

Transssion

Shenzhen Transssion Holdings Co., Ltd.

2022

**Environmental, Social
and Governance Report**



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About This Report

This report is the 2022 Environmental, Social and Governance (hereinafter referred to as "ESG") Report (hereinafter referred to as "ESG Report" or "the Report"), released by Shenzhen Transsion Holdings Co., Ltd. (hereinafter referred to as "Transsion Holdings", "Transsion", "we" or "the company"). It mainly discloses Transsion Holdings' ESG ideas, important progress, and performance in 2022.

Basis of Preparation

This Report is prepared mainly according to the GRI Sustainable Development Report Standards (GRI Standards) issued by the Global Reporting Initiative (hereinafter referred to as "GRI") and the relevant regulations, guidelines and other requirements in China.

Scope of This Report

Unless otherwise specified, this Report covers the period from January 1, 2022 to December 31, 2022 ("this year", the "Reporting Period") and covers Transsion Holdings and its subsidiaries and branches.

Unless otherwise specified, the amounts involved in this Report are denominated in RMB.

Data Source

All the data used in this Report is from the company's official documents, relevant reports and statistical reports.

Availability of This Report

This Report is prepared in Chinese and English. If there is any difference between the versions, the Chinese version shall prevail.

The electronic version of the Report is available and downloaded from the website of SSE (www.sse.com.cn) and the company's website (www.transsion.com).

Feedback

Should you have any questions or feedback on this Report and contents hereof, please contact us by:

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About Transsion

Company Profile

Transsion Holdings is committed to becoming the most popular provider of smart devices and mobile services for consumers in global emerging markets. The company is best known for its high-quality multi-brand smart devices. Mobile phones are its core products, while it also offers mobile Internet services based on a self-developed operating system and traffic entrance. Transsion's brand portfolio comprises leading mobile phone brands in emerging markets, including TECNO, itel and Infinix, as well as oraimo for smart accessories, Synix for home appliances and Carlcare for after-sales services. The company's products have entered more than 70 countries and regions around the world.

Transsion Holdings was listed on the SSE Star Market in 2019 and has been included in the MSCI China A Index, MSCI China A Onshore Index, MSCI China All Shares Index, CSI STAR Entrepreneurship 50 Index, SSE STAR 50 Index, etc. In recent years, Transsion Holdings won various honors including "China Top 500 Enterprises", "China Top 500 Private Enterprises", "China Top 100 Leading Enterprises in strategic emerging Industries", "China Top 500 Private Manufacturing Enterprises", "Fortune China 500", "China Manufacturing Champion Demonstration Enterprise", "50 Smartest Companies" by MIT Technology Review.



Value system

- 💡 **Philosophy** Together we can
- 🌐 **Vision** To become the most popular provider of smart devices and mobile services for consumers in global emerging markets
- 🎯 **Mission** To improve the lives of as many people as possible through technology and innovation
- 💎 **Core Values**

Customers are both the starting point and the end point for all work of Transsioners.	Respect defines how we treat each other and our differences.
Openness staying open connects us to the future and its possibilities.	Innovation is essential to achieving breakthroughs on different levels, both personal and organizational.
Sharing invites every "I" to become "We".	Bottom line we always show compassion, even if it puts us at a disadvantage.



George Zhu

Chairman of the Company

Message from Chairman

In 2022, Transsion Holdings upheld the philosophy of "Together we can", adhered to highly valuing corporate governance, continuously improved the company's compliance risk control system, continuously optimized and upgraded strategic concepts, and integrated sustainable development strategies into daily business management activities to achieve common growth of the company, customers, employees, shareholders and other stakeholders, maintained a healthy and sustainable development trend, and fulfilled Transsion Holdings' responsibility to the environment and society.

Using technological innovation to help consumers practice low-carbon living

In implementing the ESG concept, Transsion continuously optimized product functions, upgraded product matrices, and always adhered to the concept of sustainable development, incorporating low-carbon energy conservation and emission reduction, cost reduction and efficiency enhancement, and climate change response into company operations, products, and services. We continued to fulfill our mission of "To improve the lives of as many people as possible through technology and innovation" and provided better products and experiences for consumers in global emerging markets through innovation in technology, products, and operating models.

In response to the demands and characteristics of consumers in global emerging markets, the company continued to increase investment in the technology race track of dark-skinned portrait photography, multi-language AI voice assistants, chip customization, folding, AIoT interconnection, and fast charging, creating localized innovative product values and enhancing product competitiveness. At the same time, the company developed passive innovative materials and low-carbon environmentally friendly new materials, incorporating the concept of low-carbon into product design. The company adhered to creating products with warmth and used technology and innovation to create a better life.



As of December 31, 2022,
Transsion employed

16,232 people worldwide

Continuous protection of employee rights and interests, support for employee development, and transmission of employee care

Transsion highly values the health and safety of employees, and is committed to providing employees with a healthy, safe, and comfortable working environment. We strictly implement safety checks on office areas, regularly promote knowledge of fire safety, first aid, and other aspects to employees; pay attention to the physical and mental health of employees at all times, provide employees with annual physical examinations, supplementary medical insurance, and organize cultural and entertainment activities to care for the physical and mental health of employees. In addition, Transsion values talent cultivation and pays attention to talent development. It provides professional training for all employees through Transsion College and continuously expands the professional skills of various teams. In addition to providing competitive salaries to employees, Transsion has established a short, medium, and long-term incentive system, continuously improving employee satisfaction.

Actively participate in public welfare and adhere to corporate responsibility

In 2022, Transsion participated in and supported the United Nations High Commissioner for Refugees (UNHCR) Refugee Higher Education Scholarship Program, providing higher education and employment opportunities for African refugee youth, helping them unleash their potential, and then returning to African society for a brighter future.

"Gathering Transsion's strength to help rural revitalization" in 2022, Transsion continued to promote the "rural revitalization" special plan, took practical actions to help rural revitalization, participated in social welfare, and insisted on giving back to society.

Continuously promote low-carbon development of enterprises

Transsion actively undertakes corporate environmental responsibilities, continuously promotes low-carbon development of enterprises, and helps achieve the national "dual carbon" goals. In the production and manufacturing process, Transsion carries out energy conservation and emission reduction work from management optimization, technological improvement, and other aspects, improves resource utilization efficiency, and continuously strengthens the company's green low-carbon operation.

As an enterprise with a high sense of social responsibility, Transsion always practices the concept of green development, advocates green operation, promotes the application of green technology, and is committed to becoming an environment and resource-friendly provider of intelligent terminal products and mobile Internet services.

Looking forward to the future, Transsion will uphold the corporate mission of "To improve the lives of as many people as possible through technology and innovation", with a long-term perspective, the ability to seize the moment, the driving force of technological leadership, and the vitality to embrace change, step by step, solidly fulfill social responsibilities, and promote sustainable development of the enterprise.

2022 ESG Performance

Responsibilities for 2022

Economic indicators

Indicator	Unit	Data
Operating revenue	RMB million	46,595.90
Net profit attributable to shareholders of the listed company	RMB million	2,483.80
Net cash flow from operating activities	RMB million	1,979.38
Taxes paid	RMB million	1,429.82
Cash dividend	RMB million	1,447.11

Social indicators

Indicator	Unit	Data
Total number of employees	Person	16,232
Total training attendance	Person-time	41,366
Total investment in employee training	RMB million	14.75
Total investment in occupational health and safety measures	RMB million	18.27

Environmental indicators

Indicator	Unit	Data
Total greenhouse gas (GHG) emissions (including Scope 1 and Scope 2)	tCO ₂ e	12,312.9
GHG emission intensity	tCO ₂ e/RMB billion revenue	264.2
Total water consumption	ton	107,583.0
Overall energy consumption	tce	2,660.7
Overall energy consumption intensity	tce/RMB billion revenue	57.1

Honors for 2022

<p>China Top 500 Enterprises</p> <p>China Enterprise Confederation and China Entrepreneurs Association</p>	<p>China Top 500 Manufacturing Enterprises</p> <p>China Enterprise Confederation and China Entrepreneurs Association</p>
<p>China Top 100 Innovative Large Enterprises</p> <p>China Enterprise Confederation and China Entrepreneurs Association</p>	<p>China Top 100 Leading Enterprises in Strategic Emerging Industries</p> <p>China Enterprise Confederation and China Entrepreneurs Association</p>
<p>China Top 500 Private Enterprises</p> <p>All-China Federation of Industry and Commerce</p>	<p>China Top 500 Private Manufacturing Enterprises</p> <p>All-China Federation of Industry and Commerce</p>
<p>China Manufacturing Champion Demonstration Enterprise</p> <p>Ministry of Industry and Information Technology, China Federation of Industrial Economics</p>	<p>Fortune China 500</p> <p>Fortune China</p>
<p>Guangdong Top 500 Manufacturing Enterprises</p> <p>Guangdong Manufacturers Association, Guangdong Provincial Development and Reform Commission</p>	<p>50 Smartest Companies</p> <p>MIT Technology Review</p>
<p>Guangdong Top 500 Enterprises</p> <p>Guangdong Enterprise Federation, Guangdong Entrepreneurs Association</p>	

Responsibility Topic: Education for Africa, for Future

Education is a basic human right that is particularly precious for refugees who have experienced disasters and displacement. Education provides refugees with knowledge and skills, enabling them to have a productive, fulfilling, and independent live. Education can improve mental health and provide a stable and safe environment for those who need it most. Education also helps refugee youth build a better future for themselves, their families, and their communities. Access to higher education can help refugee youth broaden knowledge, improve skills, plan careers, and better their lives through exploration and innovation.

On June 20, 2022, Shenzhen Transsion Holdings Co., Ltd. announced it continued the cooperation with the UNHCR, with its TECNO brand, supporting the "Refugee Higher Education Scholarship Program" - the Albert Einstein German Academic Refugee Initiative (DAFI). This program is the longest-running and largest-scale refugee higher education scholarship project in the world. In 2022, Transsion donated \$272,640 to the UNHCR. This cooperation aimed to provide higher education and employment opportunities for African refugee youth, support them full potential, and ultimately contribute to educational equity with corporate power.



The pictures are from the UNHCR

Refugee student Yves

Yves, who was born in Burundi, Africa, came to Zimbabwe with his family in 1998 to escape a life of wandering and displacement. With a strong interest in science, he worked hard and successfully applied for a higher education scholarship of the UNHCR supported by Transsion. As a scholarship recipient, he has completed a bachelor's degree in fuel and energy engineering and successfully obtained an internship in the solar energy industry. In addition, in his life and studies, he noticed the living conditions of refugees in Zimbabwe and the issues related to energy and climate. He then founded a local welfare organization for sustainable development and actively participated in local construction. He also vigorously promoted sustainable development and clean energy in refugee camps and Dongdao communities, providing training for various groups. Yves uses his knowledge and achievements to advocate and implement sustainable energy projects, contributing to the sustainable development of refugee communities.



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Operation Responsibility for Lean Development

Transsion implements lean management, continues to standardize corporate governance, improves and enhances risk management and control, attaches importance to commercial moral construction, cultivates integrity culture and cement the foundation for sustainable development of the enterprise.

Response to SDGs Indicators



Response to GRI Indicators

GRI 102-15	GRI 102-20	GRI 102-31	GRI 102-42	GRI 205
GRI 102-16	GRI 102-21	GRI 102-32	GRI 102-43	GRI 206
GRI 102-17	GRI 102-22	GRI 102-33	GRI 102-44	
GRI 102-18	GRI 102-29	GRI 102-34	GRI 102-47	
GRI 102-19	GRI 102-30	GRI 102-40	GRI 103	

Honors in 2022¹

<p>The Best ESG Company on the STAR Market</p> <p>Cailian Press, STAR Market Daily</p>	<p>The Most Valuable Listed Company on the STAR Market</p> <p>Cailian Press, STAR Market Daily</p>
<p>China Top 30 Listed Companies on the STAR Market</p> <p>Securities Times (The 16th value selection of China's listed companies)</p>	<p>Most Valuable Listed Companies for Investment</p> <p>Securities Market Weekly</p>
<p>Responsibility, Enterprising, Excellence</p> <p>Sina Finance(2022 China Corporate ESG Golden Responsibility Award Selection)</p>	<p>Socially Responsible Outstanding Enterprises</p> <p>Sina Finance(2022 China Corporate ESG Golden Responsibility Award Selection)</p>

ESG governance

Transsion Holdings attaches great importance to the sustainable development of the company, and carries out the sustainable development of the company surrounding the operational responsibility, product responsibility, environmental responsibility, employee responsibility, partner responsibility and community responsibility. We fully integrate the environmental, social and corporate governance matters into our development strategy and business activities, continuously improve the ESG management structure and clarify the division of responsibilities to standardize the governance mechanism, protect rights and interests of stakeholders and practice sustainable development.

In the future, we will continue to improve the ESG management structure, optimize the ESG information sorting work flow, and carry out ESG work under the leadership of the Board of Directors; we will improve the review and decision-making on major ESG matters by the Board of Directors, such as the special review of the annual ESG report; we will improve the ESG management function and hold the Board Secretary's Office accountable for coordinating ESG related matters, such as collection of ESG related information and preparation of ESG reports; we will also improve the centralized management and practical implementation of various ESG issues of each functional department, report or give relevant proposals to the management in due time to enhance the ESG performance of the company.

The company includes major risk indicators in the corresponding performance evaluation system of its executives, and will undertake the corresponding risk responsibilities for the respective business modules.

¹ Honors of Transsion Holdings on corporate governance in 2022

Stakeholder communication and engagement

We put a high value on the two-way communication with stakeholders, understand the concerns of stakeholders via various communication channels, and constantly improve our management and practice in the communication.

Category of stakeholders	Demands and expectations	Certain communication and response methods
 Shareholders/Investors	<ul style="list-style-type: none"> Continuous and steady business growth Compliant operation Protection of shareholders' rights and interests 	<ul style="list-style-type: none"> Regularly disclose operating and financial information Comply with relevant laws and regulations General meeting of shareholders, regular and routine communication with investors
 Employees	<ul style="list-style-type: none"> Compensation and benefits Occupational health and safety Employee training and development 	<ul style="list-style-type: none"> Establish a fair and just remuneration system Strengthen occupational health and safety management Carry out diversified training, and keep employee development channels open
 Suppliers	<ul style="list-style-type: none"> Fair procurement Long-term and stable cooperation Business ethics and anti-corruption 	<ul style="list-style-type: none"> Establish fair and transparent procurement principles and processes Carry out regular communication with and training of suppliers Advocate the responsible supply chain
 Industry-university-research partners	<ul style="list-style-type: none"> Responsible products Product optimization and innovation 	<ul style="list-style-type: none"> Enhance the product responsibility consciousness Strengthen the industry-university-research project cooperation
 Distributors	<ul style="list-style-type: none"> Win-win cooperation High-quality products and services Business ethics and anti-corruption 	<ul style="list-style-type: none"> Expand cooperation and exchange channels Keep product and service feedback channels open Strictly comply with laws and regulations of each place where we operate
 Media	<ul style="list-style-type: none"> Product optimization and innovation Compliant operation 	<ul style="list-style-type: none"> Maintain communication with the media Timely disclose necessary information
 Consumers	<ul style="list-style-type: none"> Information security and privacy protection High-quality products and services 	<ul style="list-style-type: none"> Strengthen the information security and privacy protection measures Keep consumer feedback channels open
 The government and regulators	<ul style="list-style-type: none"> Compliant operation Enterprise's sustainable development 	<ul style="list-style-type: none"> Conduct integrity management and pay taxes in accordance with the law Lean management and sustainable development

Identification and analysis of material issues

Taking the GRI Standards as the basis, the company identified and screened the material ESG issues of Transsion for this year, referring to the relevant regulations, guidelines and other requirements in China, and taking into account the company's business model, the industry development and national policies. We carried out an extensive questionnaires survey targeting all stakeholders in order to enhance the pertinence and materiality of the Report, and conducted analysis on material ESG issues according to the feedback from each stakeholder. The company hopes to pointedly select key issues of high materiality through this procedure, and continuously improve its ESG management accordingly, in an effort to better meet the expectations and demands of stakeholders.

Step 1 Identification of ESG issues

Based on the company's business model, and taking into account the national policy guidelines, industry development situation and concerns of stakeholders, we have identified 13 ESG issues, namely responsible products, employee health and safety, information security and privacy protection, business ethics and anti-corruption, human resources development, corporate governance, risk management, responsible supply chain management, public welfare and charity, green products, waste management, climate change and GHG management, and energy management in three major areas of environment, society and governance.

Step 2 Investigation of stakeholders

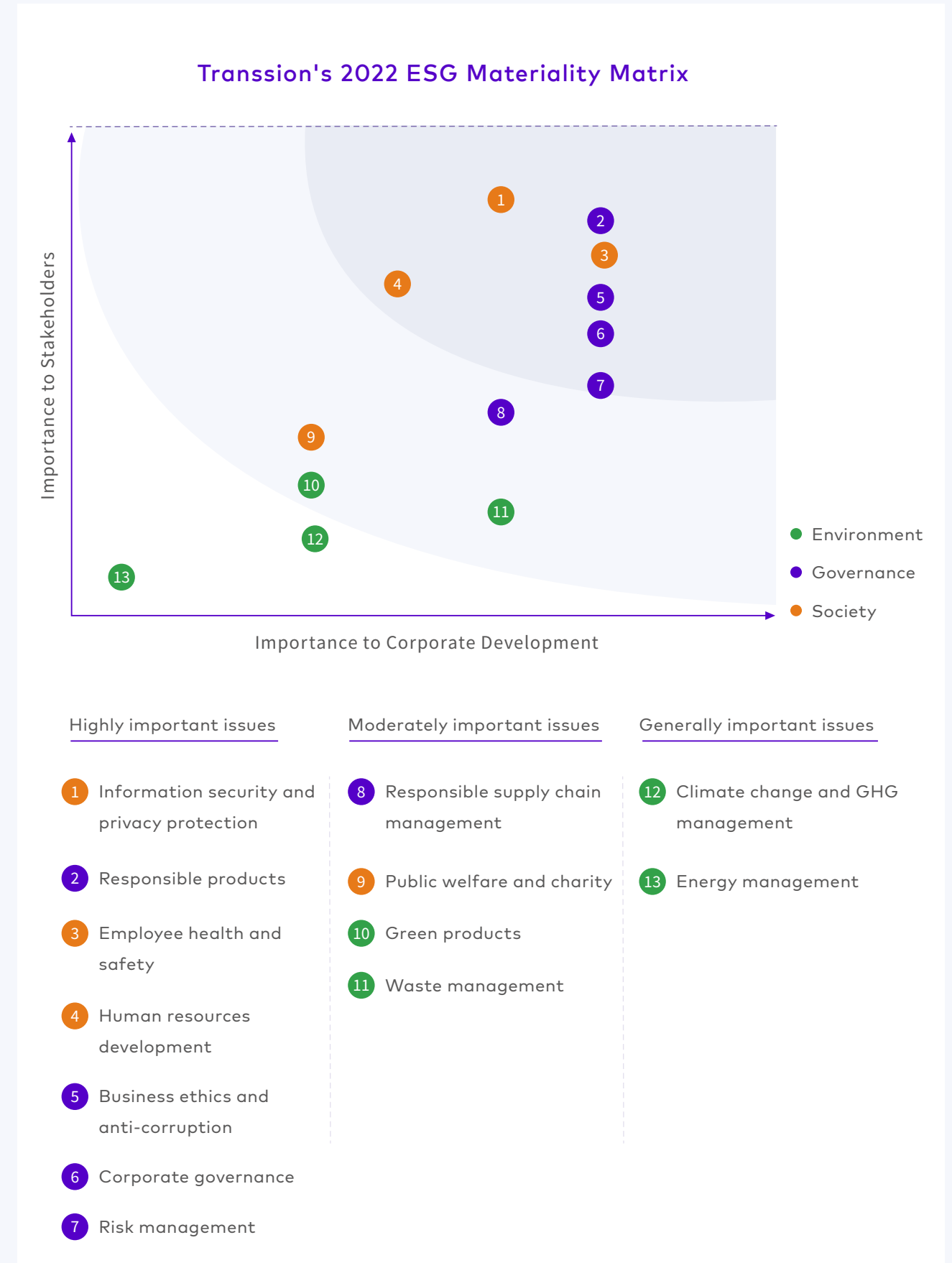
The members of the Board of Directors participated in this year's assessment on the material ESG issues of Transsion Holdings. We also collected a total of 658 answered questionnaires from investors, suppliers, government authorities, distributors, consumers, employees and other stakeholders to fully understand and collect internal and external stakeholders' assessment on the importance of the ESG issues of Transsion Holdings for the year.

Step 3 Importance analysis

Based on the materiality principle, we ranked the ESG issues from two dimensions of "importance to the company" and "importance to stakeholders" based on the results of the questionnaire survey, and drew up a matrix of material issues.

