

CSR & SUSTAINABILITY REPORT 2020

CREATING SUSTAINABLE IMPACT
THROUGH TECHNOLOGY



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 PRINT

MESSAGE FROM OUR GLOBAL VICE PRESIDENT

Dear stakeholders,

I am delighted to introduce to you the third CSR & Sustainability Report of AOC and MMD. As for many other companies it was a challenging year with the outbreak of COVID-19, but I am proud of our organization and how we handled this. We were able to adjust work processes in an agile way and working from home didn't lead to a decline in productivity. Our employees also appreciated spending more time with their families, although we are aware that they have taken on a twofold burden. We are very grateful to all our employees for this.

This year also gave us the possibility to adjust our CSR and Sustainability approach where we started a materiality assessment with internal- and external stakeholders to determine our most material topics;

'Packaging', 'Sustainable products', 'Circularity' and 'Transparent supply chains'. We also selected the UN Sustainable Development Goals (SDGs) 3, 8, 12 and 13 as most material to our business model.

We expect that more people will keep on working from home in the future so the demand for qualitative monitors will remain. It's thereby our responsibility to develop products that meet the wishes of our customers, with sustainability aspects becoming increasingly more important.

We can only work towards a sustainable and growing future with you as a stakeholder. Please let us know if you have questions or recommendations. Your input, feedback, or any other form of contribution is much appreciated and valued.

Nico Vernieuwe



ABOUT THIS REPORT

➤ Thank you for reading AOC & MMD's CSR & Sustainability Report. The report covers key activities and accomplishments during fiscal year 2020, 1 January 2020 through December 31 2020.

We report annually on our sustainability efforts. In off-years we issue a brief report update to ensure our internal and external stakeholders are up-to-date when it comes to our sustainability efforts.

The goal is to report in accordance the GRI Standards, option Core, in the upcoming CSR & Sustainability Report.

In case of any questions regarding this annual report, please send an email to; stefan.vansabben@tpv-tech.com



SCOPE OF REPORT

- 1 AOC International (Europe) B.V.
- 2 MMD-Monitors & Displays Nederland B.V.

2020 OVERVIEW

Q1



Our colleagues in **Prague** have been helping to **clean up forests** and replant trees. The project is supported by **LESY ČR**, a state organization founded by the Ministry of Agriculture of the Czech Republic.

Q2

Partnership kick-off with **ForestNation**, an organization which has developed a tree-planting program in **Tanzania** to counteract the widespread deforestation. At the same time, the program aims to **create sustainable livelihoods** for families, strengthen the role of women and sustainably **improve the economic** situation in the local communities.

Introduction of paper ties for the cables in our **green monitor packaging**.



Q3

More than **90%** of the AOC monitors have level Silver in the **ecolabel EPEAT**

Philips 241B7QGJEB is on **level Gold** in **EPEAT**

Start of our collaboration with **Special Effect**

Start of the **CSR Foundation**

Q4

Partnership with the nonprofit **international development organization Pact** to support in-region conflict minerals sourcing program to **improve the lives** of those who are challenged by poverty and marginalization.

Partnership with **Mercy Ships, NGO** for sustainable development cooperation, which improves the health and education systems in the respective countries of operation with various programs and projects. Focus of the cooperation is the development of an **eLearning training centre in Ghana**.

FINANCIAL & NON-FINANCIAL HIGHLIGHTS

		2019	2020
FINANCIAL	Net turnover AOC	€225.579.737	€309.386.526
	Net turnover MMD	€310.746.294	€362.904.418
	Sold monitors AOC	2.403.934	2.857.677
	Sold monitors MMD	2.535.741	3.050.699
	Sold displays MMD	121.016	85.337
PRODUCTS	Total number of ‘Green monitors’	3	3
	Manufacturing sites	6	6
MOTHER COMPANY	Ultimate shareholder	TPV Technology Limited	TPV Technology Limited
PEOPLE	Total number of employees	110	124
	Total number of training hours per person	12	11,63
	Male-female ratio	57/43	70/30
ENVIRONMENT	GHG Scope 1 CO2e (t)	157.87	61
	GHG Scope 2 CO2e (t)	442.17	350
	Air travel (kg CO2)	248.638	27.563
COMMUNITY	Partnerships to strengthen communities	-	4

AOC & MMD AT A GLANCE

> AOC International (Europe) B.V. (AOC) and MMD-Monitors & Displays Nederland B.V. (MMD) are legally registered in the Netherlands, with their head offices in Amsterdam. Our parent company, TPV Technology Limited (TPV or the Group), headquartered in Kwun Tong, Hong Kong, is the world’s largest manufacturer of monitors and a leading provider of display solutions, specializing in the design and production of a wide range of desktop monitors and LCD TVs.

Due to TPV’s focus on the core business – the manufacture of IT display products for various industry segments – the company benefits from strong economies of scale and maintains solid relationships with panel makers worldwide. AOC and MMD purchases monitors and computer displays from the TPV Group and sells these products to customers (business to business) under the brand name AOC and Philips, and delivers sales, marketing, logistics and service activities for AOC and Philips branded monitors and display products..

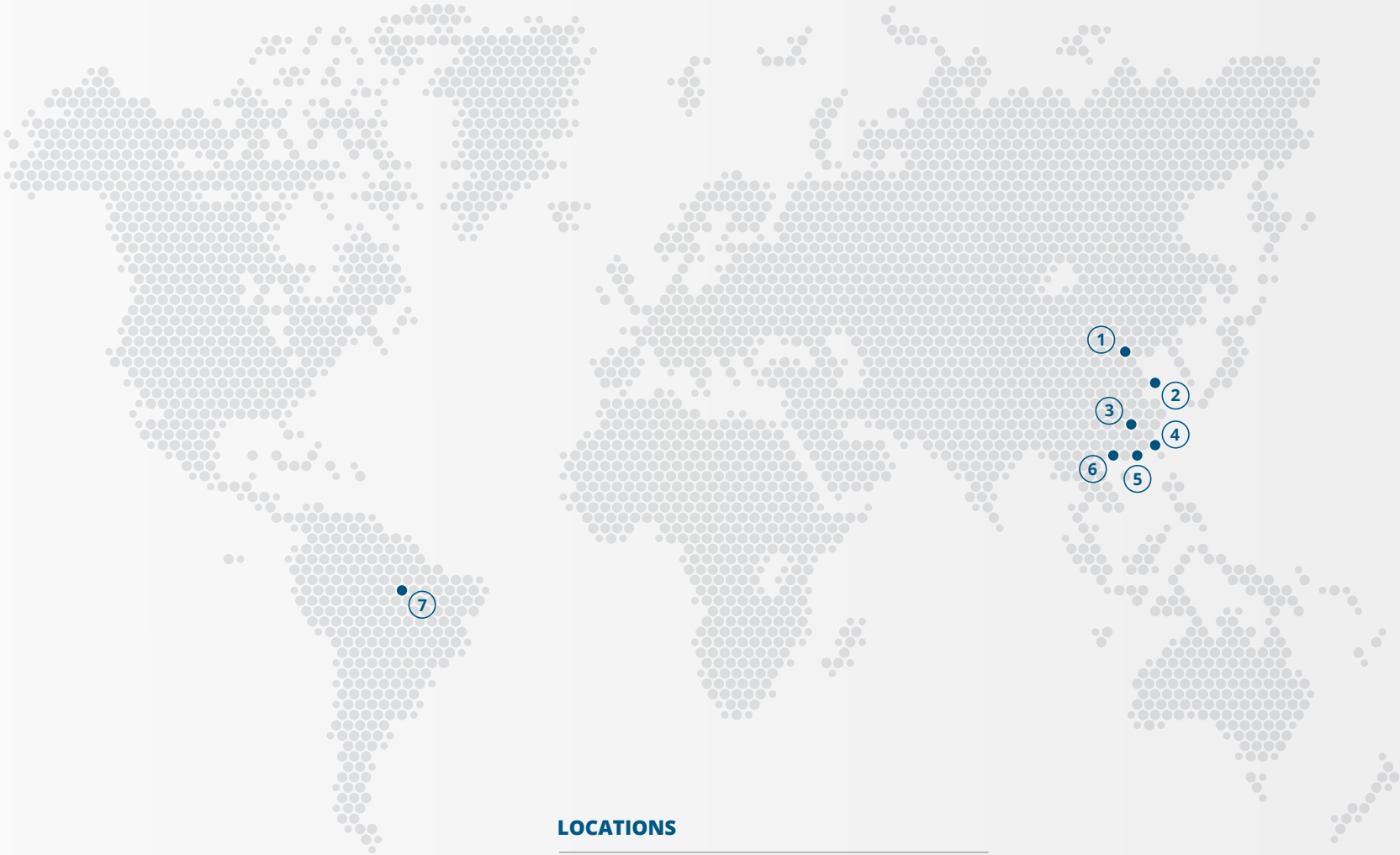


Figure 1: International manufacturing sites

LOCATIONS			
CHINA		BRAZIL	
1 Beijing	4 Fuqing	7 Manaus	
2 Qingdao	5 Xiamen		
3 Wuhan	6 Beihai		



- Founded in 1967, AOC is a globally leading monitor and IT accessories brand and a subsidiary of TPV Technology Limited, the world's largest LCD manufacturer.

