Committee conducted a "Technology to Build Dreams" - safety knowledge training activity for 18 children with difficulty in Zhizao Park. The Company effectively improved the hands-on ability of the children by explaining to them the TIANMA visiting route, summer safety knowledge, and practical fire extinguisher courses.



Safety Knowledge Training

5.3.2 Community welfare activities

The Company actively participates in local community construction and helps local community development by organizing a series of public welfare initiatives such as community donations, voluntary community services, tree planting and surrounding environment management.



Shanghai Tianma donated alcohol, disinfectant and medical caps to Shanghai Junai Rehabilitation Hospital.



Wuhan Tianma purchased agricultural and sideline products from Enshi City and distributed them to employees to help revitalize agriculture



Xiamen Tianma volunteered to make contributions to the community by explaining the national emblem and flag to kindergarten children and teaching them how to paint and draw up stickers.



Shanghai Avic Optoelectronics Co., Ltd organized volunteer activities to maintain traffic order.



Shanghai Avic Optoelectronics Co., Ltd carried out voluntary haircutting activities in the community, conveying the warmth and care of volunteers.



Tianma Japan, Ltd. carries out cleaning activities in the community where the factory is located, guarding the cleanliness and beauty around.



• Planting Trees and Protecting Green Homeland

In order to build a beautiful homeland where man and nature live in harmony, and to put into practice the concept that "Lucid waters and lush mountains are invaluable assets.", all regions actively organized their employees to carry out the theme day activity of "voluntary tree planting", and planted the "Forest of Hope", which formed a new trend of respecting nature and caring for the environment within the enterprise, and promoted the harmony between human beings and nature with practical actions.



Tree Planting Volunteer Activities

• Fifteen-Minute House: Small Space, Big Warm

In November 2023, on the basis of cooperation with the street, Chengdu Tianma upgraded the service scope of the social groups in the dormitory area of the "fifteen-minute house", expanding from the original peripheral sanitation workers to grassroots workers without a fixed place, such as sanitation workers, takeaway riders, Didi drivers, couriers etc., to provide services such as hot water supply, hot meals, rest and emergency OTC medicines, etc., and to provide more care and support for the hard-working grassroots workers and add a sense of "hustle and bustle" to the community.



Chengdu Tianma "Fifteen-Minute House".

• Organizing Nanshan Library Volunteer Service Activities

During the May Day, the Company organized and planned the "I do practical things for the public" - Nanshan Library Volunteer Service Activity with the theme of "Learning the spirit of the 20th National Congress of the Communist Party of China, Volunteer Service First". By assisting the library employees in arranging books and magazines, registering new books, classifying and sorting books, putting them on the shelves, sort out shelves, and assisting readers to find books, the Company provided readers with voluntary services to search for books.

• Peripheral Environment Improvement

In order to do the practical and good job for Yonghong Village, Heqing Town, where Shanghai Tianma is located, Shanghai Tianma implemented the Shanghai Tianma Peripheral Environment Improvement Project at the end of 2022-early 2023 to renovate the idle scattered vegetable gardens covering an area of approximately 4,860 square meters, and built standardized facility farmland with a total area of approximately 4,860 square meters, and supported the construction of fences, drainage and irrigation canals, etc., movable houses (for resting and placing of farm implements) etc.



Before renovation of the unused scattered vegetable gardens in Yonghong Village, Heqing Town



After renovation of the unused scattered vegetable gardens in Yonghong Village, Heqing Town

KEY PERFORMANCE

Financial Performance		
Indicator	Unit	2023
Revenues	Ten thousand yuan	3,227,130.59
Net profit attributable to shareholders of listed companies	Ten thousand yuan	-209,758.84
Operating cost	Ten thousand yuan	3,008,466.22
Employee compensation and benefits	Ten thousand yuan	410,695.55
Payment to investors	Ten thousand yuan	114,212.19
Taxes paid to the government	Ten thousand yuan	50,354.20
Paid employment guarantee to the disabled	Ten thousand yuan	460.84
Retained economic value (surplus reserve + undistributed profit)	Ten thousand yuan	-62,336.58
R&D investment	Ten thousand yuan	334,499.78
The proportion of R&D investment in operating revenue	%	10.37%

Governance performance		
Indicator	Unit	2023
Total number of anti-corruption and commercial bribery training for directors/executives	Times	3
Percentage of anti-corruption policies and procedures communicated to members of executive	%	100%
Percentage of anti-corruption policies and procedures communicated to employees (defined as employees other than executives)	%	100%
Percentage of members of executive who have received anti-corruption training	%	100%
Percentage of employees (defined as employees other than executives) who have received anti-corruption training	%	100%