Step 4 Confirmation by the management

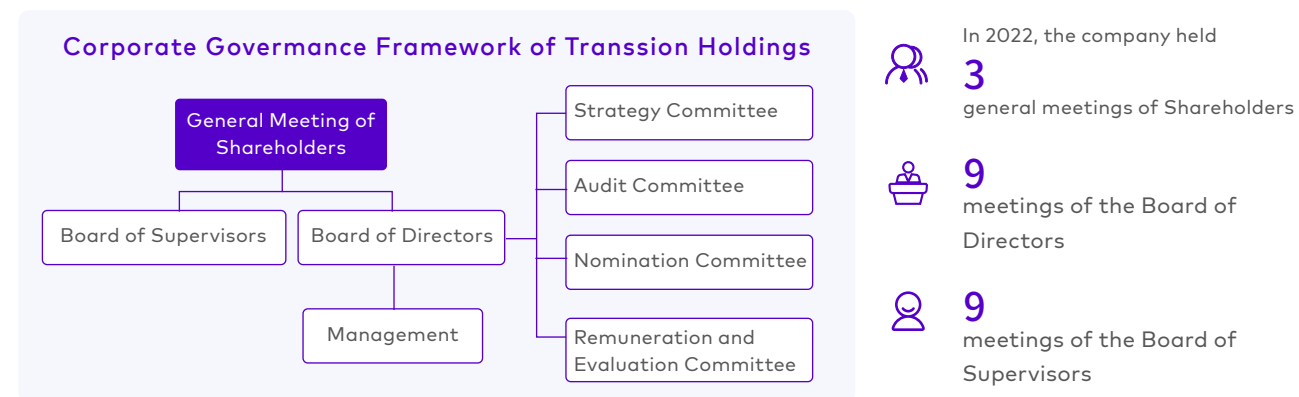
The Board of Directors and management reviewed the results of the importance analysis and confirmed the important ESG issues and the issue matrix for the year.



Regulatory governance and risk control

Focus on corporate governance

The company attaches importance to the regulation of governance, strictly follows the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Regulations on the Governance of Listed Companies*, *Rules for Listing Shares on the Shanghai Stock Exchange STAR Market* and relevant regulations of regulatory authorities such as the CSRC, and effectively implements the *Articles of Association*, *Rules of Procedure for General Meeting of Shareholders*, *Rules of Procedure of the Board of Directors* and *Rules of Procedure for the Board of Supervisors*, etc., so as to continuously improve the corporate governance of the company, perfect the internal control system, actively regulate the operation of the company, strive to reduce risks and ensure the effective operation of the corporate governance structure.



- In 2022, the company held **3** general meetings of Shareholders
- 9** meetings of the Board of Directors
- 9** meetings of the Board of Supervisors

The Board of Directors of the company has set up Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee. Each committee performs its own duties to fully ensure the rationality of internal resource allocation and the efficiency of operation decision-making. The appointment of Board members fully considers diversified factors, including but not limited to professional, experience, education background, age, gender, etc.

As of December 31, 2022, Transsion had 9 members of the Board of Directors totally, including 6 executive directors and 3 independent directors. The 9 directors have rich industry experience and professional abilities in communication, technology, finance and other fields, one of the independent directors is an expert in financial management and has a professional background in financial risk management.

Protection of the rights and interests of minority shareholders

Transsion fully respects the rights and interests of all shareholders and attaches particular importance to safeguarding the equal status enjoyed by minority shareholders. In accordance with the Articles of Association, the company publishes an announcement according to the relevant information disclosure requirements of the stock exchange before convening a general meeting to disclose the matters to be deliberated at the meeting as well as the date and venue of the meeting. The general meeting adopts a method of on-site voting and online voting in combination to ensure that all shareholders can fully exercise their rights. Meanwhile, it discloses the results of separate vote counting from minority shareholders in the announcement of resolutions of the general meeting for relevant proposals involving separate vote counting from minority shareholders, to fully reflect the opinions of minority shareholders.

Compliance information disclosure

Transsion actively fulfills its information disclosure obligations and discloses relevant information to all shareholders, investors and the public timely and completely in accordance with the principles of openness, justice and fairness, allowing investors to be fully informed of the company's finance, operation, human resources and other material matters. The company also maintains good communication with investors and the public by establishing various communication channels, and standardizes investor relations management behaviors to ensure honesty, responsibility, and respect to investors.

Strengthening risk control

Transsion strives to improve the risk control process and mechanism, and constantly lifts the risk control capability to ensure the stable operation of the company. By strengthening the coverage of legal professionals, optimizing the system and process guarantee, promoting standardized construction and management, and establishing special communication mechanisms for major issues, the company reinforces the risk control in multiple dimensions and applies the risk control process to all aspects of its management and operation. The company has established a risk control committee at the corporate level, which will comprehensively identify and evaluate risks in all aspects of the company's operations in a specialized form, and improve and rectify them based on the identification and evaluation results.

In 2022, Transsion adopted its major risk prevention and control mechanism in a multidimensional way, and no major risk event occurred throughout the year.

Strengthening the coverage of personnel	According to the principle of comprehensive business coverage, for all kinds of business, there were legal personnel of the company responsible for business connection and embedding, sorting out risks in various businesses such as employment risk, outsourced factory risk and property insurance risk, and providing special solutions.
Optimizing the system and process management	The Legal Department of the company issued and implemented the online approval process of contract signing and verification and the recovery and management mechanism of contract files to ensure that the signing of all kinds of contracts is subject to necessary business approval and approval of professional legal department and other relevant departments, thereby preventing risks and standardizing the operation process.
Implementing Standardized management	The company's legal department formulates and iterates various standard contract texts and demonstration texts, and gradually establishes various risk libraries. At the same time, it actively improves the training and publicity of business-related legal knowledge, and through standardized measures, improves business efficiency and enhances the compliance awareness and risk identification capabilities of all employees, thereby reducing legal risks.
Establishing special communication mechanisms for major issues	Regarding various major issues and risk issues, special communication and handling mechanisms were established, and relevant departments were coordinated to follow up on and deal with the key issues, and form a closed loop to avoid potential risks.

Transsion Holdings's Risk Management Process



Improving the compliance system

Transsion lays stress on law-based corporate governance, and steadily promotes corporate compliance management by continuously improving the company's compliance management system and making comprehensive arrangements for the building of a law-based culture. Transsion constantly establishes and improves the company's compliance management system and perfect relevant system in terms of fair competition, labor security, intellectual property protection, consumer protection, incorruptible management, contract and business compliance management and case compliance management and other fields to ensure the legality and standardization of its commercial activities.

In accordance with compliance requirements, the company issued the *Contract Management Measures*, *Lawsuit Management Measures*, *Case Disclosure and Reporting Management Process* and other rules and regulations, and constantly updated and improved the relevant compliance system and institutional process based on compliance requirements and business development.

The company focused on standardized management in the areas of export control, data privacy and information security, as well as anti-monopoly, anti-money laundering and other fields, and gradually improves the company's compliance governance mechanisms and systems through special forms, effectively preventing compliance risks. In terms of data privacy, the company has established a data privacy committee, issued relevant supporting regulations, and promoted comprehensive implementation throughout the company. In terms of export control, the company has successively formulated relevant regulations on export control, improved the compliance assessment process, and focused on promoting various training on compliance awareness.

Emphasizing compliance training and publicity

In order to strengthen employees' compliance awareness, the company carried out diversified compliance training and publicity. In 2022, we optimized and updated the *Transsion Holdings Red Line Management System* to enhance employees' compliance awareness. At the same time, in 2022, a new "sunshine reporting channel" was established to facilitate employees to actively report the interests and red line behaviors in their work processes, standardize employee behavior, and effectively strengthen the company's probity governance.



Business ethics and anti-corruption

Business ethics

Transsion attaches great importance to business ethics management, and promotes effective management mechanism. The Board of Directors is responsible for the supervision and management of the overall operational risks, the Audit and Supervision Department carries out internal business ethics and integrity management, and the Procurement Department carries out targeted business ethics and integrity management of procurement personnel and suppliers.

Transsion strictly observes the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and the *Interim Provisions on Prohibition of Commercial Bribery* issued by the State Administration for Industry and Commerce, as well as other laws and regulations related to business ethics. It has established and implemented *Transsion Holdings Red Line Management System* and other regulations, and published Transsion Holdings's Ethics of Business Operation on its official website to standardize and guide the construction of our business ethics.

- **Information disclosure**

According to applicable regulations and major industry practices, information about business activities, organizational structure, financial condition and performance is made public. All information disclosed has been reviewed by the Board Secretary's Office and other relevant departments to ensure the authenticity, accuracy and integrity of the information.

- **Arm's length transaction**

Applicable fair competition laws and antitrust laws are strictly followed. No employee shall manipulate or use privilege information, or otherwise obtain unfair benefits in an unfair manner. The company adheres to the standards of fair trade, advertising and competition.

- **Operation in good faith**

The company adheres to the strict good faith standard in all business interactions and prohibits any form of bribery, corruption, extortion and embezzlement.

- **Intellectual property rights**

Intellectual property rights are respected. Information security is well protected, and confidential or personal information about the company, customers or suppliers shall not be disclosed to others.

Transsion Holdings persistently carries out business ethics audit. In 2022, a total of 16 special audits were conducted, covering manufacturing, sales, procurement, after-sales and other areas. Based on the audit results, the company provided opinions to further standardize the company's operation.



Publicity Signs for Strengthening the Construction of Business Ethics

Construction of integrity

In global business activities, Transsion Holdings fully respects and firmly complies with the applicable laws and regulations in the countries where it operates, always adheres to good-faith operation and standardized management, and adopts a "zero tolerance" attitude towards any form of corruption.

System Support

- The company formulated and implemented *Transsion Holdings Red Line Management System* and comprehensively optimized and updated the system in 2022, which is as the basic system of Transsion's business ethics and anti-corruption management applicable to all employees of the company. The system clearly defines the classification of illegal or irregular behaviors at different levels, investigation rights, punishment measures, reporting channels, and other contents.
- *Code of Conduct for Procurement Personnel* has been established for procurement personnel, to regulate the relevant principles of integrity and business ethics that procurement personnel must abide by in supplier cooperation and other commercial activities.
- *Process for Introducing New Suppliers, Process for Managing Supplier Feedback* and other regulations have been developed to standardize the business ethics and integrity management of the supply chain and further expand the coverage of integrity construction.
- *Employee Handbook* has been formulated to require all employees to resolutely implement the relevant provisions on integrity and self-discipline.

Multi-dimensional implementation

- For employees
In accordance with the relevant requirements of the *Employee Handbook*, employees (including laborers and interns) require to sign the *Declaration of Integrity* (or an employment contract with integrity requirement terms).
The employees of the Procurement Department are required to sign the *Letter of Commitment to Integrity and Honesty of Business Practices*, to carry forward honest work value, fulfill the duty of honest business practices and regulate management behavior, and stimulate the healthy, sustainable and rapid development of the company.
- For suppliers
The company requires suppliers to sign the *Letter of Commitment to Integrity and Honesty for Suppliers* and the *Declaration of Stake for Suppliers*, and promotes integrity and honesty during supplier reviews.

Special publicity

- For employees
The *Transsion Holdings Redline Management System* has been pinned to the top of the OA system and promoted to all employees globally. Multiple offline interpretations of the redline system have been held, and online updates have been made to the compliance test content for new employees. The company has also comprehensively promoted the "Clean and Compliant Declaration" and case announcements internally. Additionally, in 2022, a new "sunshine reporting channel" has been established to facilitate employees' active reporting of interests and redline behaviors during work processes.
- For suppliers
The company holds regular communication meetings with suppliers every year to strengthen the publicity of integrity management to suppliers.
The audit and internal control personnel visit suppliers on site from time to time to listen to external voices and improve internal management.

Publicity of *Transsion Holdings Red Line Management System*

The company formulated and implemented the *Transsion Holdings Red Line Management System* and comprehensively optimized and updated the system in 2022. The system redefined 5 categories of red line behaviors, including unfair benefits, fraud, misappropriation, conflicts of interest, and information leaks, and clarified the investigation, handling, and reporting channels for red line behaviors. According to the latest version of the Red Line System, we updated the new employee entry exam question sets and red line training materials. We also held multiple offline advocacy and interpretation events for the Red Line System, and pushed advocacy courses and case announcements online to deepen the company's culture of integrity. Meanwhile, a "sunshine reporting channel" was established in 2022 to facilitate employees to proactively report on behaviors that may affect their interests or red line behaviors during work.

We effectively strengthen the company's integrity construction and create a sunny, clean, and self-disciplined environment.

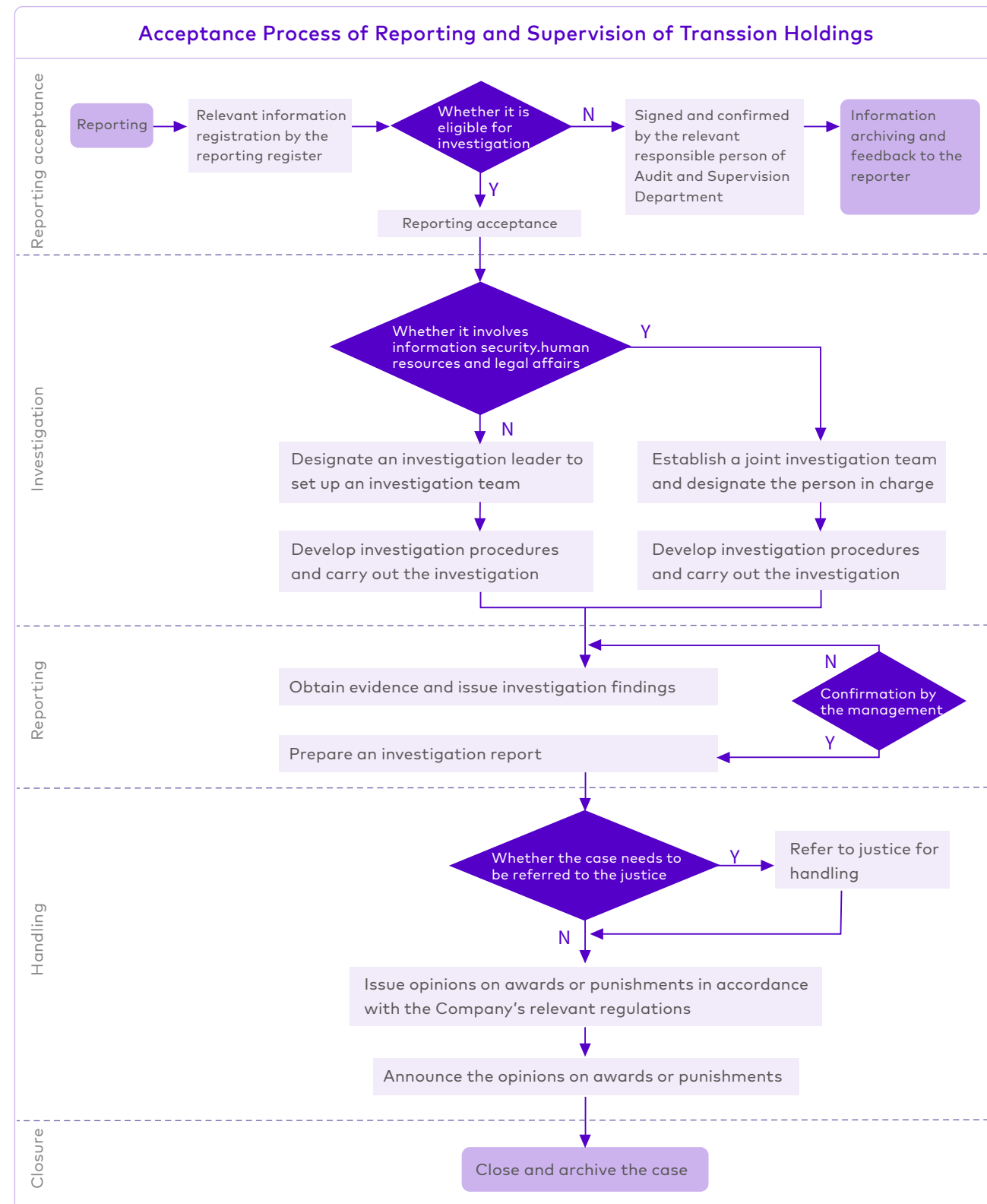


Reporting mechanism

Reporting is an important part for maintaining the company's business ethics, and Transsion attaches great importance to keeping its reporting channels open and the reported information confidential. In order to ensure the normal operation of the company's management system and encourage employees to actively report problems in the company's management process, based on the reporting procedure of the Audit & Supervision Department, we set regulations for and encourage and support employees and people outside the company to report all suspected irregularities and violations of rules and disciplines by Transsion's employees.

Reporting handling procedure

In order to foster a clean environment, the company clarifies the acceptance procedure of reporting and supervision to practice corporate management of transparency, integrity and self-discipline. The company handles reported information according to the following process:



Reporting channels

We regard integrity and honesty as essential qualities for self-discipline and compliance of Transsioners, and accept the supervision from the society. Transsion Holdings has disclosed various reporting channels on the company's website, including email, letters, telephone calls and face-to-face interviews, so as to widely receive opinions on the company's integrity building from all walks of life.

Supervision and reporting channels

- Email: Ad@transsion.com
- Tip-off hotline: 15618156753
- Address: 23rd Floor, Building B-1, Block 9, Shenzhen Bay Technology Ecological Park, Nanshan District, Shenzhen.

Moreover, we have also topped the announcement of supervision and reporting on the company's internal OA system to define the scope and content of supervision and reporting, as well as the reporting methods. If the report is proved true after investigation, the reporter will be given a reward. All employees are welcome to participate in supervision to prevent and stop all violations and ensure the healthy development of the company.

Reporter protection

We attach great importance to the protection of the legal rights of reporters, and maintain confidentiality for and protect their identity information. To ensure the interests of reporters, all reported information will be kept confidential to the person being reported against. For reported matters involving its executives, communication will be made directly with the Audit Committee to ensure the interests of the reporter.

02. Product responsibility and Technology Empowerment

In Transsion, product quality and safety are always the top priority, for which we relentlessly improve our product quality management system, strengthen our risk management capability against quality risk, strive for excellence, and devote to innovative R&D. With these in mind, we develop high-quality products that are more intelligent and caring for customers.