AOC's comprehensive portfolio provides the perfect monitor for every need – professional as well as personal applications. AOC displays offer an excellent viewing experience wrapped in outstanding designs. With one of the strongest portfolios of high-performance gaming monitors, AOC is the number one gaming monitor brand in the world. For more information please refer to AOC Gaming's official website or follow AOC Gaming on Facebook, Twitter or Instagram.



- MMD-Monitors & Displays Holding B.V. ('MMD'), registered in the Netherlands, with its head office in Amsterdam, is a wholly owned company of TPV Technology Limited ('TPV'), which is one of the world's leading monitor and LCD TV manufacturers.

MMD-Monitors & Displays Holding B.V. ('MMD') exclusively markets and sells Philips branded LCD displays worldwide. By combining the Philips brand promise with TPV's manufacturing expertise in displays, MMD uses a fast and focused approach to bringing innovative products to market. For more information about MMD, please visit mmdmonitors.com



- PPDS is a trading name of TP Vision Europe B.V. ("TP Vision") and MMD-Monitors & Displays Nederland B.V. ("MMD"), registered in the Netherlands, with their head offices in Amsterdam.

PPDS brings these two companies together under one trading name to exclusively market and sell Philips-branded professional displays, covering professional TVs, signage and LED solutions, worldwide under trademark license by Koninklijke Philips N.V. By combining the Philips brand promise with TPV's manufacturing expertise in displays, PPDS employs a competitive and focused approach to bring innovative products to market – from its 10" touchscreen through to unlimited LED displays. For more information about PPDS, please visit ppds.com

HOW AOC & MMD CREATE VALUE

BUSINESS MODEL AND BRANDS	>
OUR SWOT	>
TRENDS & DEVELOPMENTS	>
VALUE CREATION MODEL	>
OUR STAKEHOLDERS	>



BUSINESS MODEL AND BRANDS

AOC & MMD provide monitors and displays that deliver our clients a great experience, no matter the purpose of use.

Our mother company TPV forms joint ventures with key components makers to secure stable supply and enhance cost structure. The Group is licensed to sell Philips brand TVs worldwide, with the exception of United States, Canada, Mexico and certain countries in South America. Separately, the Group is licensed to sell Philips brand monitors globally. Philips’ strong brand recognition, R&D capabilities and innovative products further seal TPV’s strong foothold in the display market. The two-pronged business model, Original Brand Manufacturing (OBM) and Original Design Manufacturing (ODM), broadens market reach and allows more efficient utilization of resources.



Figure 2: Product market combinations AOC monitors



Figure 3: Product market combinations MMD

OUR SWOT

➤ **Acting swiftly on the changes in society is an important factor in the success of our business and in strengthening our market position.**

The following visual presents a summary of our strengths, weaknesses, opportunities and threats (SWOT) and gives an overview of the evaluation of our competitive position in the environment in which we operate.



MONITORS

> In recent years, there has been a clear shift on what a monitor should be for the consumer. Monitors are multipurpose devices. They are both indisputable tools for work productivity, necessities for office ergonomics and also great entertainment machines, making gaming experiences more and more immersive. The growing challenge is to combine performance, usability and sustainability.

Part of our responsibility is to provide sustainable products in all markets, making sustainable choices available for all, but also empowering customers by being transparent and supporting them to understand their environmental impact when purchasing our products. Therefore, many of our monitors are compliant with environmental standards like energy star EPEAT and TCO certification.

TRENDS & DEVELOPMENTS

SIGNAGE

Compared to a couple of years ago we notice a clear change in client requests and technological possibilities. The main trends we can distinguish are that new business models emerge, which goes beyond buying and selling of hardware and software.

The circular economy has also become an economic reality. Society and business require hardware manufacturers to reduce their ecological footprint, and ignorance is not an option. Lastly, we are aware that digital signage revenues, like 100% uptime, are becoming more mission critical for clients. Our response is to build alternative financial models for our clients that enable multiple business models.

The global digital signage market has a growing demand for financial solutions and the drivers for this trend are:

- A demand for more integrated solutions of displays, software, IoT and monitoring
- A larger penetration of solutions, requiring larger investments from final clients that go beyond OPEX
- New business models where revenue streams are alternatively modelled (advertisements, broadcast, narrowcast, pay per view etc.)



VALUE CREATION MODEL

Human capital and manufactured capital are the most material capitals to create long term value for our company.



HUMAN CAPITAL

➤ **Our employees are our most important capital. Their competencies, values and personalities are a crucial part of the functioning of our company. Their engagement, commitment and expertise are key to AOC & MMD's success. Honesty, integrity and fairness are demonstrated by each employee and represent the key pillars of our culture.**

We ask all our employees to endorse and promote these values as laid out in our global TPV Code of Conduct. This code, that needs to be signed by all employees, contains clear guidelines, rules and social norms which everyone must adhere to at all times.

Every employee has equal opportunities and will be treated equally in employment and occupation. We offer equal pay for equal work performed at equal levels at similar locations.

No form of harassment or discrimination in respect of employment and occupation will be tolerated, such as discrimination based on race, colour, sex, gender identity or expression, sexual orientation, national or social origin, property, birth, age, disability, marital status, pregnancy, language, religion, political or other opinion, trade union membership, covered military or veteran status, protected genetic information or other status in hiring and other employment practices such as promotion, access to training, etc.

Recruiting and retaining talent are vital to our success. We recruit highly qualified people and maintain a pool of human resources according to the manpower requirement and planning of the organization.

We have zero tolerance for harassment and discrimination of any form. In order to promote the reporting of violations of the General Business Principles, a whistle blower policy is in place, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to disciplinary action.

The Independent Compliance Officer (ICO) of each business is, by designation, the highest official of the human resource department.

Employment is offered only to the best qualified applicants, with reference to their merits and abilities to meet job requirements, irrespective of whether they are referrals or direct applicants.

This applies to recruitment and selection, terms and conditions of employment including pay, promotion, training, transfer and every other aspect of employment. We regularly review our procedures and selection criteria to ensure that individuals are selected, promoted and otherwise treated according to their relevant individual abilities and merits.

LIFEWORKS

- > In 2020, we started our collaboration with LifeWorks, an employee engagement and well-being platform. Their solutions help our employees to develop and maintain healthy work environments at work and home.

Assistance can be asked related to the themes; personal/emotional, family, couple/relationship, work and addictions. Together with LifeWorks we want to provide professional, confidential assistance and support to help our employees deal with the complexities of work, health and life in general.

TRAINING & DEVELOPMENT

- > Multi-cultural teamwork is embedded in our company nature and this is where our strength lies. We are an inspiring employer and one demonstrating that we are open to a very diverse employee base from all cultures. To be able to bring together many specializations, we commit to foster a learning culture and help our employees' skill up and reskill

To enable such a culture, we increased the European training budget to ensure we were able to provide Project Management, Personal & Team Development and Excel trainings across the departments in 2020. This also included mandatory trainings for each employee per local legislation such as General Data Protection Regulation, Health & Safety, Fire Protection, General Business Principles, Whistle Blower Policy and a Competitive Law Refresher. In addition, there are product related training opportunities twice per year. If an employee wishes to follow a specific education or training, this can be requested from the head of the respective department. There is no personal budget, but costs for such education and training are paid from the budget per department.