Male directors	%	75%
Female directors	%	25%
Directors aged 30-50	%	75%
Directors over 50 years old	%	25%
Minority directors	%	8.33%
Independent directors	%	33.33%

Environmental performance		
Indicator	Unit	
Amount of waste generated	Ton	65,867.56
Disposal amount of general industrial solid waste	Ton	46,802.19
Density of general industrial solid waste	T/m²	0.0119
Disposal amount of hazardous waste	Ton	19,065.37
Waste transferred from disposal (recycled)	Ton	45,072.98
Waste entering disposal (non-recyclable)	Ton	20,794.58
Nitrogen oxide (NOx)	Kg	28,961
Particulate emissions (PM)	Kg	333
Sulphur oxides (SOx)	Kg	21,576
Total petrol consumption	Ton	10.52
Total diesel consumption	Ton	310.84
Fossil energy consumption	Tce	6,961.55
The proportion of non-fossil energy consumption and non-fossil energy use	%	97.16%
Energy consumption within the organization (Scope 1, 2)	MWh	1,952,610
Energy intensity ratio	MWh/m²	0.3530
Total water consumption	10 kt	100.57
Based on water consumption, municipal water consumption, office water consumption, production water consumption	%	Production water: 94.32% Domestic water: 5.68%
Fresh water consumption	10 kt	2,328.03
Total recycled water consumption	10 kt	48,545.54
Percentage of total recycled water consumption	%	95.67

Based on water source division, the water withdrawals from third-party sources	Ton	2,328.03
Intensity of water consumption	Ton/m ²	3.97
Quality of water withdrawals:Of which, the quantity of water withdrawn from water stress areas	%	0
Total quantity of wastewater discharged	Ton	20,951,981
Percentage of wastewater discharge treated by municipal wastewater treatment plants	%	100%

Note: Square meters, annual product material feeding area or annual product slice feeding area.

The 2022 greenhouse gas verification data of the Company is set out below:

Indicator	Unit	2022
Total greenhouse gas emissions	Tons of carbon dioxide equivalent (tons of CO ₂ e)	1,368,813.11
Of which, total direct greenhouse gas emissions (Scope I)	Tons of carbon dioxide equivalent (tons of CO ₂ e)	263,187.27
Total indirect greenhouse gas emissions (Scope II)	Tons of carbon dioxide equivalent (tons of CO ₂ e)	1,098,415.43
Total upstream and downstream greenhouse gas emissions (Scope III)	Tons of carbon dioxide equivalent (tons of CO ₂ e)	7,210.41

Note: 1. The total amount of wastewater discharge water includes COD and ammonia nitrogen. Among them, the total amount of COD discharged was 1015.34 tons; the total amount of ammonia nitrogen discharged was 97.55 tons.

2. The Company invites third-party organizations to conduct greenhouse gas verification on a regular basis. Greenhouse gas verification data in 2023 is expected to be completed in June 2024.

Social performance		
Indicator	Unit	2023
Percentage of anti-corruption policies and procedures communicated to new suppliers	%	100%
Number of supplier ESG/CSR training conducted annually	Training	2
Number of suppliers participating in ESG/CSR training	Person/time	209
The proportion of new suppliers receiving introduction reviews	%	100%






Percentage of new suppliers undergoing environmental safety evaluations	%	100%
Number of suppliers reviewed and determined to have actual and potential major negative environmental impacts	Supplier	0
The proportion of new suppliers screened using social criteria such as "no child labor".	%	100%
Number of suppliers reviewed and determined to have actual and potential major negative social impacts	Supplier	0
The proportion of raw materials for products involving conflict minerals from RMI-qualified smelters	%	100%
Total number of employees	Person	24,376
Percentage of child laborers	%	0%
Number of male employees	Person	16,750
Number of female employees	Person	7,626
Percentage of minority employees	%	7.31%
Hierarchical division, number of employees at management level	Person	1,003
Number of employees at executive level	Person	23,373
Age division, number and percentage of employees ≤ 30 years old	Person	14,380
Number and percentage of employees 30<X<50 years old	Person	9,813
Number and percentage of employees ≥ 50 years old	Person	183
Number of employees with doctoral degree or above	Person	54
Number of employees with master's degree	Person	1,679
Number of employees with bachelor degree	Person	7,689
Number of employees with other degrees	Person	14,954
Administrative employee	Person	2,673
Technical (R&D) employee	Person	6,259
Technical (non-R&D) employee	Person	928
Production employee	Person	13,749
Sales employee	Person	604
Finance employee	Person	163
Average starting salary level wages of employees by gender, proportion of basic salaries of male and female for front-line employees	/	1.0