Response to SDGs Indicators



Response to GRI Indicators

GRI416

GRI418

Honors in 2022²

01 African Business

TECNO, itel and Infinix ranked 6th, 15th, and 25th on the 2022 Top 100 Most Admired Brands in Africa

02 Global Brands Magazine

TECNO won the "Most Innovative Mobile Phone Manufacturing Brand"

03 iF International Forum Design

TECNO Phantom X, CAMON 19 Pro won the 2022 iF DESIGN AWARD

04 International Awards Associates

TECNO CAMON 19 Pro ART Edition won the "MUSE Design Awards 2022 Silver Winner"

05 The International Council of Societies of Industrial Design, International Council of Graphic Design Associations & Associazione per il Disegno Industriale

TECNO CAMON 19 Pro ART Edition and TECNO TH300 (Smart Home Security Camera) won the A' Design Award

06 Google, KANTAR

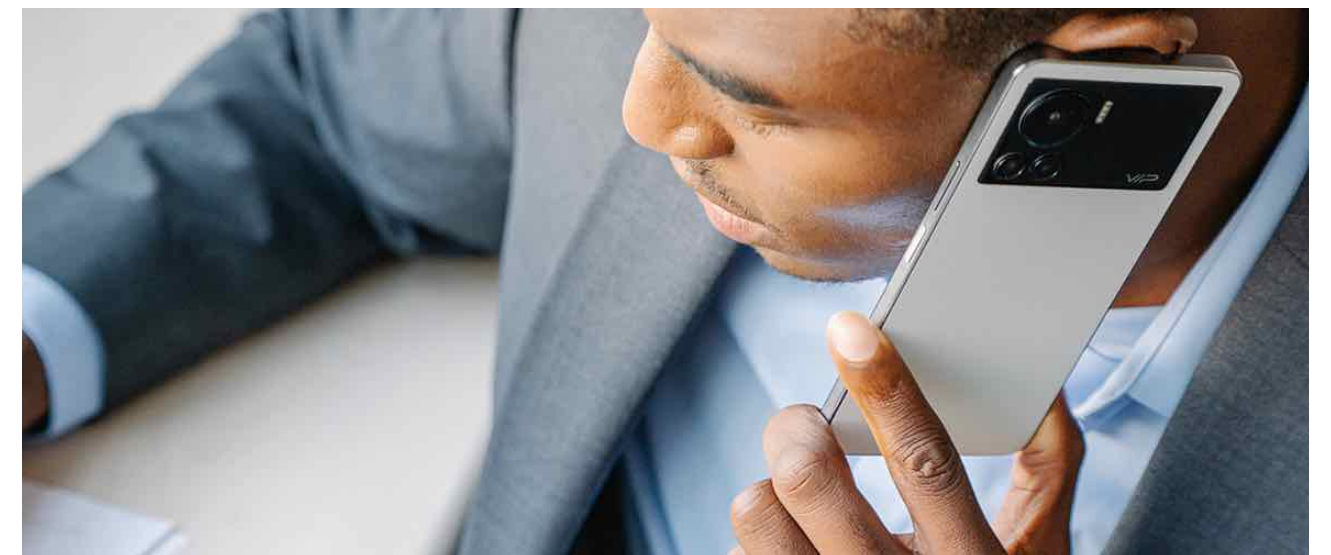
Infinix won the "KANTAR BrandZ™ Chinese Global Brand Builders 2022 Top 20 Rising Stars"

07 Asian Business Review

Infinix won the "Marketing & Brand Initiative of the Year - China" and the "Technology Innovation of the Year - China"

08 African Brands Congress

Itel won the "Africa's Most Committed Brand to Humanitarian Services"



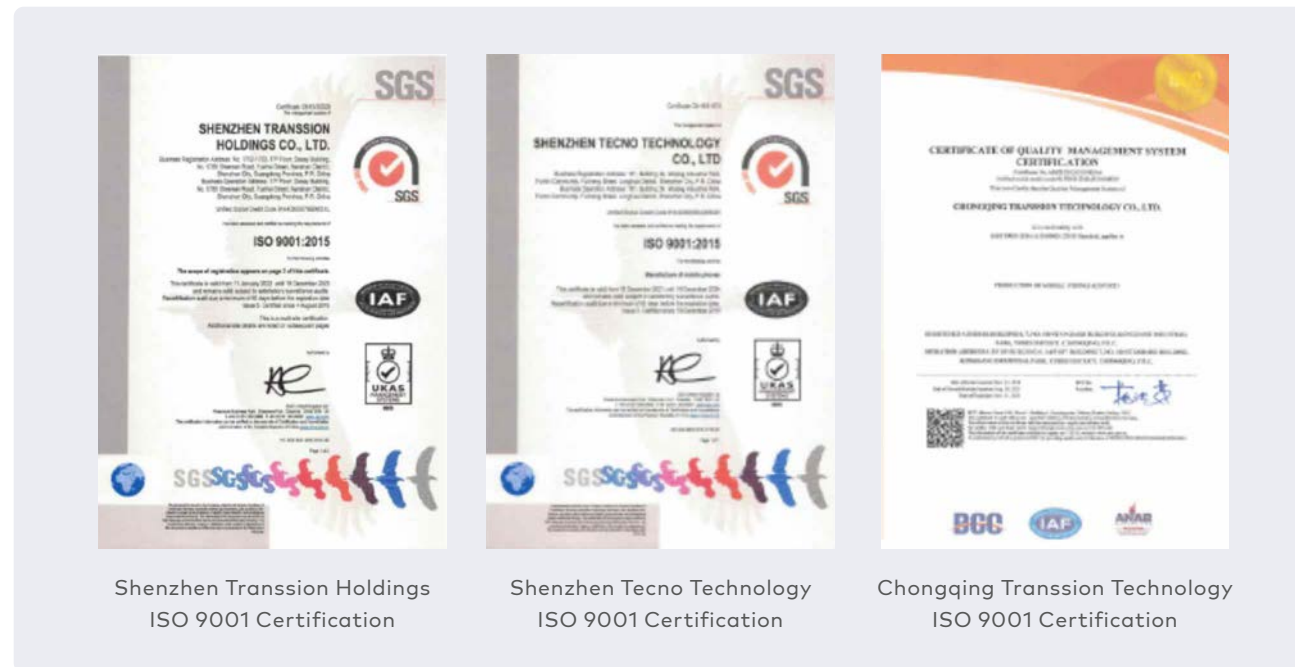
²Honors of the brands under Transsion in 2022

Product quality assurance

Transsion strictly observes laws and regulations in connection with product quality management, enhances its capability in quality risk management and continuously improves its product quality management system to ensure the top product quality.

Quality management system

Transsion has put in place a well-established product quality management system and has been in strict compliance with the *Product Quality Law of the People's Republic of China* and other laws and regulations that govern in the places where we operate. Transsion Holdings, Shenzhen Tecno Technology and Chongqing Transsion Technology have all passed the ISO 9001 quality management system certification and have developed comprehensive quality management system processes and management systems based on the ISO 9001 quality management system standard framework. According to the requirements of business development and internal and external audits, the company continuously optimizes and updates relevant processes and systems every year, clarifying the quality inspection requirements and standards for various materials or products. The company has established a quality standard department to unify the quality standards and testing plans for R&D, manufacturing, testing, and suppliers. In 2022, the company exported and iterated more than 150 quality standards.



In addition, Transsion has developed corresponding management systems and control procedures in multiple aspects of product quality management, in an effort to improve product management capability in a full and all-round scale, covering R&D process, incoming material quality, manufacturing process, product certification and testing, and other processes.

For the purpose of product quality enhancement, Transsion engaged in several special improvement projects in the above aspects in 2022.

R&D process quality

The company iteratively optimized the IPD operation manual and process, and incorporated it into a trial run of new projects; optimized the end-to-end quality management process of product, and improved the differentiated management rules for technology development and product development; strengthened the quality control of flagship new technologies through measures such as strict standards and early-stage architecture intervention.

Incoming material quality

The company completed 187 specific improvements including screen, CAM, structural components, etc, further ensuring the quality level of incoming materials.

Manufacturing process quality

The company took measures such as importing MES control functions and strengthening performance management of key positions in the factory to ensure the quality of the product manufacturing process.

Product certification and testing

The company improved and updated the reliability standards of various components, built component-level testing capabilities, and introduced LCM and CAM to increase power-on testing capabilities; digitalized testing process and data; developed an automatic testing APK to improve accuracy; added IPX3/IPX4 waterproof testing capabilities.

Product quality training

The company has been committed to improving its in-house quality management by conducting training relating to product quality management systems, including ISO 9001, ISO 14001, and ISO 45001, and other training to upgrade internal auditors' inspection skills. To improve the quality awareness and quality improvement capability of all employees in the company, we have conducted multiple training sessions on product quality management and product inspection, covering quality awareness, quality management thinking, quality problem solving tools and methods, continuous improvement methods, and other basic and advanced quality training. In 2022, the company totally carried out more than 70 sessions of product quality management training, to scale up the product quality from R&D, supplied material, manufacturing processes, etc.

Quality risk management

The company gives top priority to managing potential risks in respect of product quality, for which we have established and complied with the *Control Procedures for Process Risk Identification and Evaluation*, the *Procedures for Risk and Opportunity Response Planning*, and other internal risk management policies. By doing so, we have put the quality risk identification processes in place, and evaluated and made countermeasures on such risks.

Quality review

Guided by the industrial standards, we carry out an internal audit over quality management system and organize external reviews by professional third parties on a regular basis. In 2022, we successively carried out ISO 9001 quality management system certification for all our domestic factories, and with the guidance of ISO 9001 standards, we evaluated the related work of internal quality management. To address any potential risks or non-compliance identified during evaluation, we implemented specific measures to improve our management in the furtherance of quality assurance.

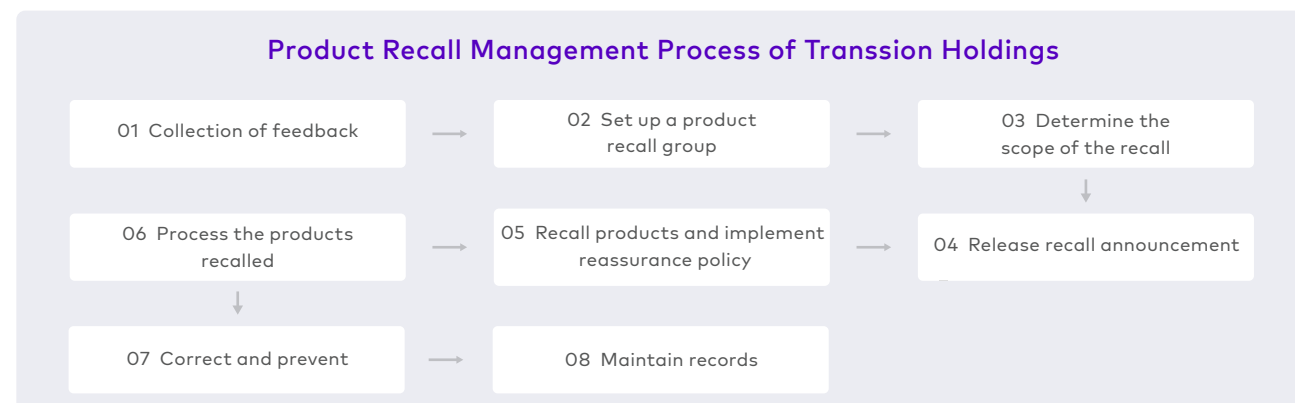
Product inspection

Transsion has established inspection norms of the supplied materials, manufacturing processes, and finished products for its own plants, central warehouses, and outsourcing factories.

Product recall

Transsion has always attached great importance to after-sales services and consumer rights and interests, and established a management mechanism for product recall. To standardize the workflow of product recalls, we have developed internal policies, including the *Control Measures of Product Recall*. In addition, the company has set up a product tracing system at the device level to ensure accurate product identification upon product recall, and solve the problem thereof swiftly and properly.

We value the management of product recall and have established a well-rounded product rvecall management process with full coverage of closed-loop recall management including pre-recall preparation, recall implementation, and recall summary. In 2022, there was no product recall event arising from product quality.



Guarantee of product safety

In Transsion, safety is deemed as a key component in the life-cycle of a product. We have strictly observed the laws and regulations in connection with product safety in the countries or regions where we operate. By continuously improving internal policies and standards of safety management, we strengthen the basis for secured operation, and further standardize our management standards in product safety, information security, and other sectors. Besides, we also energetically carry out safety culture activities in order to continuously deepen employees' safety awareness and further improve our management of product safety.

In 2022, there were no major incidents of non-compliance concerning the health and safety impacts of products and services.

Product safety and reliability

We have established several reliability labs and imaging labs at home and abroad, and build and shape the capabilities of complete set reliability test, raw material certification, standard formulation, among others, targeting smart mobile devices and peripheral products. Our testing capability covers GB/T 2423, GB/T 17626, GB/T 4208, GB/T 1539 and other national and international standards. We adopt multiple tests relating to product safety, including drop test, high and low temperature environment test, leakage test, waterproof test, flame retardant test, high-temperature short circuit, heavy impact, extrusion, high voltage resistance, lightning surge, and high voltage on and off.

Moreover, we apply the stringent standards to defend the battery safety bottom-line and protect product safety. We prefer long-life battery component materials, meet integrated requirements for environmental protection, recyclability, flame resistance, etc., endeavor to prolong the service life of batteries, thus further implementing the requirements of battery safety and environmental protection.

Information security management

We have a key focus on information security management and private data protection by strictly conforming to the laws and regulations in connection with information security and privacy protection in China and other countries and regions where we operate, such as the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures for the Graded Protection of Information Security* and the *Nigeria Data Protection Regulation*. The company has established and published security management policies on data security, privacy assessment and contingency response, including the *Administrative Measures for Data Encryption*, the *Administrative Measures for Security of Digital Assets*, the *Management Procedures for Privacy Impact Assessment*, the *Norms for Response to Users' Personal Information Rights*, the *Administrative Procedures for Information Security and Privacy Incidents*, etc., which have specified and standardized the process for information security handling and privacy protection.

With the standardized and comprehensive construction in the field of information security, Transsion has obtained the ISO/IEC 27001:2013 Information Security Management System certification and ISO/IEC 27701:2019 Privacy Information Management System certification issued by the international authoritative organization BSI in 2021, with the certification scope covering multiple areas such as mobile product design

openness, OS operating system, and mobile internet application development. In 2022, the product certification scope was further expanded, and Transsion has obtained the ISO 27018 Public Cloud Personal Identifiable Information (PII) Information Security Management System Certification.

In addition, Transsion's OA system, SRM (Supplier Relationship Management) system, official website and XHR system have passed the Level 2 certification of classified protection of information security. In 2022, the company did not record any data security incident or major incident that leaked the private information of employees and customers.



To strengthen the development of internal information security management, Transsion has set up an information security and privacy management structure to further underpin the data and information security management. Transsion established the GSPC (Global Security and Privacy Committee) to coordinate the strategy, planning, and policies in the field of information security. In terms of management processes, in 2022, Transsion officially launched the process of product and data cooperation privacy compliance review. By using its self-developed privacy compliance and security testing tools, Transsion ensures the development and design of products and applications, and integrates security control into every aspect of the product development life-cycle.

Information security management structure	Composition	Principal responsibilities
Global Security and Privacy Committee (GSPC)	The committee is chaired by the director	Responsible for developing and managing global information security and privacy protection strategies, plans, policies, and driving the implementation and achievement of information security and privacy strategies
Information Security Department	There are dedicated staff in Process and Information Center, Mobile Internet Center and Software Engineer Center	Responsible for the data security and emergency response work of Transsion's information system, and providing guidance and supervision for the implement of various information security management work
Privacy Compliance Department	There are dedicated staff in legal department	Responsible for identifying the legal and regulatory requirements for data security and privacy compliance in domestic and foreign key business countries/regions, and guiding and supervising the development of privacy protection management work

In 2022, the company conducted 18 sessions of regular training on information security and 12 sessions of specialized training on data security and privacy protection. In November 2022, the company organized a large-scale information and privacy security culture week activity to further strengthen the management of information security and privacy protection.

Strengthening security defense line: Transsion held the second Information and Privacy Security Culture Week activity

To further strengthen the awareness of security compliance and privacy protection, the company held the second Information and Privacy Security Culture Week activity (referred to as "Security Week" below) from 2022 November 7th to 18th. A total of more than 2,600 employees from Shenzhen, Shanghai, Chongqing, and overseas participated in this event. The second Security Week not only upgraded the form and content of online prize knowledge quizzes, security interactive games, and privacy protection live training, but also added security technology forums and on-site security risk demonstration. Through a series of diversified and interesting activities both online and offline, it helped employees quickly master the relevant knowledge of information and privacy protection, and enhance their ability to prevent and handle information security risks.



Through a series of measures to enhance the information management mechanism, we protect the security of customer information, employee privacy and other data.

Hierarchical and classified management	We set up different information classification according to different levels of information and carry out strictly hierarchical and classified management through permission settings.
Dedicated personnel management	A dedicated team is established to manage information and data security.
Encryption and desensitization management	A series measures are taken with reference to related security norms, e.g., mandatory encryption over confidential field in database; Production database which contains personal privacy information requires de-identification before export.
Proactive risk prevention	<p>We conduct internet application security assessment and penetration tests over systems that have been launched, and fix any issues identified on a timely basis.</p> <p>New system or major version iteration cannot go live without passing strict security tests.</p> <p>For key core information systems, we conduct security grading protection assessments based on the Cybersecurity Law of the People's Republic of China, and organize contingency drill at least annually.</p> <p>Production databases are accessed through bastion host and strict measures are implemented for permission control to prevent data leakage risk.</p>

Product optimization and innovation

Innovation and R&D represent the core competitive edge to drive Transsion to forge ahead. With unremitting efforts, we are committed to improving our R&D capability, and offering customers with more high-quality products.

Guarantee product innovation

By upholding the development philosophy of "Think Globally, Act Locally", Transsion furthers its local R&D and innovation strategy with a focus on users in emerging markets. The company continues to maintain its leading market position in several key technical areas, including photography technology designed for dark skin and innovative application of new hardware material.

In 2022, Transsion sustained a heavy investment in R&D and focused on technical reserve. By continuous investment in new materials, processes, functions and platforms, we created more differentiated values for users in the emerging markets. Meanwhile, we have established unique differentiated advantage in R&D by making substantial investment in key technical areas including dark skin imaging, AI algorithm, AI language cognition and material innovation. Transsion's active efforts of applying patented technology and technological results into ITU (International Telecommunication Union) standard and relevant patents guarantee the development of product innovation.

	2021	2022
R&D investment (RMB million)	1,510.88	2,078.04
Proportion of R&D investment in operating income	3.06%	4.46%
Number of R&D personnel (Person)	2,845	3,901

Dark Skin Imaging

As an emerging market intelligent terminal product and mobile internet service provider, Transsion continues to develop its mobile terminal imaging technology, continuously innovating in areas such as computational photography and dark skin imaging. Through continuous technological innovation, we aim to create differentiated product advantages, while promoting the systematization and standardization of the industry, and promoting the development of the industry ecosystem.

Based on its algorithmic technology advantage in the field of dark skin imaging, Transsion has built an AI-powered dark skin imaging data service platform for the "Belt and Road" regions, providing basic support for research and application of dark skin imaging technology. In recent years, Transsion has achieved a series of accomplishments in the field of mobile terminal imaging, including successfully selected for the 2019 Shanghai Economic and Information Technology Commission's Special Project for Innovation and Development of AI and passing the acceptance inspection; winning prizes including the 10th Wu Wen Jun AI Science & Technology Award (Enterprise Technology Innovation Engineering Project), the championship of the CVPR 2020 LIP International Competition for Dark Skin Portrait Segmentation, and the second prize in the 2022 ECCV MIPI Mobile

Intelligent Photography and Image Competition. The team's research papers have been successfully accepted by the 2022 ACM Multimedia, an international top conference in the multimedia field. The team has also successfully obtained ITU-T approval for several international standards in the field of mobile terminal computational photography and is continuously promoting standardization, systematic construction, and development in the mobile terminal computational photography field.

Currently, Transsion has successfully built a key technology research and development platform for smart imaging, achieved breakthroughs in several mobile imaging technologies, and continuously promoted the application of research and development results. In the future, Transsion will continue to focus on user needs for local innovation, promote the application of high-end technology, and enable emerging market users to fully enjoy the achievements of global leading mobile technology.

Protect intelligent properties ("IPs")

Transsion continues to invest in R&D, attaches great importance to technological innovation and IP protection, continuously improves the company's technology, product and IP competitiveness, in order to support the company's business development. While focusing on protecting its own IPs, Transsion also respects the IPs of others and promotes cooperation with industry parties on the basis of compliance with industry IP rules. By embedding IP protection, risk investigation and response mechanisms in its main business activities such as procurement, research and development, and sales, Transsion has established a sound intellectual property management system. In 2022, the company conducted over 160 training and interviews on IP protection, continuously improving the overall awareness and management level of IP protection of the company.

In 2022, the company added 858 new patent applications and copyrights, and obtained 644 new authorized patents and copyrights, including 151 new authorized invention patents.

Enhance technology inclusion

Barrier Free Design

Transsion always upholds the mission of improving the lives of as many people as possible through technology and innovation. To assist less educated group, the elderly and the group with poor eyesight or the blind people to read all the texts on mobile phones, including menus, phone numbers, short messages, contacts and other non-fixed texts, and solve their troubles when using mobile phones, we adopted NLP intelligent solution to develop intelligent voice reading software for feature phones. ROM and RAM occupied by traditional NLP tend to be more than the hardware capacity of feature phones, making it difficult to import NLP intelligent solution. As a result, Transsion worked with its partners to develop a space optimization solution, making NLP intelligent solution available to users, assisting users to interact with mobile phones through auditory sense. This represents Transsion's commitment to fulfilling its social responsibilities.

AI Language Cognition

Transsion is committed to building an AI voice technology platform covering various indigenous African languages, improving the intelligent interaction experience of local languages in vertical fields, promoting the industrialization of AI voice technology in African languages, and its extensive application in the intelligent field.

This enables intelligent voice services to penetrate all aspects of local life, and allows local languages to become a new link connecting African users with intelligent life.