One of our main priorities is to further customize the TPV e-learning system which serves as our new global learning management platform. The e-learning system was introduced early 2020 and by the end of 2020 we were able to provide 37 courses. We aim to continuously increase the number and roll-out the customized version in 2021. All AOC & MMD employees will have access to this platform and courses will be freely available. The courses are voluntary and employees are allowed to attend these trainings within their regular working hours.

To be able to target our training and development activities, we are also strengthening the detailed succession plans to help develop and promote people internally, demonstrating our efforts to build a strong internal succession pipeline. We continue this process with our annual performance appraisals followed by assessing the training and development requests for the upcoming period.

MANUFACTURED CAPITAL

> **MONITORS**

Our monitors are built to last. Our monitors and packaging are in continual improvement to meet environmental standards, especially to reduce plastic use and waste as much as possible. We are removing unnecessary plastic bags and plastic cable ties are gradually replaced with paper ties.

> **SIGNAGE**

We have defined the architecture of our products on the principles of circular product design in 2020. The second life of products will be the key for the circular product design, where we will focus on reuse and recycling as much as possible. This will require a different way of working in our repair streams, where instead of scrapping the defective sets we aim to resell as B- or C-grade instead and reuse materials as much as possible. Products that can be refurbished to an A-grade, can be reused in the circuit, enabling the seamless experience for the customer and supporting the leasing business model.



Figure 4: Value creation model

OUR STAKEHOLDERS

Together with our stakeholders we want to unlock our long-term value creation. On a regular basis and in various ways, such as client meetings and partnerships, we are in constant contact with our stakeholders.

We developed a new stakeholder mapping to identify our stakeholders by the extent to which our activities influence them and the extent to which they can influence our organization or business operations in 2020. We distinguish the following most material stakeholder groups;



The aim of the CSR Foundation is to support projects that contribute to the communities we are part of and the projects are closely linked to our focus areas, Environment, Social Investment and Governance, and are committed to specific UN Sustainable Development Goals, which will be explained further in this report, on page 37.

Figure 5: Overview of material stakeholders



MATERIALITY ASSESSMENT

➤ We conducted a materiality assessment in 2020 to determine what our organization should focus on in the upcoming years. The first step was to select a long list of material topics by means of a peer- and media analysis.

We also developed a stakeholder mapping to select the most important internal and external stakeholders that we wanted to involve in the materiality assessment. The next step was to execute the survey and the interviews with the internal and external stakeholders. The questionnaire consisted of questions related to our risks and opportunities, improvement areas, our commitment to society, the contribution to the SDGs and the ranking of material topics.

You can find the materiality matrix that has been validated by the management and board of the organization on the next page. The materiality matrix is a graphical demonstration which sets forth key areas of importance to AOC & MMD and our external stakeholders. Packaging, Sustainable products, Circularity and Transparent supply chains were selected as most material topics for our organization. For each material topic we defined workstreams where representatives of the different business units closely work together to define roadmaps and KPIs.

Every year, the outcome of the materiality assessment will be validated and adjustments will be made to the strategic spearheads of the policy and material topics where necessary.





RESULTS MATERIALITY ASSESSMENT

- 1 PACKAGING
- 2 SUSTAINABLE PRODUCTS
- 3 CIRCULARITY
- 4 CLIMATE CHANGE
- 5 COLLABORATION WITH PARTNERS
- 6 COMMUNICATION & TRANSPARENCY
- 7 TRANSPARENT SUPPLY CHAINS
- 8 TALENT ATTRACTION AND RETENTION
- 9 HEALTH AND SAFETY

Figure 6: Materiality matrix AOC & MMD.

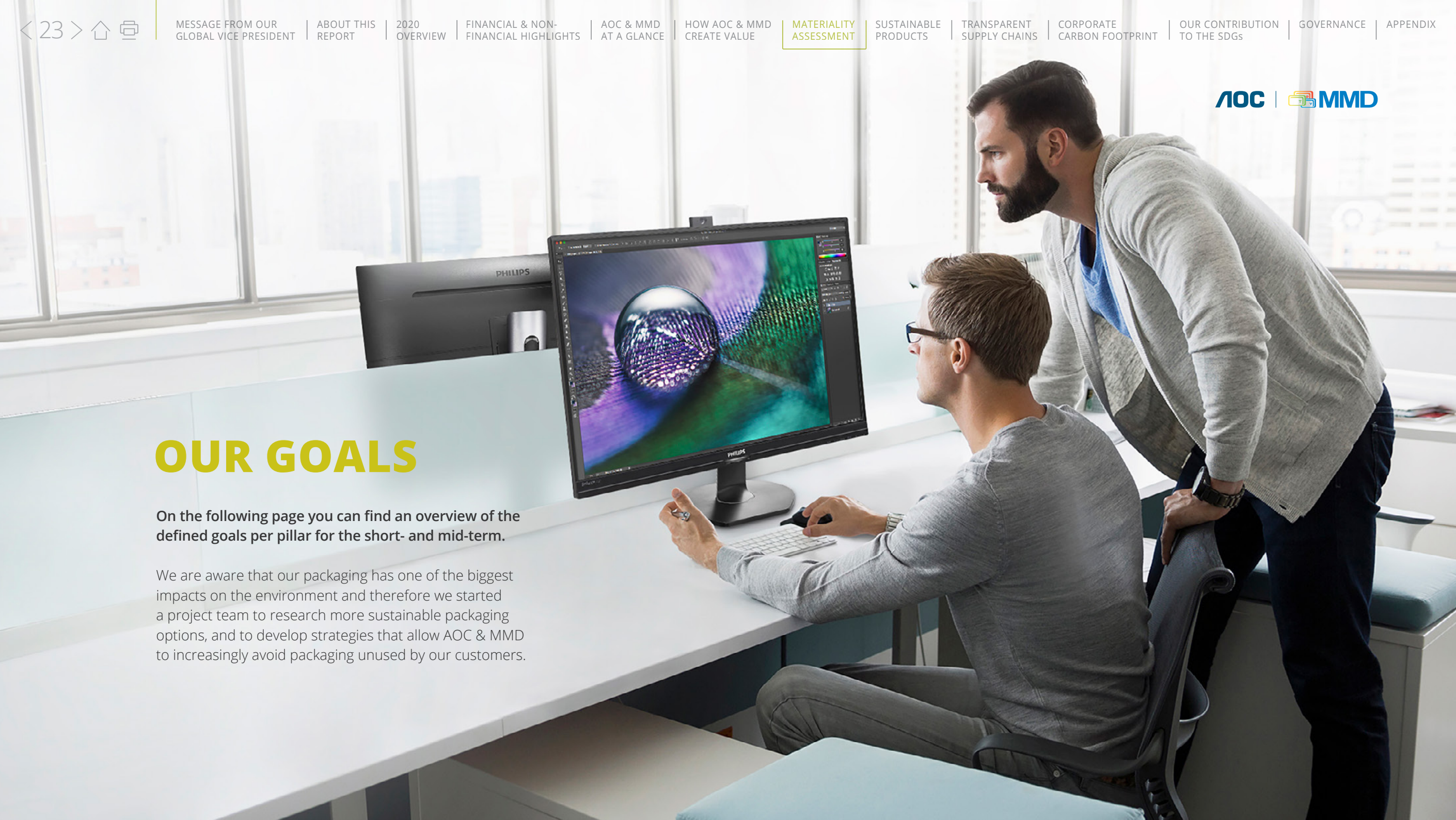


Figure 7: CSR & Sustainability Strategy.

OUR GOALS

On the following page you can find an overview of the defined goals per pillar for the short- and mid-term.

We are aware that our packaging has one of the biggest impacts on the environment and therefore we started a project team to research more sustainable packaging options, and to develop strategies that allow AOC & MMD to increasingly avoid packaging unused by our customers.



PILLAR

ENVIRONMENT

SHORT-TERM GOAL (2021)

MONITORS

- Development of the doggy door compartment that can extract EU power cables for goods shipped to UK and the Swiss market. This will reduce all the unnecessary EU power cables in those 2 countries which they cannot use.
- Implementation of the removal of the plastic bags of cables. Labels will be placed on the accessory cable which was originally attached on the plastic bag.
- Removing of installation CD-ROM on selected B2B models.
- Introduction of less ink on packaging for AOC B2B models.

SIGNAGE

- Kick-off project circularity and revenue streams.

- ISO 14001 and 50001 certification Amsterdam office.