Basic salary proportion of male and female for non-front-line employees	/	1.0
Reward proportion of male and female for front-line employees	/	1.0
Reward proportion of male and female for non-front-line employees	/	1.0
Total hours of employees training on human rights policies or procedures	H	2,396.09
Percentage of employees receiving training on human rights policies or procedures among all employees	%	100%
Total hours of training for all employees (Source: “TIANMA E-learning” online training)	H	107,970.2
Coverage of employees in annual training (Source: "TIANMA E-learning" online training)	%	99.72%
Coverage of male employees (Source: “TIANMA E-learning” online training)	%	99.63%
Coverage of female employees (Source: “TIANMA E-learning” online training)	%	99.88%
Coverage of employees at management level (Source: "TIANMA E-learning" online training)	%	100%
Coverage of ordinary employees (Source: “TIANMA E-learning” online training)	%	99.70%
Percentage of employees receiving regular performance and career development appraisals	%	100%
Percentage of male employees receiving regular performance and career development appraisals	%	100%
Percentage of female employees receiving regular performance and career development appraisals	%	100%
Percentage of employees above deputy manager receiving regular performance and career development appraisals (including deputy managers)	%	100%
Percentage of employees above deputy manager receiving regular performance and career development appraisals (excluding deputy managers)	%	100%

Had been granted a total of	Pcs	13,901
Had filed a total of	Pcs	20,319
Had been granted an annual total of	Pcs	1,435
Had filed an annual total of	Pcs	1,701
Total public welfare input	Ten thousand yuan	227.5693
Rural revitalization input	Ten thousand yuan	67.2200
Hours of volunteer service by employee volunteers	H	11,032.5
Number of volunteers participating in activities	Person/time	2,622



INDICATOR INDEX

Primary title	Secondary title	GRI Standards		SDGs
About Report		GRI1		
Chairman's Statement		GRI2		
Introduction to TIANMA		GRI2	GR201	
Sustainable Development Organization and Management		GRI1	GRI3	
I. Practitioner of Sound Governance	Improve corporate governance	GRI2	GRI207	 
	Enhance risk prevention and control	/		
	Optimize compliance management	GRI205		
	Adhere to business ethics	GRI205		
II. Guardian of the Green Ecology	Respond actively to climate change	GRI201 GRI305	GRI302	  
	Focus on water resource management	GRI303		
	Improve waste management	GRI306		
	Promote environmental awareness among all employees	/		

Primary title	Secondary title	GRI Standards			SDGs
III. Cultivator of Excellent Quality	Enhance R&D strength	/			 
	Build information security	GRI417	GRI418		
	Promote intelligent manufacturing	/			
	Consolidate product quality	GRI416			
	Protect the rights and interests of customers	GRI417	GRI418		
V. People-Oriented Dream Builder	Pay attention to employee rights and interests	GRI2 GRI405 GRI406	GRI407 GRI408 GRI409	GRI410	    
	Focus on employee welfare	GRI401	GRI410		
	Achieve employee development	GRI402	GRI404		
	Value employee health	GRI403			
V. Pursuer of Shared Prosperity	Build the responsible supply chain	GRI308	GRI414		    
	Advance with the industry	GRI2			
	Contribute to social welfare	GRI203	GRI413		

FEEDBACKS

Thank you for reading *Tianma Microelectronics Sustainability 2023 (ESG Report)*. In order to provide you and other stakeholders with more professional and valuable corporate ESG information, please assist us in completing the relevant questions in the Feedback Form, which will help us to further enhance ESG and sustainability management in the future.

Please rate the following questions on a scale of 1 to 5 (1 being the lowest and 5 being the highest)

1. Your overall evaluation of the report

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

2. Do you think the report can reflect the major impact of TIANMA Microelectronics on the economy?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

3. Do you think the report can reflect the major impact of TIANMA Microelectronics on the environment?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

4. Do you think the report can reflect the major impact of TIANMA Microelectronics on society?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

5. Do you think the report can reflect the corporate governance of TIANMA Microelectronics?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

6. Your overall evaluation of the degree of information disclosure in the report:

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

7. Your overall evaluation of quality of the text presentation in the report:

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

8. Your overall evaluation of the design style of the report:

☐ 1

☐ 2

☐ 3

☐ 4










☐ 5

9.What topics in the report have attracted your attention the most?

10. Do you have any other comments or suggestions on the report?

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You can call us, email us or send us feedback by contacting us as follows:

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