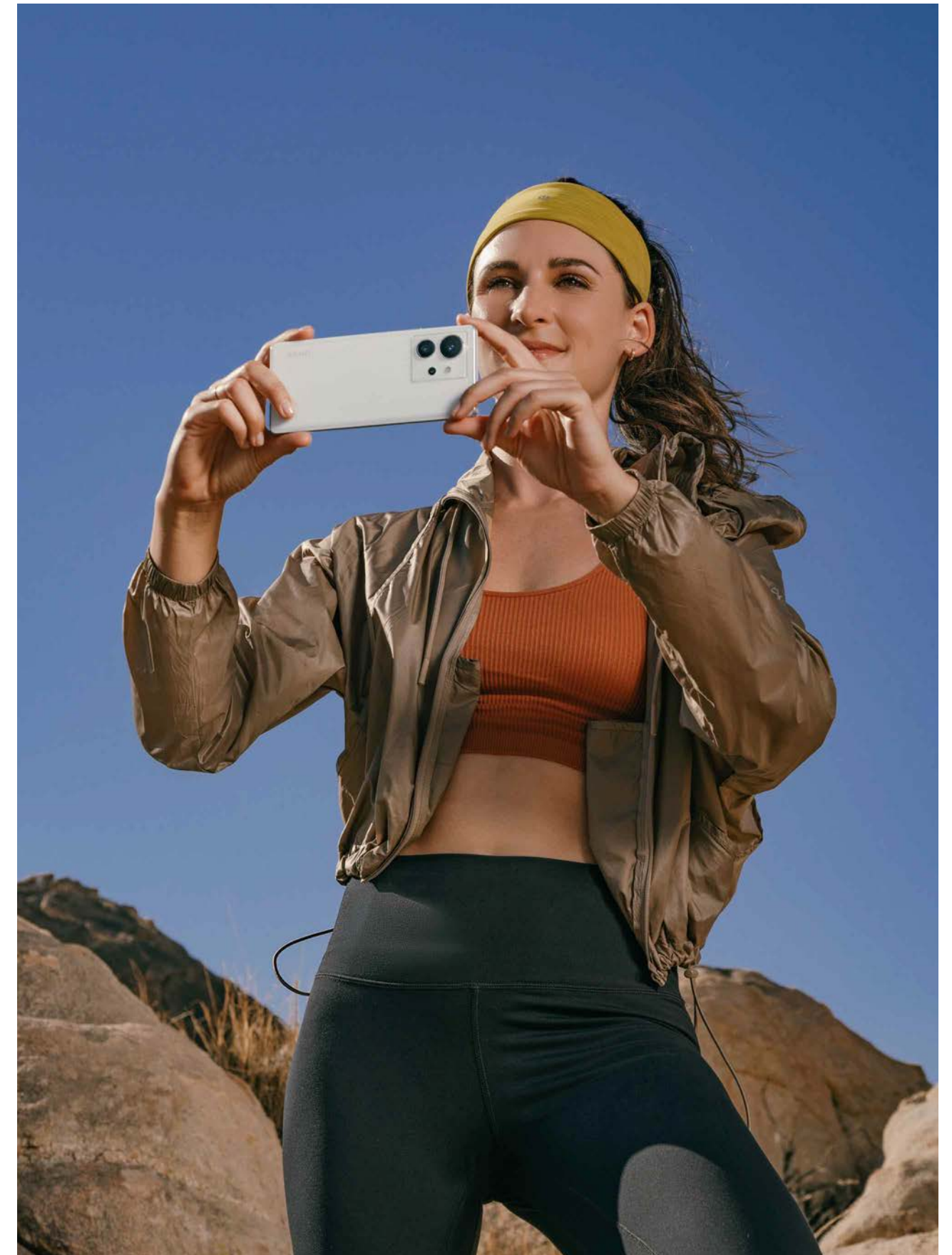
In vast emerging markets such as Africa, the development of AI voice technology is slow due to reasons such as complex local languages, scarce speech data resources, and a shortage of language experts. Faced with this technological gap and market demand, and based on the company's intelligent terminal production and R&D platform, as well as local language resources, Transsion has further developed core technologies such as voice recognition, semantic understanding, knowledge graph, and speech synthesis in minority languages. It has built an intelligent understanding and dialogue system that spans many segmented life fields and covers multiple languages, empowering Transsion's multi-scenario applications of intelligent terminal products and mobile Internet services, and forming a localized AI content service ecosystem.

Deeply cultivating AI voice technology, Transsion-Tongji team won the first prize in the China-Africa Entrepreneurship Competition

In November 2022, at the 2022 Hubei International Technology Exchange Conference, the results of the Sino-African Youth Innovation and Entrepreneurship Competition were announced. The "African Local Language AI Speech Technology Pioneer" project, jointly led by Transsion AI Technology Department and Tongji University, won the first prize of the competition.

The project aims to develop a smart human-computer interaction system for the Hausa language, based on AI voice technology, with African indigenous language research and development as the link, achieving a closed loop of Hausa language voice recognition, natural language understanding, and speech synthesis technology. Drawing on the experience of protecting Chinese ethnic languages, the project uses AI voice technology to protect African human civilization heritage, making it easier for linguists and more people to understand and invest in the study of African indigenous languages.

Currently, Transsion AI voice technology has been extensively adopted, supporting voice dialing, music listening, alarm setting, photo taking, notepad, news, and other functions and content ecologies, allowing African people to enjoy intelligent life based on their own languages. In the future, based on Transsion's massive mobile phone user resources in Africa, by relying on voice technology talent reserves, African data base resources, and the academic advantages of Tongji University, Transsion will continuously promote project development, supporting more than 25 major local languages in Africa.



03. Environmental Responsibility for Green and Low-Carbon Operation

As one of the backbones of the mobile phone industry in the global emerging markets, we comply with laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Administrative Measures for Renewable Resources Recovery*, the *Administrative Measures for the Control of Pollution from Electronic Communication Products*, and the *Policy of Waste Appliance and Electronic Pollution Prevention*. We pay attention to the climate change and ecological harmony, advocate green operation, practice energy conservation and emission reduction, focus on the application of clean technology and continuously improve our operation and management practices, striving to become a resource-friendly provider of intelligent terminal products and mobile internet services.

Response to SDGs Indicators



Response to GRI Indicators

- GRI 301-2
- GRI 301-3
- GRI 301-4
- GRI 301-5
- GRI 303-1
- GRI 303-2
- GRI 303-4
- GRI 303-5
- GRI 306
- GRI 307

Green and low-carbon operation

Transsion practices the green development concept, establishes and improves the environmental management system, strengthens energy management and control, and actively promotes the management and recycle of electronic wastes. Shenzhen Transsion Holdings, Shenzhen Tecno Factory and Chongqing Transsion Technology passed the certification of ISO 14001 Environmental Management System.

Environmental management system

We have set up the Environment, Health and Safety (EHS) Management Committee, as the leading body of environment, occupational health and safety management of Transsion, to actively promote the company to make continuous progress in the green and low-carbon production and operation.

In terms of management standards, we strictly comply with the local relevant laws and regulations and the industry standards for emissions in our daily operation, timely obtain necessary environmental permits, approval documents and registration certificates, and develop multiple internal management systems including the *Agreement on Hazardous Waste Disposal*, the *Solid Waste Management Regulations* and the *Management Regulations for Office Environment Safety*, so as to implement the company's environmental management requirements and standards.

In terms of management practices, all factories under the company strictly implement the external discharge standards conforming to local laws and regulations, and carry out management practices complying with the local environmental assessment standards in the production process. We have also formulated a series of response plans for environmental emergencies, and organize routine emergency drills to ensure environmental safety.

There's no major incident of non-compliance with environmental protection laws and regulations this year.



Shenzhen Transsion Holdings
ISO 14001 Certification

Shenzhen Tecno Technology
ISO 14001 Certification

Chongqing Transsion Technology
ISO 14001 Certification

Green and environmental protection management

To practice the management concept of green and environmental protection, we carry out energy-saving equipment upgrading, improve the energy efficiency, standardize waste management, reduce pollutant emissions, advocate the green operation and green office, and fully implement the green and environmental protection management.

Water resources management

Complying with the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and the local emission standards, Transsion actively advocates water conservation, strengthens water resource recycling and utilization, and vigorously promotes water resources management concept. We entrusted a third-party testing agency to conduct tests on the concentration of water pollutants, and the test results were far below the emissions standards stipulated by relevant departments.

In daily work, we adopted positive measures to save water and measures are implemented as follows:

- The factory realizes the recycling and reuse of air-conditioning condensate water through the method of recycling condensate water, which efficiently reduces the consumption of domestic water.
- We change toilet flushing faucets to water-saving valves, and regularly inspect and repair water facilities to reduce the water consumption per unit.
- We post water saving signs thoroughly to proactively advocate water conservation.

Recycling system of condensate water

The Shenzhen Tecno Factory promotes to use the recycling system of central air-conditioning condensate water, and realizes the chilled water recycling of the air-cooled air-conditioning main frame and the condensate water recycling of air-conditioning terminal equipment, thus further reducing the water consumption effectively.



Waste management

While complying with the relevant laws and regulations such as *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, Transsion Holdings formulates and implements *the Agreement on Hazardous Waste Disposal, the Agreement on Waste Sales* and other agreements to clarify and standardize the waste management. We adopt classified management standards and take relevant management measures for different types of waste to reduce the impacts of wastes on the environment.

- For hazardous waste: We set up a specialized warehouse to store hazardous waste, and entrust the third party with the professional qualification for unified transfer and disposal.
- For general waste: We set up a specialized warehouse to store general waste. We sign agreements with resource recyclers to carry out effective recycling of general waste such as waste that can be recycled and reprocessed to achieve the effectiveness of recycling.
- For kitchen waste: We implement classified management in line with the government requirement, and then the property management company hands it over to the municipal department for unified transfer or disposal.

Exhaust gas management

Transsion implements the relevant requirements of environmental laws and regulations, improves the management measures for the exhaust gas generated in the production process and ensures that all emissions meet the local emission standards.

- The two domestic factories set up self-built facilities for exhaust gas treatment in strict accordance with the environmental impact assessment requirements. With the application of the two-stage treatment process of UV photolysis + activated carbon adsorption, after collected, the organic exhaust gas with low concentration produced in the workshop is introduced into the UV photocatalytic oxidation decomposition device on the roof through pipes, fans and exhaust pipes, which can effectively decomposes the organic pollutants in the exhaust gas, and then the exhaust gas is introduced into a high-efficiency activated carbon adsorber through pipes and fans, which can separates the particulate pollutants in the exhaust gas, thus achieving the effect of meeting emission standards.
- Transsion carries out regular replacement of the absorbing materials in the activated carbon absorber to guarantee the effective operation of facilities.
- We Regularly entrust the third-party institutions to test the exhaust gas emission concentration to meet the exhaust gas emission standards applicable to the factories.



Exhaust gas purification device

Shenzhen Tecno Factory and Transsion Chongqing Factory won honors related to green manufacturing respectively

Shenzhen Tecno Factory was selected as the "Sixth Batch of National Green Factories" by the Ministry of Industry and Information Technology of China.



Transsion Chongqing Factory was selected in the "2021 Chongqing Green Manufacturing System Demonstration List" by the Chongqing Municipal Commission of Economy and Information Technology.



Recycling of electronic waste

We are committed to realizing the recycling of resources and constantly improving the recycling of electronic waste within the business operation area and scope. The customer service brand Carcare we operate recycles electronic waste in over 50 countries or regions worldwide. In accordance with the requirements of applicable laws and regulations in the countries or regions where we operate, we strictly comply with the Basel Ban Amendment of the *Basel Convention*, which clearly prohibits the export of electronic waste to Non-OECD countries. We do not charge consumers any amount in the recovery course.

Recycling scope of products

- Transsion's own brands

Mobile Phone: Including the single phones, PCBA mainboards, batteries, screens, chips, etc., and providing repair service.

Digital Accessories and Home Appliances: Including televisions, laptops, refrigerators, air conditioners, speaker hosts, motherboards, screens, etc., and providing repair service.

- Non-Transsion's own brands

Mobile Phone: Setting recycle bins on the site, marking recycling of mobile phones of all brands for consumers to voluntarily discard their products, including the single phones, PCBA mainboards, batteries, screens, chips, etc.

Recycling mode

Direct pick-up by Carcare, or onsite collection.

Treatment measures

We maintain the cooperation with local designated resource processors or recycling vendors who have professional qualifications, carry out unified collection of waste electronic equipment in accordance with environmental protection requirements, and then classify electronic waste and recycle resources.

Recycling advocacy

We advocate recycling of electronic waste across the globe, set recycling plans and carry out environmental protection publicity at irregular intervals, promoting environmental protection recycling of electronic products to consumers, so that the electronic waste can be recycled and treated effectively in local places.

Recycling operation

We partner with professional environment protection agencies to drive the building of electronic waste recycling networks. As of the end of 2022, we has established cooperation relationship with local qualified environmental protection agencies in Nigeria, India, Kenya, Bangladesh and many other countries and regions, which significantly increased the specialization and efficiency of electronic products recycling.



The publicity of environmental protection recycling of electronic waste carried out in India



Recycling certificate of environmental protection recycling agency (example in Egypt)

Carlcare has launched an after-sales service technician training program to improve the level of electronic waste recycling in Nigeria

Adhering to the corporate mission of "To improve the lives of as many people as possible through technology and innovation", the Transsion Nigeria after-sales service team actively communicated with local governments and obtained corresponding technical training qualifications in order to improve the overall after-sales service level of communication equipment in Nigeria. By the end of 2022, the Transsion Nigeria after-sales service team has held 15 technical training sessions, trained more than 120 technicians, and taught relevant after-sales management knowledge to improve the service management level of the technical team.



Response to climate change

The company is well aware of the important impact on sustainable development of extreme disastrous weather, global warming, and other effects due to climate change. By actively practicing the green sustainable development philosophy, we fully investigate the local natural environment and ecological environment in the factory construction state, and assess the impact of the factories on the natural environment and ecological environment. We are committed to helping the green and low-carbon development through the management refinement, in order to duly contribute to the mitigation of global climate change.

Management of GHG emissions

We are committed to promoting technological innovation in an active manner in the process of product design, manufacturing and use, and through technical methods, improve energy utilization efficiency, reduce GHG emission, and gradually introduce renewable energy sources.

In addition, we refine the internal management, properly track and record energy consumption in relevant workplaces to advance and enforce energy management, thus controlling the GHG emissions.

Mechanism for response to extreme weather

We formulated emergency response plans for various types of extreme weather like rainstorm, typhoon and earthquake, from multiple aspects such as early warning and reporting mechanism, employee evacuation, protection of various corporate assets and coordination of resources, to minimize the damages arising from extreme weather, and protect the life and health of employees and the property safety.

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“有一种冷叫忘穿秋裤”

『气温骤降+连绵阴雨=湿冷魔法攻击』
本周二（明天）开始气温大幅下降，行政小姐姐温馨提示您：及时增添衣物，做好防寒措施，出门记得携带雨伞

『雨天注意事项』
1. 出行需备好雨具，确保安全
2. 驾驶人员注意路面积水

『刮风注意事项』
1. 关好门窗；加固室外彩钢板、脚手架、塔吊等
2. 外出时尽量不要在玻璃门窗、广告牌附近逗留

『办公注意事项』
1. 请大家及时查阅天气预报，增加衣物注意保暖
2. 园区附近排水缓慢，路边将有较深积水，通勤切勿骑车，驾车外出也要保持低速慢行，看清道路
3. 不要在临时建筑物、广告牌、铁塔、大树等附近避风避雨
4. 办公室内请关闭窗户，如发现无法关闭、漏水等情况，请第一时间联系飞书-行政小管家报修

上海行政部
2022.11.28

Warm reminders and precautions during extreme weather

Promotion of green office

Transsion advocates the green and sustainable concept and applies it to the daily operation and management. We earnestly advocate green office, strictly abide by relevant laws and regulations such as the Shanghai Public Places Smoking Control Regulation, Shanghai Domestic Waste Management Regulation, Shenzhen Special Economic Zone Smoking Control Regulation, and Shenzhen Domestic Waste Classification Management Regulation, formulate the internal Management Regulations of Office Environment Safety, calling on employees to start from the trivial and start from the side, develop the working habits of green office, energy saving and environmental protection, and create a green and energy-saving office environment.

In 2022, The company implemented a special energy-saving and environmental protection plan, and carried out promotion and inspection activities simultaneously. Through ubiquitous communication and reminders, the company aimed to raise awareness of environmental protection. A regional responsibility system was established to incentive employees with rewards and penalties, encouraging them to cultivate good environmental protection habits and reduce energy waste.

Green office measures

Paperless office	Energy-saving office
<ul style="list-style-type: none"> Adopt intelligent collaborative office software and advocate paperless office, such as collaborative online documentation, electronic seal and online document signing, etc. Set the printer to print in black and white on both sides by default Place waste paper recycling bin in the printing room, encourage recycling of recycled paper that does not contain sensitive information 	<ul style="list-style-type: none"> Post prompt signs such as Save Water, Save Electricity, Save Paper, Turn Off Lights When Leaving, and Control the Temperature of Air-conditioning at 26 °C in offices and public areas Make sure that the lights, air conditioners and primary air systems are turned off in unmanned areas after work Replace the lighting system with energy saving lamps according to the standards for production needs Regularly inspect and repair water equipment to reduce leakage

The "Green Warrior Invasion Plan" of Transsion

In 2022, the company implemented the "Green Warrior Invasion Plan" in the office areas of Shanghai and Shenzhen. Through posting environmental tips, advocacy and promotion, dedicated inspections, and publicizing results, the company aimed to cultivate good environmental habits among employees, such as consciously turning off electrical appliances in unmanned areas, saving paper and water, and collecting recyclable waste through proper sorting.



Green technology empowerment

Transsion actively responds to the call of the national five development concepts of "innovation, coordination, green, opening up and sharing", and seeks and creates new technological assistance. In daily operation, we improve operational efficiency, save energy and reduce consumption by applying the big data, the Internet of Things, etc. In the production and manufacture process, we proactively carry out energy conservation and emission reduction from aspects such as management optimization and technological improvement, strictly control pollutant emissions, and provide the market with green and environmentally friendly products.

Application of energy-saving technology

We take the initiative to eliminate backward production equipment and processes, actively introduce production equipment with lower energy consumption, improve production management, and drive clean production, to improve the comprehensive utilization of resources and reduce pollutant emissions.

In terms of energy saving of production equipment, we apply new frequency conversion air compressors and pure electric forklifts, of which the new frequency conversion air compressors adjust the gas consumption through frequency conversion to achieve the purpose of saving electricity consumption, and the pure electric forklifts effectively reduce the use of diesel in logistics and transportation of the factories. For example, by introducing the new frequency conversion air compressors, the Shenzhen Tecno Factory allowed the real-time adjustment of the working frequency of air compressors according to production demands, realizing a reduction in the monthly energy consumption of the air compressor system.

In terms of energy saving in production management, we further reduce energy consumption by optimizing management measures and refining management standards. We adopt the plan of air-conditioning off-peak water cool storage. During the peak electricity price period, the air-conditioning main frames are kept off as much as possible, and the excess valley power of the grid at night is used for cooling through the cool storage tank, which effectively saves the energy consumption.



New frequency conversion air compressor



Pure electric forklift



Water cool storage air-conditioning

In 2022, as the data volume of Transsion's mobile internet business continued to grow, the huge amount of data and computing power requirements posed significant challenges to various capabilities of big data. Transsion choosed a low-carbon cloud solution and took energy-saving and consumption reduction as important measures when selecting cloud service providers.

Regarding big data management, we have developed a systematic management plan from data collection to upper-level services. This includes measures such as not collecting invalid data, reducing the collection of low-efficiency data, and maximizing the use of high-efficiency data, in order to reduce the resource consumption of redundant services. At the same time, we have taken a series of energy-saving and optimization actions, such as adopting classified storage.

Create green products

Transsion is committed to providing environmentally friendly products, incorporating the concept of green and environmental protection into the whole-life cycle of products, including raw material procurement, R&D, design, production, packaging, use and recycling. We strive to manufacture products with less reliance on resources extracted from nature, increase the use of recycled or sustainable materials, continuously improve the product life-cycle loop through reverse logistics and other supply chain cycles, and work towards creating green products.

Raw material procurement

- We optimize raw materials focusing on the packaging used for supply of raw materials, by reducing the proportion of original plastic wrapping materials, and extending the recycling of skids, pallets and other materials.
- We introduce recyclable grey boards for materials of color boxes, to cut carbon emission from the raw material procurement and design stages.
- We require suppliers to promise not to use prohibited substances for raw materials, and to sign *the Agreement on Not Using Prohibited Substances* in the introduction phase.

Product design

- **The use of environmentally friendly recycled materials:** We extract fibers from recycled ocean materials and re-aggregate them into recycled materials, which are then made into recycled fiber leather phone battery covers. Each phone reduces carbon emissions by approximately 2.4g; Our glass fiber material phones are made from recycled waste glass.
- **The use of harmless materials:** We use silicone-based polymers as the main material to produce organic silicone leather phone battery covers without solvents throughout the process, while retaining the soft touch of leather; We replace the PVC outer material of some products with environmentally friendly material TPE for charging cables, and add CA65 certification to some materials to strengthen the control of harmful substances, especially lead content.
- **Lightweight design:** Under the premise of ensuring product quality, material reduction design is adopted to bring users an ultra-thin experience. The traditional glued mobile phone battery cover uses a 0.6mm plastic substrate for bonding, while our current technology uses a 0.3mm fiberglass material as the substrate for bonding, reducing the amount of materials used.
- **New function design:** We adopt new function designs such as the passive photochromic technology that produces color changes under natural light and the passive photoluminescent technology that emits light after absorbing light, and apply them to our mobile phone products. This not only achieves fashionable appearance effects, but also realizes zero energy consumption and zero pollution emissions.