MID-TERM GOAL (2023)

MONITORS

- Implementation of brown boxes for basic, essential pro, value and pro line.
- Brown boxes for B2B and B2C mouse and keyboards.
- From polyfoam to cardboard packaging throughout selected B2B models.

SIGNAGE

- 50% of our displays are produced with 95% recycled materials.
- 50% of our displays contain health monitoring.
- Extend product lifetime by 50% through Modular Product Design.

SOCIAL INVESTMENT

- Further development of TPV e-learning system.
- Implementation of Activity Based Working concept.

- Partnership with at least 3 NGOs with a clear link to our products, material topics and SDGs.

GOVERNANCE

- Development of Science Based Targets with TPV.
- Development of a new business travel policy.

- Development and implementation of human rights policy, including an UK Modern Slavery Act with TPV.

SUSTAINABLE PRODUCTS

MONITORS



SIGNAGE DISPLAYS



MONITORS

> **In addition to our own energy needs, our biggest impact is in the products we develop and sell. In 2020, we were able to launch three of our greenest monitors, the 272B1G, 241B7QGJEB and 242B1G. They feature not only a number of energy efficient features, but also employ eco-friendly materials that meet major international standards such as EPEAT.**

We have made a commitment to use more sustainable, eco-friendly materials across our monitor range. This is to help ensure the minimization of waste and the elimination of toxic substances for a better tomorrow. To lessen environmental impact, the 241B7QGJEB and 242B1G (23.8"), as well as 272B1G (27") models, are boxed in 100% recyclable paper cushions and packaging materials that are non-EPE.

This not only reduces waste, but also eliminates any fees needed for the disposal of non-recyclable packaging.

All the body plastic parts of these three models are made of lightweight, 85% post-consumer recycled plastics that are free of PVC and BFR. While the 241B7QGJEB and 242B1G models are TCO Certified Edge, the 272B1G also employs 100% recyclable materials for all its body parts and metal chassis.

Their foremost eco-conscious feature is PowerSensor, a built-in 'people sensor' that transmits and receives harmless infrared signals to determine if you are present. Once you step away, PowerSensor automatically reduces monitor brightness to cut your energy costs by up to 70%. Another energy-saving feature is LightSensor, a smart sensor that adjusts picture brightness according a room's light conditions.

To reduce your carbon footprint even further, we have incorporated a 0-watt hard switch, which is located at the back of these monitors. With just a flick of this switch, the AC power to your monitor is completely cut off, resulting in zero power consumption.

These energy-efficient features have helped these B Line monitors to achieve a higher EU EEE A++ energy class, as well as EnergyStar 7.0 rating (for the 2421G and 241B7QGJEB) and EnergyStar 8.0 rating (for the 272B1G). To help our customers to make a conscious and sustainable choice they can [calculate](#) their possible savings.



SIGNAGE DISPLAYS

> **The power consumption of our products is a very important feature to become a sustainable manufacturer of displays. When it comes to LED products for retailers and public venues we launched the Philips 7000 Series Direct View LED Displays at the end of 2020.**

Displays at retailers and public venues run long hours, generally during shop opening times 12-14 hours per day, 6-7 days a week. Therefore, power consumption is a major concern in these products. The main sustainability features of this new series are Active Health Monitoring, Dynamic Power Saving and the total power consumption reduction. Active Health Monitoring makes maintenance fast, simple, and predictable by displaying the exact item of failure and location, even on pixel level. Utilising this software that works in real-time both online and offline, replacing the relevant part becomes an efficient process.

Furthermore, enhanced technology allows the display to dynamically save on power consumption. On every LED module of 25 by 25 centimetres we have a MCU on board that reports status and failure but most important manages the power consumption.

The total power management of the 7000 series LED reduces a predicted 20% or more power than a competitive product, showing the same content with the same brightness levels. In a product comparison in the UK we have tested this claim with a comparable product, and the same circumstances. The energy reduction measured was massive. From a 906 Kw/h year for the LED 7000 series of Philips and 1857 Kw/h year for the competitor's product.



TRANSPARENT SUPPLY CHAINS

SUPPLIER POLICY >

OUR HUMAN RIGHTS APPROACH >

CONFLICT MINERALS >

TRANSPARENT SUPPLY CHAINS

➤ **We believe that honesty, integrity and fairness are important company assets in business. It is therefore important for all employees to ensure that the company's reputation is not tarnished by dishonesty, disloyalty or corruption.**

We want to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees, suppliers and business partners, competitors, governments and their agencies, and others who can be affected by our activities.

AOC & MMD duly observes the applicable rules of the law of the countries in which it operates and regularly reviews its interests and those of affected persons or entities in order to ensure a healthy, long-term relationship with them.

We thereby endeavour to adapt to local situations in order to take the most appropriate approach to possible problems within the bounds of applicable law and responsible conduct.

SUPPLIER POLICY

AOC & MMD introduced a formal [Supplier Code of Conduct](#) in 2017 and an updated version in 2020. We are committed to implement systems and controls aimed at ensuring that modern slavery and human trafficking are not taking place anywhere within the organization or in any of our supply chains.

We thereby expect that our suppliers, contractors and business partners adhere to the principles in this Code as well.



OUR HUMAN RIGHTS APPROACH

> **Every new supplier has to sign a social responsibility agreement as an appendix in the procurement agreement when it comes to protecting human rights. In particular, a new supplier has to commit compliance with RBA, ISO 45001 and ISO 14001.**

Each supplier receives thereby an annual audit/ assessment regarding human rights themes such as no forced labour, no child labour, minimum wage compliance and, anti-discrimination. If the audit results are not up to the standard and there is no improvement after counselling or the relevant corrective measures are not implemented, there are different levels of penalty from cutting orders to disqualification of the supplier.

CONFLICT MINERALS

> **Being subsidiaries of TPV, AOC & MMD adopts TPVs conflict minerals management policy. To support the global prohibition of conflict minerals, AOC & MMD also drive TPV related facilities and its suppliers to avoid procurement of conflict minerals.**

AOC & MMD and our suppliers neither directly nor indirectly finance armed groups in conflict-affected regions. AOC & MMD and suppliers neither tolerate nor contribute to human rights abuses that include forced labour, child labour and environmental degradation.

Once every 3 years, or upon Philips' request, we provide audit reports from an independent auditor, accredited by the RBA or approved by Philips that we are compliant with the sustainable manufacture requirements.

AOC & MMD are both members of the Responsible Minerals Initiative (RMI), an initiative of the RBA to support the sourcing of conflict free minerals. The RMI provides their members with the most up-to-date information on conflict-free smelters and refiners and tools for conducting due diligence. The RMI executes the Responsible Minerals Assurance Process (RMAP) which uses third party independent auditors to validate that participating smelters and refiners have adequate policies and due diligence processes in place to trace the origin of the minerals that they process and assess whether they were obtained from conflict free sources. This program enables us as downstream companies to become confident that we source conflict free minerals and promote cross industry efforts towards a conflict free supply chain. The latest conflict minerals report can be found on our [website](#).

CORPORATE CARBON FOOTPRINT

MOBILITY



MOBILITY

> **COVID-19 has shown us that working from home is actually quite successful. Therefore, we are currently developing a more permanent policy in the form of an Activity Based Working concept where we plan to encourage and support our employees to work more flexibly, either at the office or from home.**

This will also be dependent on the requirements of their activities. Digitalization of our offices will support the quality of the meetings. By facilitating this way of working, we respond to the needs of our employees as they have indicated a preference for a mixture of the two before mentioned options. The reduction of the home-work commute is a positive side effect and one of the many benefits of working from home. Besides reducing the carbon footprint, it also helps to provide a better work-life balance.

In 2020, COVID-19 caused a huge reduction in business travel. Even though it is not always ideal, similar to working from home, it has proven to be possible to manage a global business in a matrix organization by way of video conferencing.

We plan to develop a new business travel policy in 2021, to continue on this path where business travel post COVID-19 will be reduced significantly.

Furthermore, we aim to electrify our car fleet by encouraging employees to select electric cars as a viable alternative to fuel cars. Charging stations have been placed in our office parking garage and upon request we support the placement of charging stations at our employees' homes. This should lead to an easy transition and result with a minimum of 50% electric cars by 2025.

AOC & MMD CARBON AND WATER FOOTPRINT 2020

> **The AOC & MMD 2020 carbon footprint is 579,316 tonnes. Please find the details of our calculation in the appendix.**

AOC & MMD encourages all employees and suppliers to do their utmost best to reduce the carbon footprint. This includes energy improvements of supplier facilities, emission inventory of the facilities and reduction plans. It's the first year that AOC & MMD combines the carbon footprint of their entities operations, product and supplier facilities according to ISO 14064-1:2006 and the water footprint by ISAE 3000. It's also the first year that we calculate the product carbon footprints per monitor which leads us to focus on product carbon footprint reduction, and the promotion of green products (less power consumption, post consumer recycled plastic and paper cushion) to the market.

OUR CONTRIBUTION TO THE SDGs

OUR CONTRIBUTION TO THE SDGs >

SDG 3: GOOD HEALTH AND WELL-BEING >

SDG 8: DECENT WORK AND
ECONOMIC GROWTH >

SDG 12: RESPONSIBLE CONSUMPTION
AND PRODUCTION >

SDG 13: CLIMATE ACTION >



OUR CONTRIBUTION TO THE SDGs

> The SDGs (Sustainable Development Goals) are 17 goals and 169 targets set up by the United Nations to end global issues like poverty, inequality and climate change, to protect the planet and ensure that all people enjoy peace and prosperity by 2030. The SDGs have been agreed by the countries that are members of the United Nations (UN) and the SDGs are the successors of the Millennium Development Goals, which ran from 2000 to 2015.

As an international operating company, we are aware of the fact that we can contribute to these global challenges when we integrate the SDGs in our strategy and business model. The targets, the UN SDG indicators, are thereby a useful mechanism to define the contribution of our company in a more tangible way. It also gives stakeholders the opportunity to compare our efforts and results with peers.

In our daily operations we notice that stakeholders like clients and governments are increasingly interested in the way we add value to society from a social and environmental perspective. As an organization we want to contribute to the SDGs where we can make the most impact. We're thereby contributing to a more sustainable future through our products, systems and services. To determine which SDGs are the most material, we performed a peer- and customer analysis and we executed a survey, and interviews with internal and external stakeholders. After the consultation with the stakeholders the board validated the results.

As a result, SDG 3, 8, 12 and 13 are the most material SDGs for our company.

On the following pages you can find a description of how we contribute per SDG.





SDG 3: GOOD HEALTH AND WELL-BEING

> **In 2020, the amount of time we spend looking at a display is staggering. From monitors or laptop displays in our workspace or school to large screen TVs and our smartphones/tablets on the go; everywhere we turn, we are looking at displays. Hours of staring at screens might not be as harmless as it seems.**

In order to prevent harmful effects caused by certain wavelengths, AOC has stepped up and developed a Low Blue Light mode. Filtering out a certain blue light spectrum, the technology helps increase safety and well-being when working with monitors for any period of time. People working at desks can often spend up to a third of each day sitting and looking at a monitor.

An improper setup might cause bad posture which, in turn, can result in back and neck pain, headaches, shoulder and arm pain, muscle joint problems as well as poor digestion due to compressed organs. A properly adjusted monitor is, therefore, key to a healthy working environment in order to limit such effects during long days at the desk. As everybody is different, there is no single desk or monitor height that is healthy and comfortable for everyone.

Additionally, users sharing a workplace may need to make adjustments each time. For this reason, it's crucial to equip a workplace with ergonomic furniture, including a monitor with an ergonomic stand. Therefore, we have been focusing on developing products with improved ergonomic features to enable comfortable working conditions while still benefiting from our excellent display quality.

Good health and well-being are not only important for our customers but also for our employees in the offices and production facilities. The six production facilities of AOC & MMD are regularly audited by an external auditor regarding environmental and social themes.



CASE STUDY

MERCY SHIPS



> As a company that operates worldwide, we are not only committed to the health and well-being of our employees - we also want to contribute to better physical and mental health and in areas where there is a daily lack of comprehensive, medical and educational assistance. People are more than twice as likely to die from surgery complications in Africa.

At the same time, millions experience health, social and economic decline due to a lack of access to quality surgery. By partnering up with Mercy Ships we contribute to their mission to provide free surgeries and medical care to thousands of people where healthcare is scarce. For nearly 40 years, Mercy Ships has brought hope and healing by providing free surgeries and medical care to thousands of people in countries where healthcare is scarce. But the need for safe and qualitative surgery is still staggering.

We partnered with Mercy Ships for their eLearning program in 2020. eLearning represents a relatively new and fundamental training component offered by Mercy Ships to support and complement its existing Medical Capacity Building-activities. Building infrastructures for telecommunications will enhance the opportunities for eLearning, simulation-based learning and eMentoring.

An important part of the programs is to set up training centres, of which Gamal Training Centre in Guinea is the first.

<https://www.mercyships.org/>



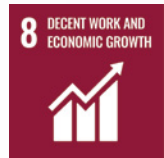
CASE STUDY

SPECIALEFFECT

> SpecialEffect is a charity based in the United Kingdom which is specialized in helping physically disabled people play video games. The organization works with developers to create specialized game control devices as well as to make their games more accessible. The ability to play video games, now seen as an almost universal pastime, can help improve the mental health of disabled people who otherwise could not play them. AOC & MMD helped to build a fully accessible gaming room with multiple setups and we sponsored several events like One Special Day and GameBlast.

<https://www.specialexeffect.org.uk>





SDG 8: DECENT WORK AND ECONOMIC GROWTH

> **As an internationally operating organization with different supply chains, it is our responsibility to protect the working conditions of our employees and those in the supply chain as far as we can.**

We unequivocally respect the internationally recognized human rights of all people, and are firmly committed to upholding the human rights of all our employees and those who work in our supply chain. We offer competitive remuneration and benefits packages in accordance with industry practices, which are reviewed regularly to remain competitive within the market. We operate various retirement schemes, including pension plans and post-employment medical plans in accordance with local rules and regulations.

Our company is committed to provide our employees with an inclusive workplace that embraces and promotes diversity and equal opportunity. We have zero tolerance for harassment and discrimination in any form. Employment is offered only to the best-qualified applicants considering their ability to meet the job requirements, irrespective of whether they are referrals or direct applicants. This applies to recruitment, selection, terms and conditions of employment including pay, promotion, training, transfer, and every other aspect of working with us. We regularly review our procedures and selection criteria to ensure that individuals are selected and promoted fairly. Looking at the environment, our parent organization conducts periodic audits to ensure that our growth is not at the expense of the environment. The production locations that supply AOC & MMD all have an ISO 14001 certification

CASE STUDY

PACT



> To exclude conflict minerals even more we started our collaboration with Pact. Pact is a nonprofit international development organization founded in 1971 and works in nearly 40 countries to improve the lives of those who are challenged by poverty and marginalization. Pact's Mines to Markets program uses an integrated, holistic approach to help resource-dependent communities improve their lives. They bring together government, industry and miners to make artisanal and small-scale mining formal, safer and more productive.

<https://www.pactworld.org/>





SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

> **Philips monitors cares about safeguarding the environment and has been making persistent efforts to offer a more sustainable display technology.**

The dedication to ecologically-friendly innovation has already been manifested by introducing green monitors, which are specifically designed to have the lowest environmental impact possible.

In order to inspire consumers to make more sustainable choices, we have created monitors with a smaller footprint – from packaging the displays in recyclable and recycled materials to avoiding the utilization of harmful chemicals and increasing energy efficiency, this product line was created to help companies and consumers reduce their environmental footprint.