Product production

- We extensively use non-spray aesthetic materials as phone shells, eliminating the painting process, effectively controlling the generation of VOC, and reducing the emission of harmful gases and waste water.
- We increase the use of recyclable materials, using a large amount of secondary materials as fixtures during production.
- We introduce eco-friendly cleaning agents that effectively eliminate toxic substances such as 1,2-dichloroethane, ensuring that no harmful gases are emitted during use, and hire professional organizations to conduct testing.

Product packaging

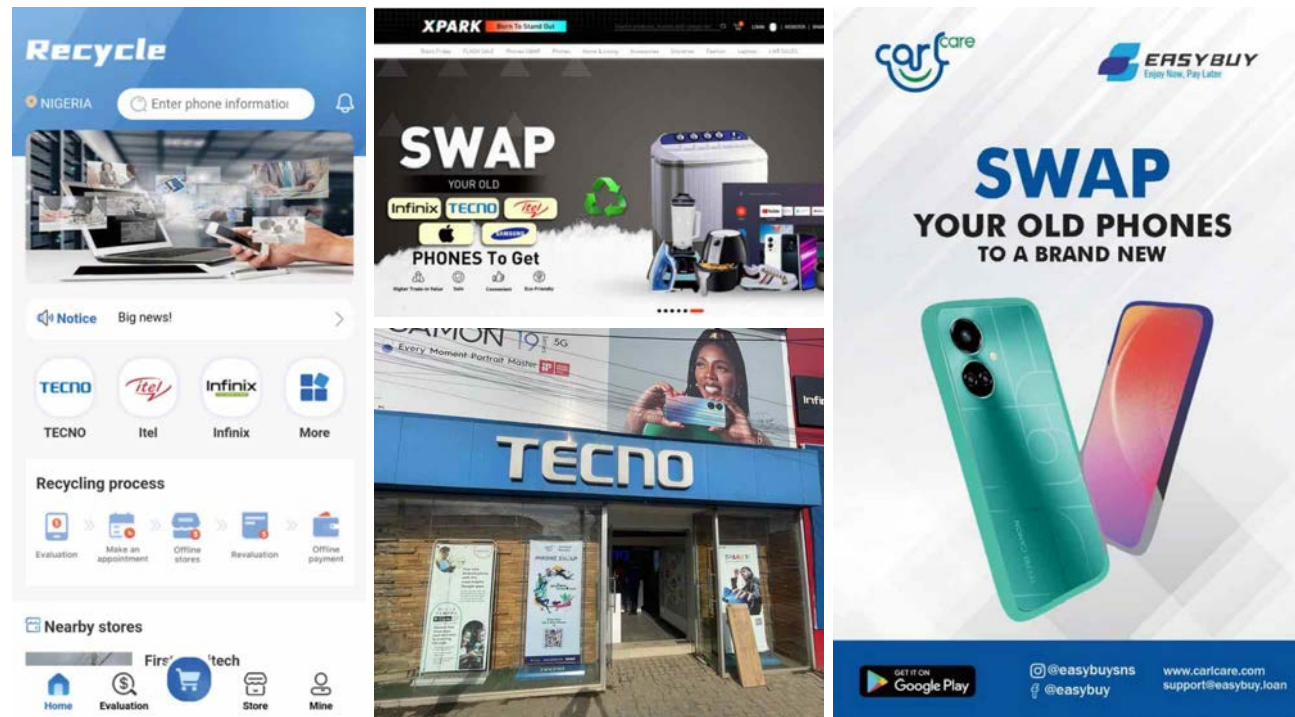
- We optimize packaging design to minimize the use of packaging consumables.
- We optimize the packaging volume, increase the number of items packed, and reduce the consumption of transportation resources.
- We use materials that can be recycled or degraded such as cardboards, cartons, plastic woven bags, foam, and pearl wool bags, and try to avoid the use of plastic materials. For some products, we replace traditional plastic blister packaging with paper-plastic materials or paper folding methods, and try to replace plastic hooks with paper-mounted methods.
- We utilize packaging materials that have been certified by the RoHS 2.0 standard, including paper, ink, film, and adhesive, etc.
- We collect and sort waste packaging materials, which will be recycled by qualified resource recyclers.

Product use

- We have CNAS-Level laboratories for reliability and safety test, and products undergo stringent tests before delivery.
- Products have no surface additional process, are good in anti-broken performance and weather resistance, and their color is not easy to fade.
- We select long-life materials for batteries that meet safety, reliability, environmental protection and flame retardant requirements, which can extend the battery life.
- We continuously improve the durability of mobile phone casing materials and extending the service life of mobile phone casings.
- We provide continuous product support and regular updates to system and software. Through a widely covered service network and VOC management, users are provided with convenient, efficient, and diversified after-sales services. Meanwhile, multiple protection measures, such as screen damage insurance and extended warranty, are offered in different regions to extend the product lifespan.

Product recycling

- **Promote the recycling of discarded mobile phones:** We carry out recycling and trade-in services in thousands of stores (including sales stores and Caricare sites) in Nigeria, Kenya, Tanzania, India and other countries. We also operate an online platform to facilitate consumers to obtain evaluation quotations and get in touch with us, which improves the convenience and enthusiasm of users' participation in the activity. The collected devices will be properly handled through environmental protection processing and other methods.



"Trade-In" activities

The application of low-carbon and environmentally friendly materials

We innovatively develop a soft-touch, low-carbon, and environmentally friendly material that uses recyclable materials in its design and production, and apply it to our consumer electronics products. We strictly control every link from raw material extraction, design, production to end-users, and comprehensively promote sustainable environmental development. Our innovatively developed low-carbon and environmentally friendly materials have more slip-resistant, wear-resistant, dirt-resistant, and durable characteristics compared to other traditional soft-touch materials. At the same time, it brings users a brand new natural fiber touch experience. In the initial design stage, we also considered the full-cycle recycling concept of the product. Every product recycled from the user can be disassembled and recycled for raw materials, implementing the concept of harmonious unity of economy and ecological environment and integrating the green development concept into daily business management.

We applied our innovative low-carbon and environmentally friendly materials to our PHANTOM X2 Pro 5G eco-version, creating a new industry ecosystem through waste recycling and reuse. This smartphone has been verified by the international "Global Recycling Standards" at every stage from recycling to manufacturing, demonstrating the sustainable design concept of PHANTOM's caring for the marine environment and practicing environmental protection.

Low-carbon Lifestyle 38% Carbon Reduction

Each product produced using recycled polymer fiber materials reduces carbon emissions by about 2.4g

Environmental Protection 40% Regenerated

Extracting fibers from recycled materials recovered from the ocean and re-aggregating them into regenerated materials

Recycling and Regeneration 50% Recycling

More than 50% of the raw materials in the shell of each product can be recycled and regenerated



Diversified Effects

The unique mold texture breaks the boundary of conventional texture design, achieving flexibility and diversification in product design and manufacturing

High Durability

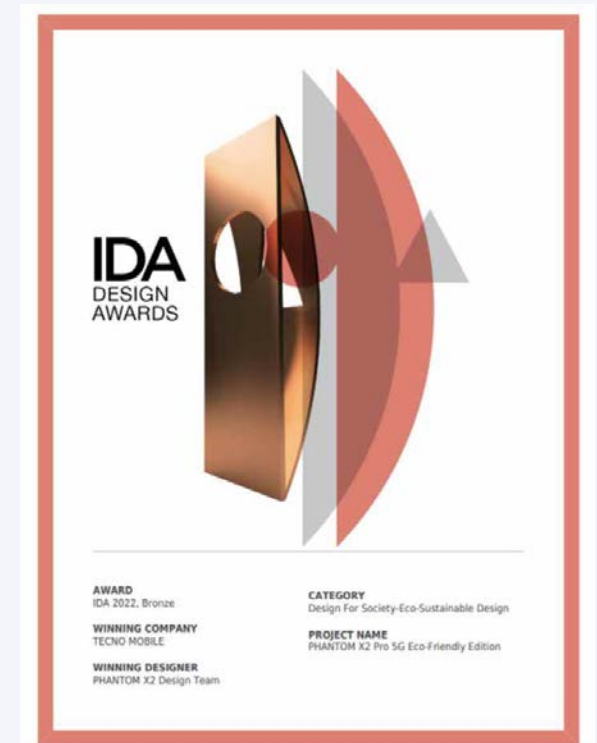
When the product drops, it can effectively protect the product and prevent damage to the product

Rich Texture

Nano-level surface tactile coating makes the recycled material present a delicate and silky feel, exquisite and full of a sense of luxury, bringing users a silky experience



Honorable Mention - Products | Sustainable Product Design-LOOP Design Awards 2022



Design For Society - Eco-Sustainable Design - Bronze Awards- IDA Design Awards



04.

Employees' Responsibilities for Vital Development

Response to SDGs Indicators



Response to GRI Indicators

We believe that employees are the core pillars for the continuous development of Transsion. Only by focusing on the core value of talents can we better create the value of Transsion. We formulate and implement the employment policies in accordance with laws and regulations, fully protect the employees' interests through multiple elaborate plans, attach importance to employee safety and health, and help with the long-term development of talents through incentives, guidance and training.

GRI102-7	GRI403-4	GRI404-2	GRI409
GRI102-8	GRI403-5	GRI404-3	GRI412-1
GRI401-2	GRI403-6	GRI405-1	GRI412-2
GRI403-1	GRI403-7	GRI406	
GRI403-2	GRI403-8	GRI407	
GRI403-3	GRI403-10	GRI408	

Honors for 2022³

<p>Top Graduate Employers</p> <p>51job.com & yingjiesheng.com</p>	<p>Global Employer of Choice</p> <p>LinkedIn</p>	<p>Guangdong Outstanding Employer of the Year</p> <p>liepin.com</p>
<p>MAX Annual "A Company Worth Going To" Outstanding Employer in South China</p> <p>Maimai.cn</p>	<p>"King's Ark" Best Employer in Talent Care</p> <p>zhipin.com</p>	

Employee interests protection

Transsion is deeply aware that talents are the power of enterprise development. We strive to create a safe, healthy, equal and inclusive work environment for the employees. Transsion strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Minors Protection Law of the People's Republic of China*, *Provisions on the Prohibition of Using Child Labor* and other laws and regulations, fully respects the applicable laws and regulations of the company's operating places and the international practices, and formulates talent management processes, policies and measures covering multiple aspects such as employee recruitment, employment, and compensation and benefits, etc.

Legal employment

Talents are the cornerstone of enterprise development. Based on the demands of strategic plan and business plan of Transsion, we formulate recruitment tasks and goals that cater the enter prise development, and take such tasks and goals as the budget basis of talent recruitment demands to further promote the implementation of relevant recruitment policies. We standardize recruitment process through the recruitment management system, and recruit talents through various channels such as social recruitment, campus recruitment and internal recommendation. In addition, we also reached cooperation with a third-party talent management platform to establish a recruitment management system specific to Transsion, build a dynamic and circulating talent pool, and fully integrate and retain candidate resumes, in order to conduct deep mining of talents and ensure the security and stability of the recruitment system.

³Honors of Transsion in talent development in 2022

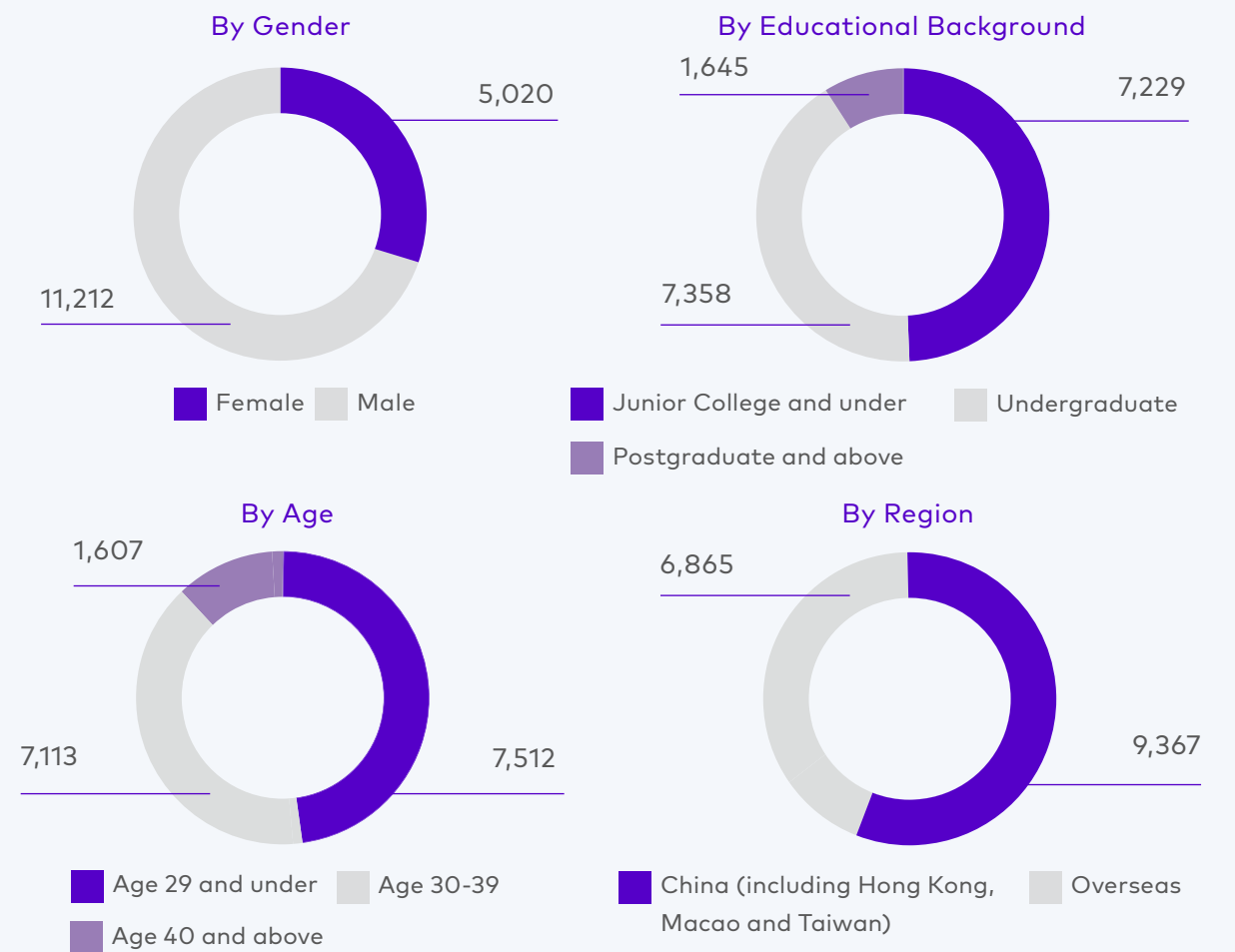
Social recruitment

Transsion worked with many recruitment platforms and industry resource channels, including 51job, Liepin and LinkedIn, to introduce middle and senior management personnel with excellent background and rich experience.

Campus recruitment

Through the Rookie Plan and Gyrfalcon Plan, we recruit excellent graduates and strengthen cooperation with local universities overseas. We also recruit local graduates and training. In the 2023 Autumn Campus Recruitment Project of Transsion Holdings, we signed contracts with a total of 265 students at home and abroad in 2022.

As of December 31, 2022, Transsion employed 16,232 people worldwide, including personnel in production, sales, R&D, finance and administration.



Employment of Transsion Holdings in 2022

We respect and protect human rights in the global operations. Based on the principles of the *Labor Law of the People's Republic of China*, the *Law on the Protection of Minors* and other regulations, Transsion has developed the *Corporate Social Responsibility Statement*, the *Employee Handbook*, etc. The *Corporate Social Responsibility Statement* undertakes that we comply with the national laws and regulations on labor, health and safety and other social responsibilities, and abide by the relevant standards recognized internationally and other applicable industry standards and international conventions.



The human rights protection commitments of Transsion Holdings

Human rights protection is the minimum standard for providing an equal working environment. We make the following human rights protection commitments in the *Social Responsibility Statement* and the *Employee Handbook*. The commitments are applicable to all directors, managers and employees of Shenzhen Transsion Holdings and its subsidiaries and branches, whether they work for the company on a full-time, part-time or otherwise temporary basis.

- **Free Employment**

Do not force, do not bind by contract, do not enslave or traffic in labor. It is forbidden to ask employees to pay the deposit or to leave the identity card in company.

- **Non-discrimination**

We promise to protect our employees from harassment and discrimination; the recruitment, wage, training opportunity, promotion, working arrangement (including working overtime) and dismissal are based on the ability of employee and the need of position. We are against and shall never allow any discriminations related to race, social class, nationality, religion, disability, gender, sexual orientation, union membership and politics status.

- **Compensation and Welfare**

The company pays the employee according to local laws and regulations and the wage should not be below the minimum wage standard. The salary detail should be listed clearly through the files, and corresponding holidays, wages, overtime pay as well as insurance should be provided.

- **Prohibit Child Labourer**

It is prohibited to employ child labourer in any section of manufacturing. All the employees must be over the age of 16. Employees under the age of 18 shall not be arranged to do works which may endanger the health or safety of juveniles.

- **Freedom of Association**

Employees have the rights to join unions freely; unions can negotiate with the company on behalf of the employees.

- **Humane Treatment**

To ensure the physical and mental health of employees, and to protect their personality and dignity, any kind of sexual harassment, sexual abuse, physical punishment, physical or mental oppression, verbal abuse and violent threats are strictly prohibited.

In terms of the working hours of employees, Transsion has stipulated working hours in the *Employee Handbook*, the *Attendance Management Regulations* and the *Labor Contract*, and the company shall not force employees to work overtime. The company applies standard working hour system at the headquarters, while the domestic and overseas offices can flexibly adjust their working hours according to the actual situation without violating local labor laws and relevant regulations, and report to the HR Center.

In 2022, there were no major personnel changes, no major labor disputes and no complaints on human rights.

Democratic communication

Transsion attaches importance to the opinions from employees, and has established various communication channels to address their demands promptly and safeguard their rights to know and participate.

Keep communication channels open

We attach great importance to communication with our employees, set up diverse communication channels, and promote an open and democratic communication atmosphere within the company through the internal communication channel, "Transsion Knows" platform and its operation principle of "No Deletion of Posts, Respect Every Voice of Employees"; we promote direct communication between the management and the grassroots employees and timely response to employees through diversified approaches like promoting discussion and dialogue at all levels, monthly meetings between departments, new employee communication meetings and trade unions. We also respect employees' advice and suggestions, respect employees' willingness to participate in company management and construction, and investigate their positivity and motility, enhancing their sense of belonging.

In 2022, the company launched the "Open Administration Platform" as a permanent window for collecting administrative opinions. It opened up online questionnaires, offline symposiums, and hundreds of one-on-one interviews to fully understand the needs of employees and the pain points of business. Combining employee feedback, benchmarking within the industry and company of the same scale, as well as external learning, the company will continuously optimize its employee services.

Transsion has set up a trade union to protect the legitimate rights and interests of all employees in accordance with the law. The trade union has formulated the *Management Policy of the Trade Union Committee of Shenzhen Transsion Holdings Co., Ltd.* to participate in the formulation of corporate democratic resolutions related to the vital interests of employees from the perspective of employees, and provide suggestions and opinions to the management on strengthening employee diversity, safeguarding employee health and safety, enhancing employee welfare, etc.

Enrich communication content

- Transsion has set up a HR Business Partner (BP) system, where the BP builds bridges for communication between departments, collects and coordinates various business needs and helps departments improve employee satisfaction. Employees can not only make requests or suggestions directly through the online Enterprise WeChat or Feishu administrative service platform, but also communicate and receive answers to their questions face-to-face through the offline service desk for employees.
- In terms of communication on performance appraisal, employees' opinions are understood through performance communication, and performance communication coaching and attendance system sharing meetings are conducted to deepen employees' understanding of the remuneration and performance system and help them perform better.
- In terms of policy communication, we help employees to better understand and safeguard their rights and interests by conducting policy communication sessions on various topics such as social security, housing provident fund, settlement policy and the company's commercial insurance. Transsion has opened multiple communication channels such as communication workshops at the theory-discussing meeting and forums for new employees to understand employees in a targeted manner, actively listen to their opinions and build a smooth communication bridge between the management and employees.

Compensation and benefits

We comply with the *Labor Contract Law of the People's Republic of China*, the *Special Provisions on Labor Protection for Female Employees*, the *Social Insurance Law* and the local regulations, and have formulated the *Measures for Employee Performance Management* and the *Measures for Compensation Management*, which set the principles of ranking by post, paying by ability and rewarding by performance.