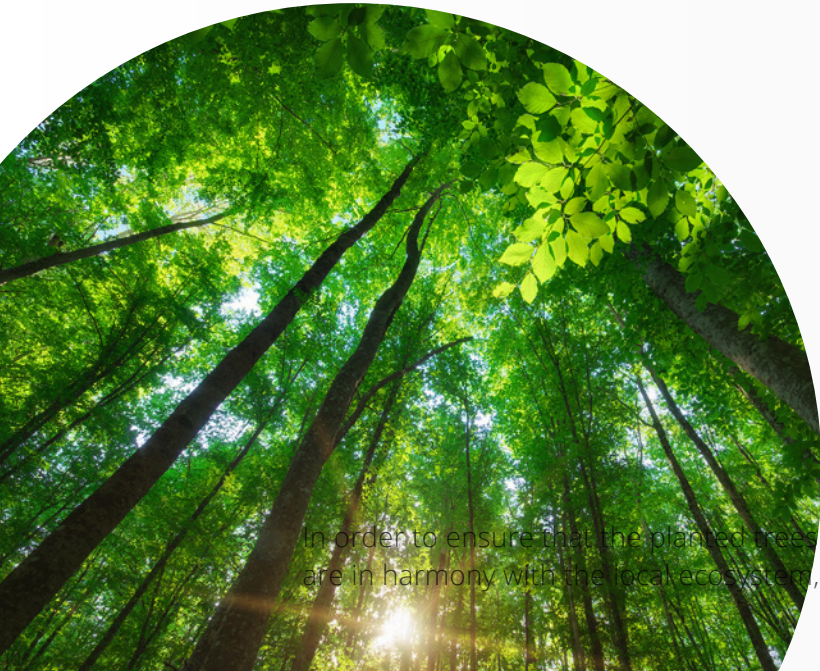
SDG 13: CLIMATE ACTION

> Philips monitors is ready to take corporate social responsibility to the next level by an engagement in an ongoing reforestation campaign, involving the donation of trees in Tanzania’s Usambara region, which has experienced heavy deforestation in the past 15 years.

Philips is collaborating with ForestNation, a foundation that encourages natural reforestation and biodiversity by applying site-specific agroforestry techniques.

By creating jobs in tree nurseries, planting sites and involving the local students in the planting process, the campaign has a positive impact not only on the environment but for the benefit of the local community as well.

Furthermore, our employees, consumers and partners are motivated and inspired to add to the Philips monitors forest or starting their own by sharing and educating about this project on social media and the company websites.



In order to ensure that the planted trees are in harmony with the local ecosystem,



CASE STUDY

FORESTNATION

> MMD signed a partnership with ForestNation in 2020. The tree-planting programs prioritize creating sustainable livelihoods - creating rich futures for children; creating leadership roles for women; creating rich local economies. Besides raising awareness, we are proud to share that with each purchase of one of our green displays, our customers automatically support the growth of the Philips monitors forest as we donate a portion of the profits.

<https://forestnation.com/net/forests/philipsmonitors/>



GOVERNANCE

GOVERNANCE



ESG GOVERNANCE AT AOC & MMD



MANAGEMENT BOARD AOC & MMD



ANTI-CORRUPTION AND BRIBERY



DATA PRIVACY



AOC

MMD

GOVERNANCE

> AOC & MMD does not have a supervisory board, but Nico Vernieuwe is the General Manager/ Statutory Director and reports directly into the board of TPV. The board of TPV oversees the Group's ESG strategy and reporting, and makes sure that business objectives are aligned with our commitments to sustainable growth.

Comprised of independent non-executive directors and senior management, our ESG Steering Committee strategizes the Group's direction of environmental, social and governance perspectives, and makes recommendations on any proposed changes to the Board. Leveraging the expertise of representatives from relevant departments, the ESG Project Taskforce reinforces awareness, practices and reporting.

The responsibilities of the Committee include:

- to identify the ESG matters that are relevant and material to the operations of the Group and/or that affect shareholders and other key stakeholders;
- to review and monitor the Group's policies, practices and performance in relation to key ESG matters and ensure that they are appropriate in the context of the size, business nature and scope of the Company;
- to review and recommend to the Board for approval of the annual ESG report.

The Global CSR and Sustainability Manager of AOC, MMD & TP Vision is member of the ESG Taskforce.



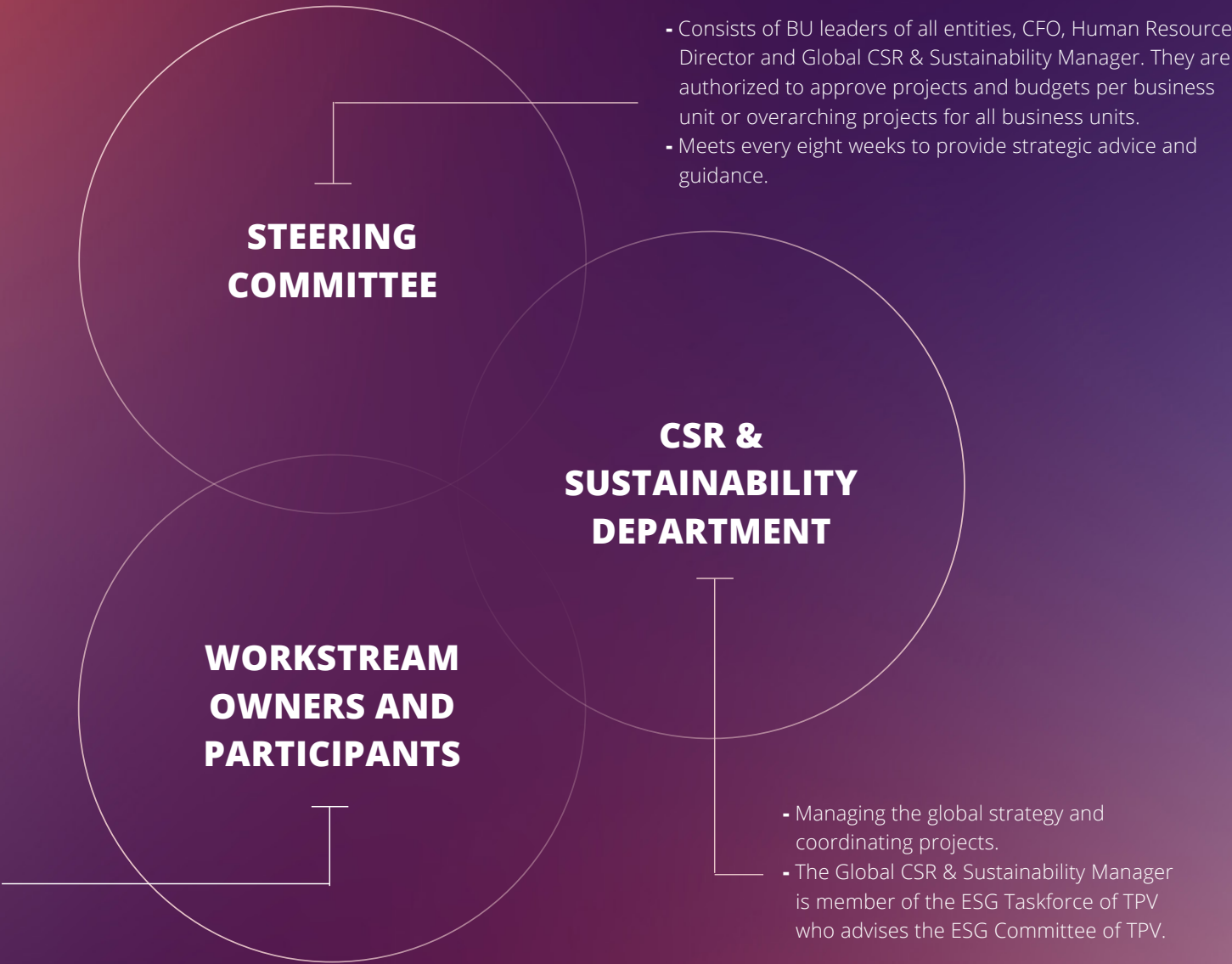
ESG GOVERNANCE AT AOC & MMD

>

For CSR and Sustainability to result in significant change, it's necessary to have support on all levels in the organization.

That's why we introduced a CSR and Sustainability Steering Committee where the leaders of the business units are represented. The members of the Steering Committee are thereby selected by the management team to represent their business unit. Together with the workstream owners they discuss new projects and initiatives every eight weeks.

- Managing the designated workstream and to define projects/ objectives/KPIs per BU.
- The participants represent their BUs and are assisting the owner of the workstream to reach the deliverables.





MANAGEMENT BOARD AOC & MMD

**NICO
VERNIEUWE**

ROLE

Vice President Worldwide Monitors and Signage Business, GM Europe

FORMERLY

Vice President EMEA at Barco and Vice President at Nokia

MANAGEMENT TEAM AOC & MMD

**THOMAS
SCHADE**

ROLE

Vice President Europe AOC & MMD, and Site Manager

FORMERLY

Senior Director and Sales Organizations Leader Europe at Philips Consumer Lifestyle

**JOHANNA
KLUNDER**

ROLE

HR Director AOC, MMD & TP Vision and Site Manager

FORMERLY

Senior HR Manager EMEA at Kyocera

**RON VAN
HOUTEN**

ROLE

CFO Europe, Russia and CIS

FORMERLY

CFO EMEA at Monsanto, Finance Director & CFO Benelux at Ingram Micro and Head of Finance at NetApp

**CHRIS
COLPAERT**

ROLE

General Manager PPDS

FORMERLY

Vice President LED and Image Processing at Barco and Vice President & GM Creative Lightning at Barco

ANTI-CORRUPTION AND BRIBERY

➤ **AOC & MMD and its supply chain shall conduct its business in strict compliance with applicable laws and regulations, including national and international anti-bribery laws, and expects the same from its business partners. Bribes are illegal payments or other types of compensation made to influence and gain profit from an individual, company or government official.**

AOC & MMD and its employees shall not, and shall not attempt to, influence government policy or obtain or retain business or an advantage in the conduct of its business by offering or accepting illegal payments, bribes, kickbacks or other illegal methods. Anti-bribery laws – including national laws adopted pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010 – prohibit, in general, the payment, offer or

authorized gift of anything of value, either directly or through a third party to other persons or to government officials, political parties, politicians, or political candidates, public officers in state-owned enterprises, officials of a public international organization or holders of a legislative, administrative or judicial position of any kind with the intent to obtain or retain business, direct business to any person, obtain an improper business advantage or influence an official act or decision of such other person or government official. These antibribery provisions apply not only to companies but also to individuals, such as employees.

If an employee has actual knowledge of bribery or if bribery is suspected, it is mandatory to report such information to AOC & MMD's independent compliance officer. The number of cases and reports regarding anti-corruption and bribery was zero in 2020.

DATA PRIVACY



➤ **Data privacy is an important consideration in the workplace and when conducting a business. We respect customers' data privacy and their rights to the personal information gathered by our products and services.**

Data and privacy protection procedures are in place and communicated to our employees through regular trainings. All collected personal data is accessible only by authorized personnel and the data is handled in a confidential manner. During the development of our products we use "privacy by design" to limit the amount of personal data that is needed and to inform our customers how their personal information is used. As of May 2018, the General Data Protection Regulation (GDPR) has been implemented in the EU and our group companies which control and process personal information. Taking into account the GDPR, the controlling and processing of personal information is subject to several requirements. For example, having the right policies in place, entering into data processing agreements with other companies which process our personal data etc. Our company strives to go beyond the minimum requirement laid down in the GDPR and will continue to implement policies in the future to protect our customer's data privacy.

APPENDIX

SOCIAL FIGURES 2020



EXPLANATORY REFERENCE LIST



DEFINITIONS MATERIAL TOPICS



**AOC & MMD CARBON AND WATER
FOOTPRINT 2020**



SUPPLIERS' ENERGY CONSUMPTION



LCA ANALYSIS



SOCIAL FIGURES 2020

TYPE OF CONTRACT	MEN	WOMEN	TOTAL NUMBERS
PERMANENT CONTRACT	79	29	108
TEMPORARY CONTRACT	8	8	16
FULL TIME AND PART TIME PER AGE GROUP	MEN	WOMEN	TOTAL NUMBERS
<30 YEARS OLD	6	7	13
30-50 YEARS OLD	63	26	89
>50 YEARS OLD	18	4	22
EMPLOYEES WITH SUPERVISORY POSITION/ MANAGEMENT POSITION	MEN	WOMEN	TOTAL NUMBERS
	19	6	25

NEW EMPLOYEES	MEN	WOMEN	TOTAL NUMBERS
<30 YEARS OLD	2	3	5
30-50 YEARS OLD	12	3	15
>50 YEARS OLD	0	0	0
TOTAL	14	6	20

TERMINATIONS EMPLOYEES	MEN	WOMEN	TOTAL NUMBERS
<30 YEARS OLD	0	0	0
30-50 YEARS OLD	2	3	5
>50 YEARS OLD	1	0	1
TOTAL	3	3	6

AVERAGE HOURS OF TRAINING	
STAFF	8,2
MANAGEMENT	22,7

EXPLANATORY REFERENCE LIST

ABBREVIATION

AI

DAAS

FINANCIAL CAPITAL

HUMAN CAPITAL

ICO

IOT

IPS

MANUFACTURED CAPITAL

NGO

OBM

ODM

OPEX

SAAS

THE GROUP

DEFINITION

Artificial intelligence are devices that respond to data or impulses from their environment, and make independent decisions based on that.

Display as a service.

The pool of funds available to an organization. This includes both debt and equity finance.

Individual's capabilities, and the knowledge, skills and experience of the company's employees and managers.

Independent Compliance Officer.

Internet of Things are smart devices that make autonomous decisions.

In-Plane Switching, for better colour reproduction, higher contrast and wider viewing angles than a standard LCD display.

Human-created, production-oriented equipment and tools.

Non-governmental organization.

Original Brand Manufacturing is the manufacturing of products with our own brands.

Original Design Manufacturing is the manufacturing of products with the brand of our clients.

Operating expenses are recurring costs for a product, system or company.

Software as a service.

TPV and her subsidiaries like AOC, Envision Peripherals MMD, TP Vision and Wuhan Admiral Technology.

DEFINITIONS MATERIAL TOPICS

MATERIAL TOPIC

CIRCULARITY

DEFINITION

We strive to design our products in such a way that there is a continual use of resources and we try to eliminate waste. Circular systems employ reuse, sharing, repair, refurbishment, remanufacturing and recycling to create a close-loop system.

CLIMATE CHANGE

We see it as our obligation to reduce our environmental impact as much as possible and we want to make a concrete contribution to the EU's climate goals. We reduce our CO2 emissions by, among other things, implementing ISO 140001 at our production locations, purchasing sustainable energy and traveling by public transport to our offices.

COLLABORATION WITH PARTNERS

Together with our business partners we can create sustainable solutions and products, and together with our partners for the SDG we can contribute to a sustainable supply chain.

COMMUNICATION & TRANSPARENCY

By means of our communication efforts we strive to a transparent policy when it comes to salient topics such as conflict minerals and human rights.

HEALTH & SAFETY

We aim to maintain a safe and healthy work environment for our employees, contract labour and visitors, and therefore we are committed to do all that is reasonably feasible to:

- meet or exceed requirements laid down in applicable Health and Safety laws and regulations, as well as voluntary standards to which AOC & MMD subscribes;
- implement procedures for the identification, prevention and minimization of hazards and risks;
- provide all employees with relevant information and regular training on Occupational Health and Safety aspects;
- consult and co-operate with employees and/or their representatives, and other stakeholders;
- implement preventive practices and responsive procedures with regard to emergencies and accidents.

MATERIAL TOPIC

PACKAGING

SUSTAINABLE PRODUCTS

TRANSPARENT SUPPLY CHAIN

TALENT ATTRACTION & RETENTION

DEFINITION

We are developing new types of packaging with less impact on the environment. We not only consider the protection of the products and accessories, but also commonly unused handbooks and CD-ROMs.

Investing in ‘new’ technology and developing new products that meet the needs of consumers (e.g. environmentally friendly and green products) and at the same time comply with local laws and regulations regarding hazardous substances.

Already in our design stage we define sustainable solutions and the use of sustainable materials. Attention has been paid as well to the local production facilities where social and environmental topics are audited by external agencies.

Since we are a global operating company we feel responsible for our whole supply chain which reaches further than tier 1 and 2. This also implicates that we strive towards a transparent supply chain. We have systems and controls in place to ensure that modern slavery and human trafficking are not taking place anywhere within the organization or in any of our supply chains. Suppliers, contractors and business partners are thereby required to sign our Supplier Code of Conduct. Suppliers are thereby audited by external auditors regarding health & safety, human rights and conflict minerals.

In line with international and local labour standards, our Code of Conduct strictly prohibits the use of child and forced labour in any of our operations worldwide. We also demand from our suppliers that they have policies in place to reasonably assure that for example the tantalum, tin, tungsten and gold in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. As a member of the Responsible Minerals Initiative we are committed to the control of conflict minerals and have created a conflict mineral management system in accordance with the OECD’s five step framework for due diligence in the supply chain.