Compensation and performance

In terms of compensation and performance, Transsion has formulated the *Measures for Compensation Management* applicable to employees of Transsion Holdings and its subsidiaries and branches, providing a market-competitive compensation package for all employees, including fixed and variable compensation. We follow the principle of "Equal Pay For Equal Work", and determine salaries based on post requirements and employees' individual abilities, regardless of gender, ethnicity, religion, political stand, marital status and other factors. We adhere to a compensation strategy of putting employees' performance first while taking into account the spirit of hard work and innovation, and favoring key positions.

We conduct regular performance appraisals, establish appraisal criteria from company development, employees' individual performance, work ability, potential and other aspects, and determine the appraisal cycle according to the needs in different development stages and the responsibilities of each department, which is divided into quarterly, semi-annual and annual appraisals. After the performance appraisal of employees, the company conducts enhanced incentives and improvement guidance through interviews and provides feedback on employees' performance. If the appraisee holds an objection, he/she could attempt to resolve grievances with his/her immediate supervisor. In the event the attempts to resolve the grievance are not successful and the appraisee wishes to pursue the matter, he/she could present the grievance in writing to the HR Center. We guarantee that the employees will receive effective feedback and timely response to their opinions.

Benefits

The company provides a number of benefits for employees, and has purchased overseas commercial insurance for employees based overseas and on an overseas business trip.

Mandated benefits	Basic benefits	Special benefits
<p>In accordance with national or local regulations, we provide our employees with:</p> <ul style="list-style-type: none"> National statutory holidays Social insurance, including basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, etc. Housing provident fund Other statutory employee benefits 	<p>Employees enjoy:</p> <ul style="list-style-type: none"> Leaves other than statutory holidays, including sick leave, work-related injury leave, personal leave, marriage leave, condolence leave, prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave and annual leave, etc. Holiday cash gifts or presents for traditional festivals such as Chinese New Year Festival and Mid-Autumn Festival Cash gifts or presents for employee birthday Meal allowance Communication allowance 	<p>Employees who meet conditions can enjoy:</p> <ul style="list-style-type: none"> Marriage and family welfare Work-related injury insurance Commercial insurance Accidental injury insurance Expat subsidies

Global employees at Transsion Holdings



Employee care

Transsion adheres to the principle of "People-Oriented" and creates a pleasant working environment for employees to help them balance work and life. We care for special employees and are committed to meeting the needs of every employee by providing barrier-free restrooms, nursing rooms, fitness rooms and other public facilities in the office building. The company regularly holds a variety of cultural activities for employees, including sports, entertainment, parenting and more. In addition, the company has established various themed clubs such as basketball, football, fitness, English corners, and book clubs. The company also holds themed events on various festivals to offer caring greetings, effectively enhancing employee happiness and sense of belonging.

Monthly Birthday Party

The company held monthly birthday party for employees. Colleagues celebrating their birthdays in the same month enjoy a delicate tea break together, make birthday wishes and feel the ceremonial atmosphere of being the birthday stars. Moreover, birthday gifts are given out on site.

Holiday-themed events

In 2022, the company organized various theme activities such as "Be Like a Child" for Children's Day, "Moon Palace Carnival" for Mid-Autumn Festival, and "Not Alone on Double Celebration" for Christmas and New Year. The implementation of these activities not only enlivened the working atmosphere but also greatly enhanced employee happiness and cohesion, further promoting the implementation of the company's corporate culture.

Clubs

Employees can participate in various activities for free, including swimming, reading, football, basketball, traditional Chinese culture, badminton, tennis, board games, English, music, fitness, calligraphy, flower arrangement, yoga, stand-up comedy, and improv clubs. These activities are organized on a weekly basis, with more than 300 events held by various clubs throughout the year, attracting over 5,000 participants.

100-day weight loss challenge

In 2022, the company held a 100-day weight loss competition, which motivated employees to develop good exercise habits while working. After the event, many employees gained new sports skills, healthier dietary habits and achieved their ideal body shape.

Free Chinese Medicine Clinic

In 2022, the company held two Traditional Chinese Medicine free consultation events; thoes two events focused on spinal health and occupational diseases related to office work respectively, providing popular science education and on-site consultation.



Free Chinese Medicine Clinic



Employee Birthday Party



Not Alone on Double Celebration



Moon Palace Carnival



Annual Kick off Meeting



Transsion has formulated and released the *Employee Mutual Aid Fund Management Measures*, and established the "Yin. Weiai" Employee Mutual Aid Special Fund to provide assistance to company employees who have difficulties in medical treatment due to major illnesses, accidents and other reasons. In 2022, the "Yin. Weiai" Employee Mutual Aid Special Fund distributed a total of 355,800 yuan of mutual aid funds.

Employee training and development

By implementing career management and establishing a "dual-channel" promotion mechanism, Transsion has achieved multidimensional development of employees through management and professional channels in parallel. In the meantime, by virtue of a plenty of training resources of Transsion College, we help our employees improve their professional ability and career competence, providing a wide space for their career development.

Talent development

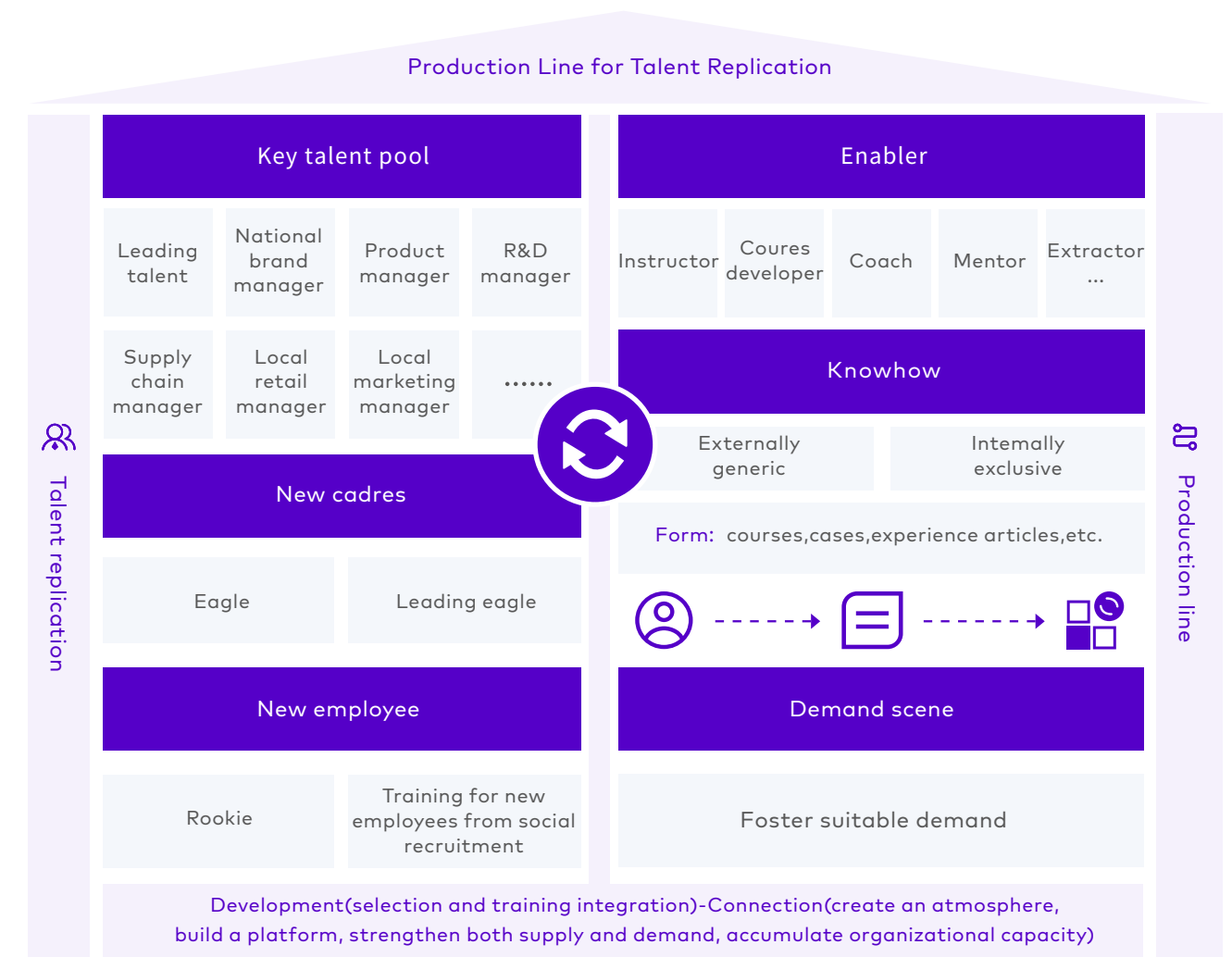
Through the establishment of the Transsion College responsible for overall planning of the training and development of employees, Transsion has built a three-level management structure of "company – department/division – second-tier department", with managers at all levels being responsible for the training of their teams.

Transsion has developed a comprehensive development plan for talents at different levels, and boosts the development of reserve talents; we assign new employees a career mentor who pays close attention to the employee's work status and provides necessary guidance at any time.

Since 2019, Transsion has explored the talent development mode of "Integration of Selection and Training" for the cultivation of "core talent" reserve force by combining the development needs and practices of the company. Benefiting from the talent development project, trainees can maintain timely communication with company executives and obtain effective feedback through face-to-face communication with company executives, so that trainees can be guided in their development direction and improvement space more pertinently. In 2022, a new form of online and offline training camp was innovatively used for the cultivation of key talents in R&D and subsidiaries' grassroots cadre training, the Manufacturing Center's Strong Foundation Plan, product managers, national managers and other projects. Approximately 250 employees participated in the training program in 2022.

Talent development plan of Transsion:

- 
Talent development plan for fresh graduates
 Rookie Program for fresh graduates, Gyrfalcon Program for management trainees, Blue Bird Program for interns
- 
Leadership development program
 Eagle Program for grassroots managers, Leading Eagle Program for middle managers and Future Leaders Training Camp for reserved senior managers
- 
Key talent development program
 Product Manager Training Camp, National Manager Development Training Camp, Local Talent Development Training Camp, Supply Chain Elite Development Training Camp, Financial Reserve Talent Management Training Camp
- 
For all employees
 We have set up the Transsion E-learning System (TES) and Transsion Hall to share generic skills and technologies, and each department also has internal sharing mechanisms focusing on experience sharing and knowledge accumulation in business areas



Training System of Transsion

Diversified training

We are committed to building a comprehensive training system to provide targeted training for employees in different positions, consolidate their business foundation, and enrich and enhance their professional skills. We have formulated policies such as the *Training Management Measures* and the *College Annual Training Plan* to coordinate the company's training plans, manage progress dynamically through TES, clarify the training operation procedures and instructor responsibilities, and establish a sound training management mechanism.

TES (Transsion Education System)

TES serves the business needs of all levels of Transsion. The system is operated by the Transsion College, with support from the Process and Information Center, Human Resources Center, and Transsion College. It is a self-owned mobile learning platform covering the entire business landscape of Transsion. In 2022, the platform launched a series of special courses to meet the learning needs of employees, such as "TES Learning Management", "UCW Unlimited Case Works", "Just-in-time Learning-Transsion Campus Recruitment Training", "TED on TES", "Video Library", "Product Innovation Study Group", and "Transsion Business Course".

Offline training workshops

To meet the needs of diverse learning scenarios of business departments, Transsion College has launched workshop programs that can be delivered by internal teams. For example, The "Belbin Team Role" gathers the advantages of team members through evaluation and presents them in a radial graph, which facilitates efficient teamwork and team management. "Mentorship Ability Development" is a customized development program designed for mentors to better train fresh graduates to quickly adapt to their job positions. "Design Thinking Workshop" is a customized workshop product based on innovative demands from various business departments, which leads learners to generate innovative solutions from the user's perspective in a real business scenario. It is designed to be as close to the business working environment as possible, promoting "learning by doing" and better supporting internal talent to meet business challenges.

Corporate culture publicity

The company have successively organized several culture seminars, inviting employees from different businesses, functions and levels including core executives, HR team, procurement, finance, and R&D, to participate in open workshops to express and exchange their true ideas via open workshops, to allow the Transsion culture to take root in the knowledge, belief and behaviors of Transsioners; We have set up a special course of culture tour for new employees to experience the Transsion style with fun and attitude at the induction; We have created 6 IPs of Transsion values and, with the help of peripheral carriers of "Culture Creativity n", integrate them into employees' daily work and life and spread the corporate culture to every corner; We have called on and run a culture ambassador team consisting all business departments to embed the culture into business and nurture the culture with business through the two-way idea of empowerment and practice, and to continuously intensify the core of Transsion culture.

In addition, Transsion supports employees to pursue skill improvement and career development by encouraging them to obtain educational upgrade and qualifications on the job through continuing education based on their professional background. Transsion has formulated the Training Management Measures to encourage employees to participate in training programs related to their job skills improvement and provides assistance such as expense reimbursement. We have formulated the Management Measures for Advanced Study of Company Executives to provide support for the advanced study for degrees such as MBA. The company provides company executives with assistance including study resources recommendation and partial reimbursement of tuition fees. For language learning, we have formulated the Implementation Rules for Foreign Language Learning Incentive, reimbursing expenses such as the examination registration fees for English, Arabic, French and other languages required for the current business, in a view to encouraging employees to improve their foreign language skills.

"Belbin Team Role" Training

The "Belbin Team Role" is a training course introduced by the company. Based on scientific assessment and diagnosis of the real feedback of team members, it helps lead teams to better understand themselves and their colleagues, cooperate more effectively, and become higher-performing teams. In 2022, the company has conducted more than 10 learning and discussion sessions, covering relevant departments such as R&D, supply chain, and manufacturing.



School-enterprise co-development

Transsion deeply understands that, in the field of mobile communications and the Internet, the core of enterprise competition lies in the competition for cutting-edge technology and talent. We have entered into industry-university-research cooperation agreements with Shanghai Jiaotong University, Huazhong University of Science and Technology, The Hong Kong Polytechnic University and other universities to develop in-depth cooperation in talent training, technological cooperation, and talent exchange and supply. Based on the cooperation framework, Transsion and the universities have given full play to respective technical and resource advantages, and focused on the fields such as mobile phone product hardware, software, mobile Internet and artificial intelligence, to carry out cutting-edge exploration and gradually build an industry-university-research cooperation system, establishing a long-term and stable partnership.

We have also teamed up with University of Ibadan and University of Nairobi to explore new models of school-enterprise cooperation and strengthen all-round school-enterprise cooperation in professional exchange, student practice and graduate employment.

We expect that deepening school-enterprise cooperation will help Transsion strengthen its R&D deployment, target market demand and opportunities, and continuously enhance the product value, while creating a healthy ecosystem for talent development to empower business development.

Reasonable promotion

To ensure fair promotion of employees is an important factor for the stable development of an enterprise. Transsion Holdings has formulated the Promotion Program of Professional Serial Certification, the Cadre Promotion Program and other system to standardize and guide the promotion management, and adheres to the promotion principles of "Fairness and Impartiality, Scientific Selection and Merit-based Admission" to select talent in line with the company's culture and team development needs. Transsion Holdings is committed to boosting a promotion mechanism with clearer appointment and promotion requirements and a more specific bottom line, selecting on merit and ensuring a smoother development channel for employees with outstanding performance and ability.

Promotion mechanism

Transsion has implemented a "dual-channel" mechanism, with management channel and professional channel in parallel to achieve multi-dimensional development of employees.

Appraisal criteria

Transsion has developed tailored promotion programs for different targets, such as professional serial promotion and cadre promotion, and the main factors to be considered include performance and working ability.

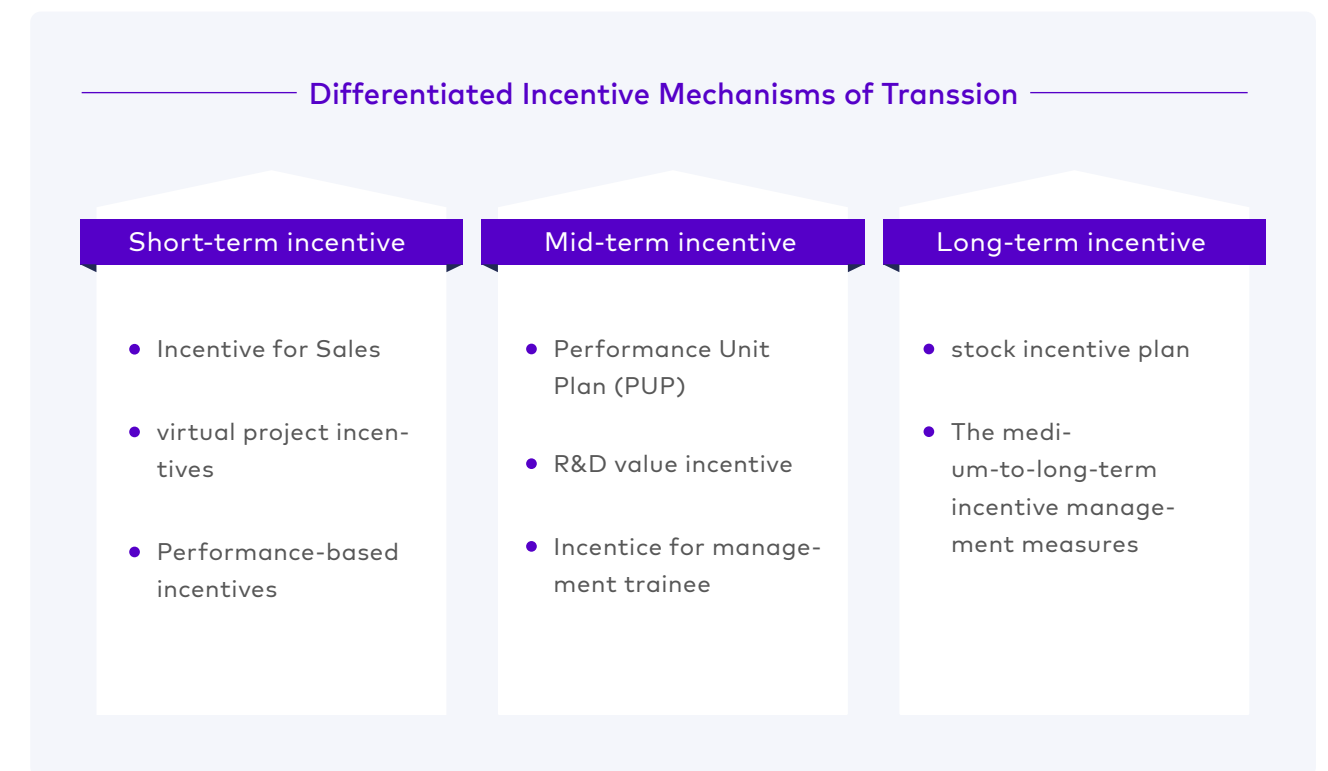
Supervision of promotion

Cadres are required to undergo assessments such as the leadership assessment and defenses, demonstrate their work results, receive the audit by judges and review for certification, and department announcement. If there are no objections, their promotion will be submitted to the company for approval.

Employee incentives

In order to cultivate and motivate the entrepreneurial spirit of Transsion employees, Transsion has implemented a restricted Stock Incentive Plan for 2022 in accordance with relevant laws and regulations such as the *Management Measures for the Equity Incentive of Listed Companies*. The total amount of this incentive is 17.18 million shares, and on September 13, 2022, the first grant of 13.75 million restricted stocks was completed to 926 incentive objects.

For employees with high value contributions, Transsion provides them with market-competitive remuneration rewards to attract and retain the company's core talent through diversified and differentiated incentive mechanisms.



Occupational health and safety

Transsion strictly complies with the laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the *Management Measures for the Production Safety Accident Contingency Plan*, and has formulated internal policies such as the *Regulations on the Management of Environmental Safety in Offices*, which provide specific regulatory guidelines on the safety and health of employees.

Ensure occupational safety and health

- **Standardizing operating requirements**

Employees are required to strictly comply with labor discipline, work safety rules and regulations, operating guidelines on work safety, etc.

- **Providing a safe environment**

Transsion takes corresponding measures to ensure that the workplace complies with regulations in terms of drinking water, sanitation, fire safety, lighting, and ventilation, providing a healthy and safe working and living environment for employees.

- **Furnished with safety equipment**

Transsion equips employees with the labor protection supplies required for their work and regularly distributes necessary pandemic prevention materials to employees during the pandemic.

- **Regular health check-ups**

Transsion pays attention to the health of employees and organizes regular health check-ups.

- **Organizing healthy sports activities**

Employees can participate in various sports clubs such as swimming, football, basketball, badminton, tennis, yoga and fitness for free. The clubs hold nearly 400 activities throughout the year, attracting more than 5,000 participants. At the end of the year, each club holds a New Year Cup competition to allow employees to experience the passion of sports competition. The company also holds a 100-day weight loss challenge to encourage employees to develop good fitness habits while working. In addition, the company provides fitness rooms, yoga rooms, and leisure sports areas for employees.

- **Organizing health lectures**

The company organizes employees to participate in lectures and training on office safety, computer virus prevention and treatment, extreme weather travel safety, occupational disease prevention, common and frequently-occurring disease prevention through online and offline methods, which shows the company's care for the physical and mental health of its employees.

- **Certification**

Transsion Holdings, Shenzhen Tecno and Chongqing Transsion Technology have been awarded the Occupational Health and Safety Management System Certificate.



Transsion Holdings ISO
45001 Certification



Shenzhen Tecno ISO 45001
Certification



Chongqing Transsion Technology
ISO 45001 Certification



Transsion Basketball Match



Yoga Club

Focus on safety training

The company has established a sound EHS management structure and system. It organizes safety knowledge and emergency skills training in accordance with the requirements of laws and regulations and practical needs, deploys emergency materials that meet compliance requirements, and organizes regular contingency plan drills of various security themes to ensure the effectiveness.

In 2022, two domestic factories carried out more than 320 training sessions concerning EHS, with more than 17,000 training attendance, covering 100% factory workers.



Safety Training in Factories



Emergency Drill in Factories

Transsion held a training session on fire safety training and fire evacuation drill

In July, August and December 2022, Transsion held fire safety training and fire escape drills in Shanghai and Shenzhen to help employees master fire safety knowledge, conduct orderly evacuation exercises, and improve their ability to respond to extreme situations.



Transsion organizes employees to participate in the Red Cross first aid certificate training in Shanghai

In October 2022, Transsion organized employees to participate in the first-aid training organized by the Shanghai Red Cross Society, and obtained the first-aid certificate, which helps employees to improve their theoretical knowledge and practical skills related to CPR, trauma rescue, escape and avoidance.



05. Partner Responsibility For Win-win Results

Transsion upholds the principle of win-win cooperation, actively seeks to establish long term partnerships of mutual trust and benefit with relevant providers in the industry chain, and joins hands with domestic and foreign partners to share the fruits of sustainable development.

Response to SDGs Indicators



Response to GRI Indicators

GRI102-9

GRI102-10

GRI308

GRI414

Responsible supply chain management

Suppliers are important partners of Transsion. Transsion and the suppliers jointly comply with the laws and regulations and generally accepted international standards or conventions in the places of product manufacturing and operation. To establish a standardized supplier management procedure and system for the company, we have developed a series of internal policies such as the *Process for Introducing New Suppliers*, *Supplier Feedback Management Process*, *Transsion's Integrity Statement and Procurement Agreement* to shape a healthy and sustainable responsible supply chain. Moreover, Transsion has set up a mandatory supplier introduction standard, the *Supplier Mandatory Criteria Assessment Form*, which clearly sets out the "zero tolerance" criteria related to the environmental and social responsibility of suppliers.

Supply chain management process

Supplier identification and introduction

We have established strict supplier introduction approval criteria to apply corresponding standards to all introduced suppliers, including but not limited to requiring suppliers to have sound corporate qualifications, matching professional qualifications and service capabilities, and usually adopt an open platform to provide registration and ensure a fair and transparent supplier registration process.

Transsion has developed the *Process for Introducing New Suppliers*, requiring new suppliers introduced to enter into agreements such as the *Safety and Environmental Protection Agreement* and the *Agreement on Not Using Prohibited Substances* with the company when new suppliers are introduced. In addition, we have developed a *Supplier Assessment Form - QSA* to check suppliers' compliance in environmental and occupational health and safety to safeguard the green procurement from the supply chain and the personal and property safety of laborers, and we will first select suppliers with excellent performance.

Supplier introduction audit

We set up a supplier review panel to conduct strict inspections of suppliers' qualifications, product quality, social responsibility, labor rights and interests, and other areas. We have developed and implemented a *Supplier Mandatory Criteria Assessment Form* as the assessment criteria to conduct strict assessments on corporate quality system assessment (QSA), quality process audit (QPA), trade safety and other aspects. Qualified suppliers can be introduced into the resource pool as reserve.

We also actively focus on the practices of suppliers in respect of environmental protection and labor management and advocate the establishment of effective labor, health and safety management systems by them when assessing supplier admission. We set "not using child labor and forced labor" and "not providing false information" as mandatory criterias in *Supplier Mandatory Criteria Assessment Form*. We have formulated environmental, fire and safety audit projects when assessing supplier admission. We require compliance in the use of labor, ensure compliance by reviewing the supplier's employee list, sampling employee information and employment contracts, requiring suppliers to provide

proof of salary payment and interviewing employees, and are concerned about the occupational health and safety of suppliers' employees. We require suppliers to pay basic salary and corresponding benefits as required by local laws and regulations, and pay corresponding overtime fees according to local laws and regulations.

Audit and assessment of supplier's contract performance

We conduct regular audits of suppliers' contract performance and have established audit standards for environmental, fire and safety management of suppliers, including ISO 9000 quality management system, ISO 14001 environmental management system, ISO 45001 occupational health management system, RoHS hazardous substances management system, conflict minerals management, 27001 information security management system and other standards. In addition, we have developed the *Supplier Performance Evaluation Process and Supplier Incentive Management Measures* to evaluate suppliers in terms of labor management, environmental management and other aspects and provide monetary and honorary incentives to suppliers with excellent performance in comprehensive dimensions.

In 2022, we audited all new suppliers to be introduced and suppliers that were on the Approved Vendor List (AVL) to be audited annually, and supplier audit results all met internal management standards.



Proportion of suppliers signing the *Supplier Integrity and Honesty Commitment Letter, Declaration of Supplier Interests* **100%**

Communication with supplier

We conduct business reviews through annual supplier conferences and quarterly, annual and unscheduled communications between middle and senior management among suppliers, putting forward green procurement, delivery, technology, quality and other demands and promoting improvement. In 2022, over 100 supplier QBR/YBR (quarterly/annual) communication meetings were completed.

In addition, we also publicize and arrange for shortlisted suppliers to sign the *Transsion Integrity Statement* during supplier audits, and require partner suppliers to sign the *Supplier Integrity and Honesty Commitment Letter* and the *Declaration of Supplier Interests* in a bid to further strengthen the integrity publicity to suppliers.

"Walk Hand in Hand, Go Far and Wide" Supplier Conference

In November 2022, we held the "Walk Hand in Hand, Go Far and Wide" supplier conference to exchange ideas with partners participating in the conference on "the subsequent strategic development direction of Transsion's various product businesses", in which more than 200 major suppliers of approximately 90 core components participated.



Responsible procurement

Transsion follows the strict standards of integrity in all business interactions, prohibits any form of bribery, corruption, extortion and embezzlement of public funds, and adheres to a green and sustainable procurement philosophy to achieve responsible procurement.

Optimize conflict minerals management

In terms of conflict minerals management, Transsion complies with the conflict minerals reporting and other requirements under section 1502 of the US *Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act)* and irregularly conducts supplier conflict minerals survey and collects conflict minerals reports from suppliers to ensure that conflict minerals from illegal mines are not used in the supply chain. Meanwhile, Transsion has released a statement on conflict minerals management on its website.

Green and clean procurement

Based on the concept of sustainable development, Transsion regulates green procurement and strengthens the assessment control of the information about suppliers' environmental and social factors. Transsion has improved the supplier collaboration platform, where the environmental protection agreements signed by suppliers and the information related to environment and labor health and safety involved in supplier audits are available.

Transsion pays attention to transparent procurement. In 2022, Transsion and its suppliers signed the contractual documents such as the *Supplier Integrity and Honesty Commitment Letter* and *Declaration of Supplier Interests*. Suppliers shall guarantee not to promise or agree to provide, or authorize any third party to provide, or pay any fees, loans, donations, anything of value or improper advantage to our employees and their spouses, their children and children's spouses and other relatives directly or indirectly, or other specific/interested parties for the purpose of obtaining other improper business benefits, and not to give any kickbacks, commissions, gifts or other benefits to our managers, employees, agents or other related parties in any form. In addition, we established integrity and honesty provisions in the *Procurement Agreement* and organized internal integrity training and publicized anti-corruption cases to internal employees and suppliers on an irregular basis.

Transsion requires supplier partners to fulfill the obligation to inform it in the event of a request for a bribe. In the event of bribery during the cooperation, Transsion will terminate all cooperation with it, regardless of whether an improper benefit is actually obtained.

Promote industry development

Transsion continues to keep abreast of the development trends of the industry, attaches importance to exchanges and cooperation within and outside the industry, actively participates in various activities in the industry, and strives to innovate and deliver value with all partners. In 2022, Transsion actively built platforms for cooperation and sharing, strengthened cooperation with universities, industry associations and other stakeholders while extensively taking active part in international cooperation and exchange, and continuously promoted the standardized development of industry technology.

Deepen the industry-university-research-application cooperation system

Transsion continues to broaden talent recruitment system by leveraging advantageous enterprise resources to cooperate with well-known universities at home and abroad in support to the efficient development of business and achieve a win-win situation with the academic community. In 2022, Transsion cooperated with Shanghai Jiao Tong University and Tongji University, and by virtue of their unique advantages in the introduction and training of talents, promoted the cooperation in technology and projects, accelerated the industry-university-research results transformation and the training of innovative talent, and will maintain long-term win-win partnership with the academics in the future.

The "Key Technologies and Applications for Mobile Image Quality Evaluation" project jointly applied by Transsion and Shanghai Jiao Tong University won the first prize of the Technical Invention Award of the Chinese Society of Image and Graphics in 2022.

In 2022, Transsion will continue to deepen its expertise in mobile terminal imaging. Transsion and Shanghai Jiao Tong University have collaborated in the field of mobile imaging, and the jointly applied project "Key Technologies and Applications for Mobile Image Quality Evaluation" was awarded the first prize of the Technical Invention Award of the China Society of Image and Graphics in 2022.



Engage in Industry conversations and exchanges

Transsion Holdings has vigorously expanded cooperation areas and promoted diversified strategic cooperation featuring mutual complementarity. In 2022, many brands of Transsion conducted cooperation with third parties and engage in industry conversations.

- Transsion's innovative technology brand TECNO teamed up with globally renowned third-party analysis institution Counterpoint to jointly host an online industry seminar titled "Moving Towards High-end: Smartphones Demand Transformation and Technological Drivers".
- Infinix, a mobile phone brand of Transsion, released an industry white paper *Prospects for the Entry-level 5G Mobile Phone Market* together with CCS Insight, a well-known global industry analysis institution.
- Transsion made an appearance at VALSE 2022, discussing the development and application of cutting-edge technology in mobile terminal computing and photography.
- Infinix, a mobile phone brand of Transsion, continued a partnership with the Royal Observatory Greenwich, London, to help people better understand and explore the universe.

Transsion's innovative technology brand TECNO teamed up with globally renowned third-party analysis institution Counterpoint to jointly host an online industry seminar titled "Moving Towards High-end: Smartphones Demand Transformation and Technological Drivers".

On November 22, 2022, TECNO, the innovative technology brand of Transsion, and the globally renowned third-party analysis institution Counterpoint jointly held an online industry seminar titled "Moving Towards High-end: Smartphones Demand Transformation and Technological Drivers". Experts from various fields of global smartphones gathered together to explore the changing demands of high-end smartphone consumers and emerging technology development trends. The seminar invited globally renowned enterprises MediaTek and the international leading media group Forbes, to participate together.



Infinix, a mobile phone brand of Transsion, released an industry white paper *Prospects for the Entry-level 5G Mobile Phone Market* together with CCS Insight, a well-known global industry analysis institution.

In 2022, Infinix jointly with the globally renowned analyst firm CCS Insight, released a report *Prospects for the Entry-level 5G Mobile Phone Market*. The report analyzed the chip supply and the current development of the global smartphone market, evaluated and predicted the future prospects of 5G smartphones in emerging markets, and elaborated on growth opportunities and respective advantages faced by smartphone brands represented by Infinix.

Transsion made an appearance at VALSE 2022, discussing the development and application of cutting-edge technology in mobile terminal computing and photography.

The Visual and Learning Young Scholars Conference (VALSE 2022), hosted by the Chinese Association of Artificial Intelligence, was grandly held at the Tianjin National Convention Center from August 22nd to 24th, 2022. Numerous domestic experts, scholars, university professors and students, as well as innovative technology companies, gathered together. Transsion showcased its research achievements in the field of mobile terminal computational photography at this conference, and discussed the development and application of cutting-edge technology with domestic experts and scholars. At the conference, Transsion's image research and development team delivered a keynote speech on "Development and Application of Mobile Terminal Computational Photography Technology". The speech introduced the development of mobile phone photography and video technology, and shared the definition, system architecture, key technologies and characteristics covered by mobile terminal computational photography, as well as the many applications brought about by the improvement of the imaging devices and computing algorithms of mobile phones, and future trends in technological development.



Infinix, a mobile phone brand of Transsion, continues to explore the universe in partnership with the Royal Observatory Greenwich, empowering young people.

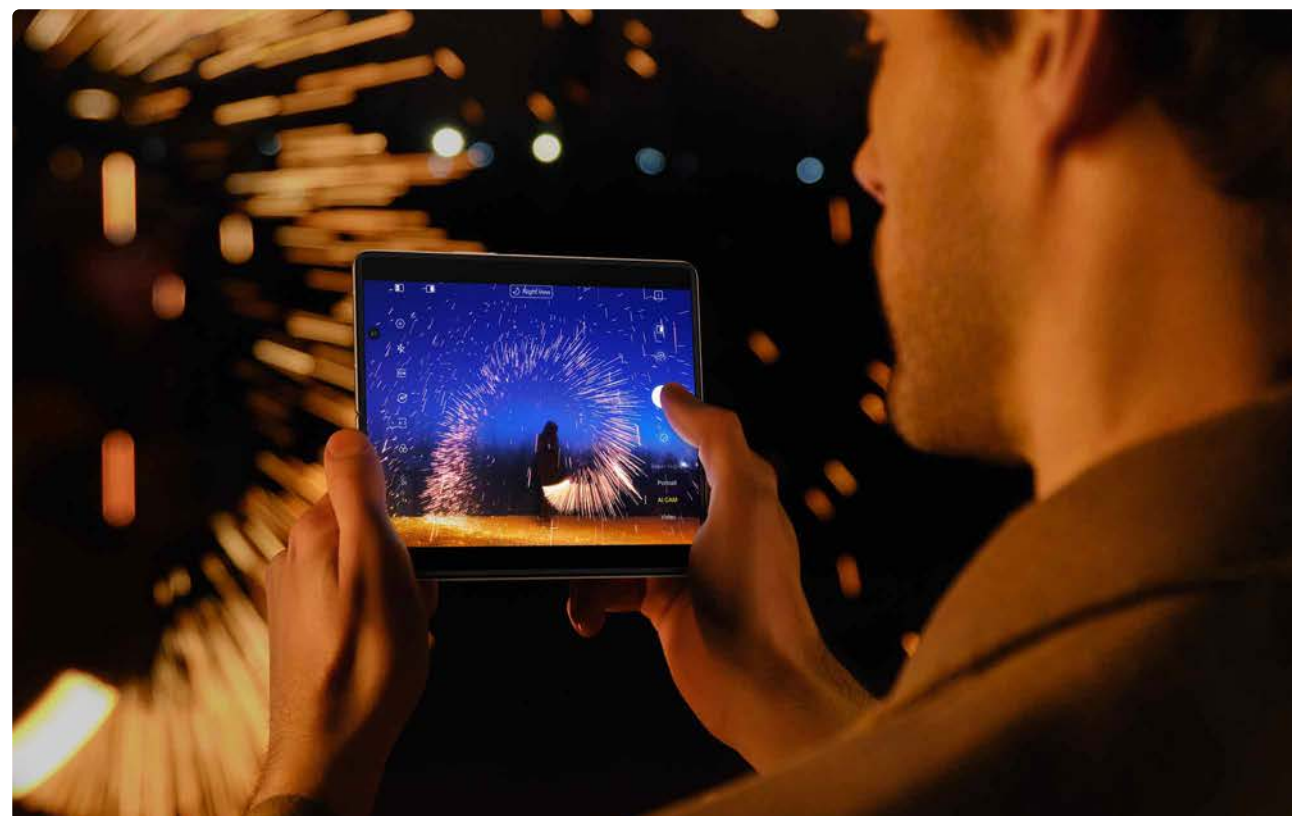
In September 2022, Infinix announced that it had further strengthened its partnership with the Royal Observatory Greenwich in the UK, donating over 90,000 US dollars in repair funds to the observatory's observation equipment, the Annie Maunder Astrographic Telescope, to support the astronomical cause of the observatory.



Royal Observatory Greenwich
(News release pictures for Infinix)



Annie Maunder Astrographic
Telescope

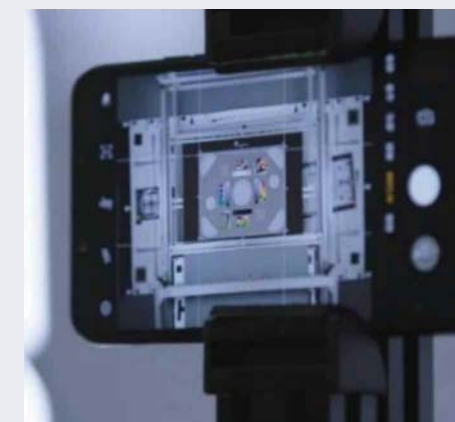


Advance the development of industry standards

We actively promote relevant standardization research, continue to enhance Transsion's influence in international organizations for standards, and cooperate with ecological partners in the industry to contribute to the development of the industry. Over the years, Transsion has developed a long-term R&D plan around the mainstream industry trend of computational photography technology and product applications, and continued to increase investment in technology R&D. Transsion has also exported research results through standardized methods to establish a deep connection between R&D and industry.

A Number of International Standards Led by Transsion are Approved by ITU-T, Deepening the Establishment of an International Standard System for Computational Photography

In 2022, the Study Group 16 of the International Telecommunication Union (ITU-T SG16) held several plenary sessions. Four standard proposals *Mobile Terminal Computational Photography System*, *Processing Procedure and Metadata Definition for Mobile Terminal Computational Photography System*, *Multi-Camera Domain Data Acquisition and Labelling for Automatic White Balance Enhancement in Mobile Terminal Computational Photography System* and *Aesthetic Metadata for Image Aesthetic Evaluation in Mobile Terminal Computational Photography System*, submitted jointly by Transsion and Beijing University of Posts and Telecommunications, were evolved and iterated in the group meetings, gradually heading towards maturity, laying a foundation for becoming international standards officially, and marking further improvement of the international standard system for mobile terminal computational photography.





06. Community Responsibilities for Harmony

Response to SDGs Indicators

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As an enterprise with a sense of social responsibility, we actively respond to the national appeals, offer assistance to "rural revitalization", participate in public welfare undertakings and give back to society to deeply assume corporate social responsibility.

Response to GRI Indicators
GRI413

Adhering to the philosophy of "Together we can", Transsion takes an active part in public welfare undertakings, keeps up with the national development strategies, positively assumes corporate social responsibility, and continues to create a positive impact on the local communities.

In 2022, the total amount of donations to external organizations, public welfare, and rural revitalization by Transsion was about RMB **5.74** million.

Rural revitalization

As China declared comprehensive victory in the tough battle against poverty, rural revitalization has become an important strategy to continue to promote the development of rural areas and the increase of people's income. As an enterprise with a sense of social responsibility, Transsion has always attached great importance to promoting local industry development and increasing people's income to make them rich through corporate development. After the national rural revitalization strategy was put forward, Transsion took active actions to deeply assume corporate social responsibility by combining industrial revitalization with talent revitalization based on the business landscape.

"Gather Transsion's power to fuel up rural revitalization." In 2022, in active response to the national strategy, Transsion Holdings continued to lay out the special plan for "rural revitalization". In terms of consumption assistance, Transsion helped Bama County in Guangxi and Wuxi County in Chongqing, effectively promoting the rural revitalization with practical actions.

Consumption Assistance Contributed to Rural Revitalization

In 2022, Transsion Holdings purchased agricultural products from designated poverty alleviation companies in Nanshan District, Shenzhen, with a total purchase amount of about RMB 1.57 million, to support the industries and employment in Bama County, Guangxi and Wuxi County, Chongqing.



Transsion helped Bama County, Guangxi and Wuxi County, Chongqing by consumption.



Transsion was thanked by the leadership group of counterpart assistance of Nanshan District, Shenzhen City for supporting rural revitalization.

Transsion not only continued consumption assistance, but also focused on talent revitalization and rural education. It has joined hands with the Amity Foundation to launch the "Small Desks in the Mountains" project to provide educational assistance in Dege County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province. This project aims to improve the teaching conditions of rural children and promote social education equity.

Talent revitalization – "Small Desks in the Mountains" project

In 2022, Transsion partnered with Amity Foundation to launch the "Small Desks in the Mountains" project, donating about RMB 420,000 to the Amity Foundation. The funds were mainly used to donate student-specific desks and chairs to six schools in Dege County, Ganzi Tibetan Autonomous Prefecture, providing children with adjustable desks and chairs that are scientifically designed and suitable for their physical development, helping them to learn happily and grow healthily. In addition to donating desks and chairs, Transsion also provided the children with art education picture books and calligraphy sets.



Public welfare and charity

"Practice corporate social responsibility and give back to the local community in Africa" and "Be a brand with care". All mobile phone brands of Transsion help the local disadvantaged, support education with technology and fight the pandemic through material/fund donations in the places where they operate.

"Little Library" donation program of Transsion's mobile phone brand - itel

In 2022, itel called on 13 countries to participate in the "Little Library" public welfare initiative, donating books, bookshelves, learning and living supplies to children in impoverished areas in Nigeria, Côte d'Ivoire, Ghana, Cameroon, Rwanda, Democratic Republic of Congo, Tanzania, Kenya, etc., and helped children achieve their dream to go to school. As of 2022, the project has helped more than 60,000 school children and families, established more than 350 little libraries and involved a total donation of RMB 980,000.

The project has gained high recognition from all sectors of society and itel has won three brand awards and certifications in 2022: Africa's Most Committed Brand to Humanitarian Services, Award of Recognition of Outstanding Impact and Certificate of Appreciation for sponsorship.



"Little Library" Activities



"Little Library" program receives Africa's Most Committed Brand to Humanitarian Services, Award of Recognition of Outstanding Impact and Certificate of Appreciation for sponsorship.

TECNO and Infinix, the mobile phone brands of Transsion, and the after-sales service brand, Carlcare, provided assistance to the disaster areas in Pakistan and donated money for charity.

In 2022, Pakistan suffered from a rare flood disaster. Transsion's mobile phone brands TECNO and Infinix, as well as after-sales service brand Carlcare, provided assistance to the disaster area in Pakistan and donated funds.

Transsion TECNO division and the local team in Pakistan drove nearly 300 kilometers to the disaster area and donated essential supplies such as flour and oil, with a total value of about 1.75 million Pakistani Rupees, to alleviate the urgent needs of the victims. This donation has received attention from local newspapers, TV stations, and technology media. The Chinese Embassy in Pakistan also praised this donation through social media.

Infinix, a mobile phone brand of Transsion, has formed a convoy to support the disaster areas and provided needs for the victims.

Carlcare, an after-sales service brand of Transsion, has been closely monitoring the situation in the disaster areas of Pakistan. In September 2022, it actively organized flood rescue operations and distributed materials to the affected people, donating about 500,000 Pakistani Rupees worth of materials. Carlcare also cooperated with the Alkhidmat Foundation to launch the "Carlcare flood relief" campaign, providing food, water, mosquito nets, and other daily necessities to the severely affected Punjab Province, alleviating the problem of material shortages in the disaster area and helping the people there get through the difficulties.



TECNO donated to the disaster areas.

The Chinese Embassy in Pakistan praised the donation through social media.



Infinix donated and rushed to support the disaster areas.

Carlcare went to the disaster area to distribute daily necessities.

Donation of mobile phones to help groups in need improve current life by Transsion's mobile phone brand - TECNO

In 2022, TECNO Philippines team collaborated with local KOLs to donate 50 units of POVA NEO, worth about 5,093 US dollars, to the city health office, elderly affairs office, and students in the capital of the province of Bulacan, Malolos City, in order to give back to the community and show the brand influence of TECNO. In addition, the TECNO Philippines team partnered with GRAB to donate 65 units of POVA NEO, worth about 6,620 US dollars to young workers and labor groups who continued to contribute to the city's operations. TECNO actively takes on social responsibility and helps people in need to improve their current lives through the combination of love and technology.



Transsion's mobile phone brand - TECNO teamed up with Manchester City Football Club to launch the "Stop At Nothing" program to help aspiring sports journalists achieve their dreams through internships.

In the 2022 season, TECNO once again joined hands with Manchester City to launch the "Stop At Nothing" internship sports journalist dream plan in the Indian market, providing valuable internship and employment opportunities for young people with sports news ideals in the world's top sports media GOAL. Qualifiers will become exclusive interns sports journalists of GOAL, receiving real-time training from GOAL's global and local editorial teams, learning sports writing, event analysis, and interview skills, and fully covering Manchester City's hottest matches. They will also have the opportunity to have close conversations with Manchester City players, legends, and sports professionals.

Transsion's accessory brand oraimo launched "oraimo Cares For Explorers" charity project.

In December 2022, oraimo Nigeria partnered with the Blessing Omolafe Foundation charity to bring the "oraimo Cares for Explorers" to the slums of Nigeria. They provided Christmas gifts to women and children and donated funds to improve the living environment of local women and children, as well as to provide high-quality education for vulnerable groups and youth in the impoverished area.



"Show Me LOVE" activity of Transsion's mobile phone brand - TECNO

During "TECNO Blue Valentine's Day" in February 2022, TECNO Nigeria launched "Show Me LOVE" activity, visiting Adonai Orphanage in northern Nigeria, and giving baby products, hygiene products, and branded gifts to the children in the orphanage.



Transsion's mobile phone brand - TECNO launched a women's health-themed activity in partnership with the welfare organization JCI.

In March 2022, Transsion's Mobile Phone Brand - TECNO launched a women's health-themed activity with the welfare organization JCI (Jeune Chambre International). The focus of the activity was on cervical cancer screening and prevention. To help women in impoverished areas of Senegal understand cervical cancer, TECNO and JCI jointly organized a theme activity in remote towns in Senegal, promoting protective knowledge and conducting on-site health checkups. Through distributing promotional brochures, free on-site checkups, donations and other means, they called for greater attention to women's health from society. In total, six theme activities were held in six cities in Senegal in 2022, and hundreds of women received on-site health checkups.



“Be the Santa Claus for girls”

Before Christmas 2022, Transsion collaborated with Shikhar Foundation, a public welfare organization dedicated to empowering girls in India through education, to collect Christmas wishes from some of the girls through a wish tree and deliver the gifts they hoped for to their hands. In addition, they awarded itel smartphones to 10th grade students who excelled in their midterm exams.



Transsion's mobile phone brand - Infinix held a campus music festival to inspire young people to pursue their music dreams.

In September 2022, Infinix sponsored the Rising Star campus music festival in three Kenyan universities - University of Nairobi, Moi University, and Mombasa Technical University - with a total sponsorship of over 6,000 US dollars. The event brought together original music, rap, local songs, and popular western styles, igniting young people's music dreams.



Joining hands with Prerna to care for impoverished children.

In February 2022, Transsion partnered with the social welfare organization Prerna, which focuses on improving the lives of impoverished children in India. They spontaneously donated cash, books, notebooks, stationery, various snacks, and other items to children living in slums in the Batikoy Mine area and southern Delhi, with a total value of approximately 1 Lacs Rupees.



Appendix I Content Index of Global Reporting Initiative (GRI) Standards

Indicator	Indicator Description	Section	
Organizational profile	102-1	Name of organization	About this Report
	102-2	Activities, brands, products and services	About Transsion
	102-3	Location of headquarters	About this Report
	102-4	Location of operations	About Transsion
	102-5	Ownership and legal form	/
	102-6	Markets served	About Transsion
	102-7	Scale of organization	Responsibilities for employees
	102-8	Information on employees and other workers	Responsibilities for employees
	102-9	Supply chain	Partner responsibility
	102-10	Significant changes to the organization and its supply chain	Partner responsibility
	102-11	Precautionary principles or approach	Not applicable
	102-12	External initiatives	Not applicable
	102-13	Membership of associations	Not applicable
Strategy	102-14	Statement from senior decision-maker	Message from Chairman
	102-15	Key impacts, risks and opportunities	Operation responsibility
Ethics and Integrity	102-16	Values, principles, standards and norms of behavior	About Transsion Operation responsibility
	102-17	Mechanisms for advice and concerns about ethics	Operation responsibility
Governance	102-18	Governance structure	Operation responsibility
	102-19	Delegating authority	Operation responsibility
	102-20	Executive-level responsibility for economic, environmental and social topics	Operation responsibility
	102-21	Consulting stakeholders on economic, environmental and social topics	Operation responsibility
	102-22	Composition of the highest governance body and its committees	Operation responsibility
	102-23	Chair of the highest governance body	/

Indicator	Indicator Description	Section		
Governance	102-24	Nominating and selecting the highest governance body	/	
	102-25	Conflict of interest	Not applicable	
	102-26	Role of highest governance body in setting purpose, values and strategy	About Transsion	
	102-27	Collective knowledge of the highest governance body	/	
	102-28	Evaluating the highest governance body's performance	/	
	102-29	Identifying and managing economic, environmental and social impacts	Operation responsibility	
	102-30	Effectiveness of risk management process	Operation responsibility	
	102-31	Review of economic, environmental and social topics	Operation responsibility	
	102-32	Highest governance body's role in sustainability reporting	Operation responsibility	
	102-33	Communicating critical concerns	Operation responsibility	
	102-34	Nature and total number of critical concerns	Operation responsibility	
	102-35	Remuneration policies	/	
	102-36	Process for determining remuneration	/	
	102-37	Stakeholders' involvement in remuneration	/	
	102-38	Annual total compensation ratio	/	
	102-39	Percentage increase in annual total compensation ratio	/	
	Participation of Stakeholders	102-40	List of stakeholder groups	Operation responsibility
		102-41	Collective bargaining agreement	/
		102-42	Identifying and selecting stakeholders	Operation responsibility
102-43		Approach to stakeholder engagement	Operation responsibility	
102-44		Key topics and concerns raised	Operation responsibility	
Report Practice	102-45	Entities included in the consolidated financial statements	/	
	102-46	Defining report content and topic boundaries	About this Report	
	102-47	List of material topics	Operation responsibility	
	102-48	Restatement of information	Not applicable	

Indicator	Indicator Description	Section	
Report Practice	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	About this Report
	102-51	Date of the most recent report	About this Report
	102-52	Reporting cycle	About this Report
	102-53	Contact information for questions regarding the report	About this Report
	102-54	Claims of reporting in accordance with the GRI standards	About this Report
	102-55	GRI content index	Appendix
	102-56	External assurance	/
Management Method	103-1	Explanation of the material topic and its boundaries	Operation responsibility
	103-2	Management approach and its components	Operation responsibility
	103-3	Evaluation of the management approach	Operation responsibility
Economic Performance	201-1	Direct economic value generated and distributed	/
	201-2	Financial implications and other risks and opportunities due to climate change	/
	201-3	Defined benefit plan obligations and other retirement plans	/
	201-4	Financial assistance received from government	/
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2	Proportion of senior management hired from the local community	/
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	/
	203-2	Significant indirect economic impacts	/
Procurement Practice	204-1	Proportion of spending on local suppliers	/
Anti-corruption	205-1	Operations assessed for risks related to corruption	Operation responsibility
	205-2	Communication and training about anti-corruption policies and procedures	Operation responsibility
	205-3	Confirmed incidents of corruption and actions taken	Operation responsibility
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	Operation responsibility
Materials	301-1	Materials used by weight or volume	/

Indicator	Indicator Description	Section	
Materials	301-2	Recycled input materials used	Environmental responsibility
	301-3	Reclaimed products and their packaging materials	Environmental responsibility
Energy	302-1	Energy consumption within the organization	Appendix II Performance Form
	302-2	Energy consumption outside of the organization	/
	302-3	Energy intensity	Appendix II Performance Form
	302-4	Reduction of energy consumption	Environmental responsibility
	302-5	Reduction in energy requirements of products and services	Environmental responsibility
Water Resources	303-1	Interactions with water of the organization	Environmental responsibility
	303-2	Management of water discharge-related impacts	Environmental responsibility
	303-3	Water withdrawal	/
	303-4	Water discharge	Environmental responsibility
	303-5	Water consumption	Environmental responsibility
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3	Habitats protected or restored	Not applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
Emissions	305-1	Direct (Scope1) GHG emissions	Appendix II Performance Form
	305-2	Energy indirect (scope 2) GHG emissions	Appendix II Performance Form
	305-3	Other indirect (Scope 3) GHG emissions	/
	305-4	GHG emissions intensity	Appendix II Performance Form
	305-5	Reduction of GHG emissions	/
	305-6	Emission of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	/
Waste	306-1	Waste generation and significant waste-related impacts	Environmental responsibility

Indicator		Indicator Description	Section
Waste	306-2	Management of significant waste-related impacts	Environmental responsibility
	306-3	Waste generated	Environmental responsibility
	306-4	Waste diverted from disposal	Environmental responsibility
	306-5	Waste directed to disposal	Environmental responsibility
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental responsibility
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Partner responsibility
	308-2	Negative environmental impacts of supply chain and actions taken	Partner responsibility
Employment	401-1	New employee hires and employee turnover rate	Appendix II Performance Form
	401-2	Benefits provided for full-time employees (excluding temporary or part-time employees)	Responsibilities for employees
	401-3	Parental leave	/
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Not applicable
Occupational Health and Safety	403-1	Occupational health and safety management system	Responsibilities for employees
	403-2	Hazard identification, risk assessment, and incident investigation	Responsibilities for employees
	403-3	Occupational health services	Responsibilities for employees
	403-4	Worker participation, consultation and communication on occupational health and safety	Responsibilities for employees
	403-5	Worker training on occupational health and safety	Responsibilities for employees
	403-6	Promotion of worker health	Responsibilities for employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsibilities for employees
	403-8	Workers covered by an occupational health and safety management system	Responsibilities for employees
	403-9	Work-related injuries	Appendix II Performance Form
	403-10	Work-related ill health	Responsibilities for employees
Training and Education	404-1	Average hours of training per year per employee	/
	404-2	Programs for upgrading employee skills and transition assistance programs	Responsibilities for employees
	404-3	Percentage of employees receiving regular performance and career development reviews	Responsibilities for employees
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Responsibilities for employees Appendix II Performance Form
	405-2	Ratio of basic salary and remuneration of women to men	/

Indicator		Indicator Description	Section
Anti-discrimination	406-1	Incidents of discrimination and corrective actions taken	Responsibilities for employees
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsibilities for employees
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Responsibilities for employees
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsibilities for employees
Security Practices	410-1	Security personnel trained in human rights policies or procedures	/
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
Human Right Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Responsibilities for employees
	412-2	Employee training on human right policies or procedures	Responsibilities for employees
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
Local Communities	413-1	Operations with local community engagement, impact assessment and development programs	Community responsibilities
	413-2	Operations with significant actual and potential negative impacts on local communities	Community responsibilities
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Partner responsibility
	414-2	Negative social impacts in the supply chain and actions taken	Partner responsibility
Public Policy	415-1	Political contributions	Not applicable
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Product responsibility
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product responsibility
Marketing and Labeling	417-1	Requirements for product and service information and labeling	/
	417-2	Incidents of non-compliance concerning products and services information and labeling	/
	417-3	Incidents of non-compliance concerning marketing	/
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	Product responsibility
Socio-economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Not applicable

Appendix II Performance Form

Environmental Indicator

ESG Indicator Category		Unit	Data of 2022
Emissions	Direct GHG emissions (Scope 1)	tCO ₂ e	189.3
	Indirect GHG emissions (Scope 2)	tCO ₂ e	12,123.7
	Total GHG emissions	tCO ₂ e	12,312.9
	GHG emission intensity	tCO ₂ e/RMB billion revenue	264.2
Water Resources	Total water consumption	Ton	107,583.0
Materials	Packaging cartons used	Packaging cartons used	730.3
	Packaging plastic bags usage	Ton	108.9
Waste	Total hazardous waste	Ton	3.8
	Total other hazardous waste	Ton	0.6
	Kitchen waste weight	Ton	369.5
	Office paper usage	Ton	11.7
Energy	Gasoline usage	L	933.3
	Pipeline natural gas usages	CBM	86,400.0
	Outsourced electricity usage	kWh	20,866,880.0
	Comprehensive energy consumption	tce	2,660.7
	Comprehensive energy consumption intensity	tce/RMB billion revenue	57.1

Social performance

ESG Indicator Category		Unit	Data of 2022
Employment	Total number of employees	Person	16,232
	Number of male employees	Person	11,212

ESG Indicator Category		Unit	Data of 2022
Employment	Number of male employees	Person	5,020
	Junior college and under	Person	7,229
	Undergraduate	Person	7,358
	Postgraduate and above	Person	1,645
	Aged 29 and under	Person	7,512
	Aged 30-39	Person	7,113
	Aged 40 and above	Person	1,607
	China (including Hong Kong, Macao and Taiwan)	Person	9,367
	Overseas	Person	6,865
	Manager (M1-M5) turnover rate	%	14.0
Diversity and Equal Opportunity	Number of female employees in management	Person	92
	Number of female employees in senior management	Person	1
	Number of female employees among new employees	Person	1,419
	Chinese ethnic minority employees	Person	619
	Foreign employees	Person	6,899
Occupational Health and Safety	Number of employee deaths related to work in the past three years	Person	0
	Total investment in occupational health and safety measures	RMB million	18.3
Training and Education	Total training attendance	Person-time	41,366
	Total investment in employee training	RMB million	14.7
Supplier Environmental/Social Assessment	Number of annual supplier evaluations (internal evaluations)	Time	93
	The signing rate of honesty agreement by mobile phone raw material suppliers in mainland China	%	100
Anti-corruption	Number of concluded corruption lawsuits brought against the company or its employees	Case	0
	Number of special internal audits (within the company)	Time	25
Local Communities	Volunteer Activity Participation	Person	1,041

ESG Indicator Category	Unit	Data of 2022	
Local Communities	Donations to external organizations, public welfare and rural revitalization	RMB million	5.7
Customer Service	Number of complaints received about products and services	Case	3,261
	Complaint closing rate	%	98.9
	Total number of information security breaches or other network security incidents	Case	0
	Number of data leakage	Case	0
	Total number of complaints due to customer privacy breaches	Time	0
Intellectual Property Protection	Number of patents granted (including utility models, inventions and designs)	PCS	385
	Number of copyrights (including software and work copyright)	PCS	259
	Total number of patents applied (including utility models, inventions and designs)	PCS	621
Product Quality	Total number of product recalls	Case	0

Notes:

1. Environmental indicator data only includes the relevant data of Transsion’s two factories in Shenzhen and Chongqing and the administrative offices in mainland China;

2. In accordance with ISO 14064 GHG emission standards, direct GHG emissions (Scope 1) refer to the GHG emissions from sources owned and controlled by the organization, such as its own vehicles; indirect GHG emissions (Scope 2) refer to GHG emissions from indirect sources of energy, such as the outsourced electricity;

3. Direct GHG emissions from gasoline, liquefied petroleum gas and pipeline natural gas were calculated according to the Guidelines for Compiling Provincial GHG Lists published by the Department of Climate Change of the National Development and Reform Commission and the Appendix II: Guidelines for Reporting Environmental Key Performance Indicators published by the Hong Kong Stock Exchange in How to Prepare Environmental, Social and Governance Reports;

4. The indirect GHG emissions from outsourced electricity were calculated according to the national grid emission factor (0.5810tCO2/MWh) listed in the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises Power Generation Facilities (2022 revision) issued by The Ministry of Ecology and Environment of the People’s Republic of China;

5. The total energy consumption was converted into standard coal according to the Chinese standard GB/T 2589-2020 General Rules for Comprehensive Energy Consumption Calculation;

6. The manager (M1-M5) turnover rate was calculated based on the following formula:

$$\text{Turnover rate} = \frac{\text{Number of employees leaving during the reporting period}}{\text{Number of employees at the beginning of the reporting period} + \text{Number of employees during reporting period}} \times 100\%$$

7. The complaint closing rate is the data of the company as of December 31, 2022.

Feedback Form

Valued readers,

Thank you for reading this Report. This is our Environmental, Social and Governance (ESG) Report 2022. We sincerely hope that you could evaluate this Report and provide valuable comments to help us make continuous improvement.

Should you have any comments or suggestions on the ESG Report of Transsion Holdings, please feel free to email us by investor@transsion.com.

Your information

Name

Work Unit

Tel

Email

Your comments on this Report: (please tick ✓ where appropriate)

1. Do you think this Report has highlighted the important information about Transsion in terms of environment, society and governance?
2. Do you think the information and indicators disclosed in this Report are clear, accurate and complete?
3. Do you think the content arrangement and style design of the Report are convenient for reading?

	Good	Average	Poor	Relatively poor	Very poor
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which part of the Report are you most interested in?

What information you think you need to know is not reflected in the Report?

Do you have any other suggestions for us to issue the environmental, social and governance report in the future?

Together we can