We operate in accordance with local laws and regulations regarding our employees, suppliers, products and environment. Our Code of Conduct reflects our norms, rules, and responsibilities towards each other as employer and employees, and the requirements of our suppliers. We are transparent about our financial and non-financial results and are open about our challenges.

We want to invest in committed and loyal employees. This includes personal career planning and development, a good work-life balance, a friendly working environment, a clear mission and appropriate guidance and inspiring leadership.

AOC & MMD CARBON AND WATER FOOTPRINT 2020

AOC & MMD 2020 CARBON FOOTPRINT RELATES TO 927,704 TONNES CO2.

AOC & MMD encourages all employees and suppliers to do their utmost best to reduce the carbon footprint, including driving supplier facilities energy improvement, supplier facilities operation greenhouse gas (GHG) emission inventory confirmations and analysis for reductions. It’s the first time for AOC & MMD to disclose a carbon footprint of their own entities, product and supplier facilities according to ISO 14064-1:2006 and water footprint by ISAE 3000.

OVERALL TOTAL	AOC & MMD ENTITIES OPERATION (SCOPE 1 + 2)	PRODUCT CARBON FOOTPRINT (SCOPE 3)	AOC &MMD SUPPLIERS (SCOPE 3)	AOC & MMD TOTAL
SCOPE 1 (TONS CO2E)	61.27	-	3,616	3,677
SCOPE 2 (TONS CO2E)	349.63	855,879	67,799	924,027
TOTAL	410.9	855,879	71,415	927,704
% CONTRIBUTION	0.04%	92.26%	7.70%	-

Figure 9: AOC & MMD 2020 GHG Emission

AOC & MMD ENTITY	ENVISION PERIPHERALS, INC	MMD MONITORS & DISPLAYS NEDERLAND B.V. AOC INTERNATIONAL (EUROPE) B.V.	TPV TECHNOLOGY INDIA PVT. LTD	MMD SINGAPORE PTE. LTD.	MMD (SHANGHAI) ELECTRONICS TECHNOLOGY CO., LTD.	WUHAN ADMIRAL TECHNOLOGY LTD	TOTAL
LOCATION	USA	NL	India	Singapore	Shanghai	Wuhan	
SCOPE 1 (TONS CO2E)	10.55	13.59	0	0	0	37.14	61.27
SCOPE 2 (TONS CO2E)	33.64	0	147.42	35.43	76.58	56.56	349.63
GRAND TOTAL	44.19	13.59	147.42	35.43	76.58	93.7	410.9
% CONTRIBUTION	10.75%	3.31%	35.88%	8.62%	18.64%	22.80%	
WATER							
CONSUMPTION (M³)	300.16	205.05	No	47.7	753.85	554.0	1860.76
% CONTRIBUTION	16.27%	10.28%	NA	2.58%	40.85%	30.02%	

Figure 10: Details 2020 GHG Emission / Water data

CATEGORY	EMISSION SOURCE	2020 ACTIVITY DATA						UNIT
		USA	NL	INDIA	SINGAPORE	SHANGHAI	WUHAN	
EMISSION SCOPE 1	Natural gas	1,990.0 (therm)	5,659.3	-	-	-	12,517.6	m ³
	Gasoline	-	17,766.61	-	-	-	4329.4	L
EMISSION SCOPE 2	Purchased Electricity	47,451	109,186	95,107	73,811	96,674	65,869	kWh

Figure 11: Details 2020 GHG activity data

AOC & MMD SUPPLIER SITE	TPV ELECTRONICS (Fujian) Co.,Ltd (TPV Fujian)	TPV DISPLAY TECHNOLOGY (Wuhan) Co., Ltd (TPV Wuhan)	TPV DISPLAY TECHNOLOGY (Beihai) Co., Ltd (TPV Beihai)	L&T DISPLAY TECHNOLOGY (Fujian) Ltd. (L&T)	SUPPLIER TOTAL
SCOPE 1 (TONS CO2E)	1,378.57	1,474.37	222.51	540.16	3,616
SCOPE 2 (TONS CO2E)	43,574.5	9,387.25	4,513.26	10,324.02	67,799
TOTAL	44,953	10,862	4,736	10,864	71,415

Figure 12: AOC & MMD Suppliers 2020 GHG activity data

2020 ACTIVITY DATA						
CATEGORY	EMISSION SOURCE	TPV FUJIAN	TPV WUHAN	TPV BEIHAI	L&T	UNIT
EMISSION SCOPE 1	Natural gas	241,390	432,485	4,490	-	m ³
	Liquefied petroleum gas	-	-	1,070	-	Kg
	Gasoline	41,300	7,092	3,731.17	38,859	Kg
	Diesel oil	16,244	5,620	6,403	4,985.85	Kg
	Acetylene	0.1404	-	-	-	Kg
	CO2	-	-	-	-	Kg
	R404A+R23	5	-	-	-	Kg
	HCFC-123	-	250	-	-	Kg
	R134a	3	-	40.8	-	Kg
	Septic-tank BOD (CH4)	77,894	34,818	9,810	30,000	Kg
EMISSION SCOPE 2	Purchased Electricity	55,011,368	10,931,927	5,612,110.9	13,033,737.39	Kwh

Figure 13: AOC & MMD Suppliers 2020 GHG activity data

SUPPLIER	TPV FUJIAN	TPV WUHAN	TPV BEIHAI	L&T	SITE TOTAL
TOTAL WATER INTAKE (M³)	757,105	219,196	55,621	58,911	1,090,833
WATER DISCHARGE (M³)	643,539	186,317	38,618	47,129	915,603
WATER CONSUMPTION (M³)	113,566	32,879	17,003	11,782	175,230

Figure 14: AOC &, MMD Suppliers 2020 water consumption

SUPPLIERS' ENERGY CONSUMPTION

Please find underneath the three years energy performance improvement rate according to standard GB/T 23331-2012/ ISO 50001:2011:

MANUFACTURING FACILITIES	YEAR	ANNUAL OUT PUT (10 Thousands Set)	TOTAL ENERGY CONSUMPTION (Tons of standard coal Tce)	THE UNIT PRODUCT COMPREHENSIVE ENERGY CONSUMPTION (TCE/10,000SETS)	THREE YEARS ENERGY PERFORMANCE IMPROVEMENT RATE
TPV WUHAN	Y2017	1132.10	1424	1.256	41.2%
	Y2018	1601.85	1535	0.958	
	Y2019	1784.65	1645	0.922	
	Y2020	1926.31	1423.37	0.739	
TPV BEIHAI	Y2017	534.18	380.93	0.7131	20.66%
	Y2018	651.83	472.86	0.7254	
	Y2019	774.38	536.30	0.6926	
	Y2020	1065.11	602.63	0.5658	
TPV FUJIAN			ISO 50001 cert.		
L&T			ISO 50001 cert.		

Figure 15: Three years energy performance rate

LCA ANALYSIS

TPV evaluates LCA (life cycle assessment) for displays with standards ISO 14040/14044 from cradle to grave, including raw material, manufacturing, distribute, usage and waste. The LCA result with analysis method IMPACT 2002+V2.12 for PHILIPS 240B7Q:

IMPACT CATEGORY	MEASURING UNIT	SUM
CARCINOGENS	Kg C2H3Cl eq	10.1435236
NON-CARCINOGENS	Kg C2H3Cl eq	11.6963998
RESPIRATORY INORGANICS	Kg PM2.5 eq	0.47330001
IONIZING RADIATION	Bq C-14 eq	5972.09659
OZONE LAYER DEPLETION	Kg CFC-11 eq	4.0603E-05
RESPIRATORY ORGANICS	Kg C2H4 eq	0.19544411
AQUATIC ECOTOXICITY	Kg TEG water	61931.2694
TERRESTRIAL ECOTOXICITY	Kg TEG soil	18886.8738
TERRESTRIAL ACID/NUTRI	Kg SO2 eq	9.07137311
LAND OCCUPATION	m2org.arable	12.2571954
AQUATIC ACIDIFICATION	Kg SO2 eq	2.39516294
AQUATIC EUTROPHICATION	Kg PO4 P-lim	0.48608281
GLOBAL WARMING	Kg CO2 eq	414.613331
NON-RENEWABLE ENERGY	MJ primary	6374.38026
MINERAL EXTRACTION	MJ surplus	191.130916

Table 16: Evaluation Summary of Product’s Environmental Impact (IMPACT 2002+ V2.12)

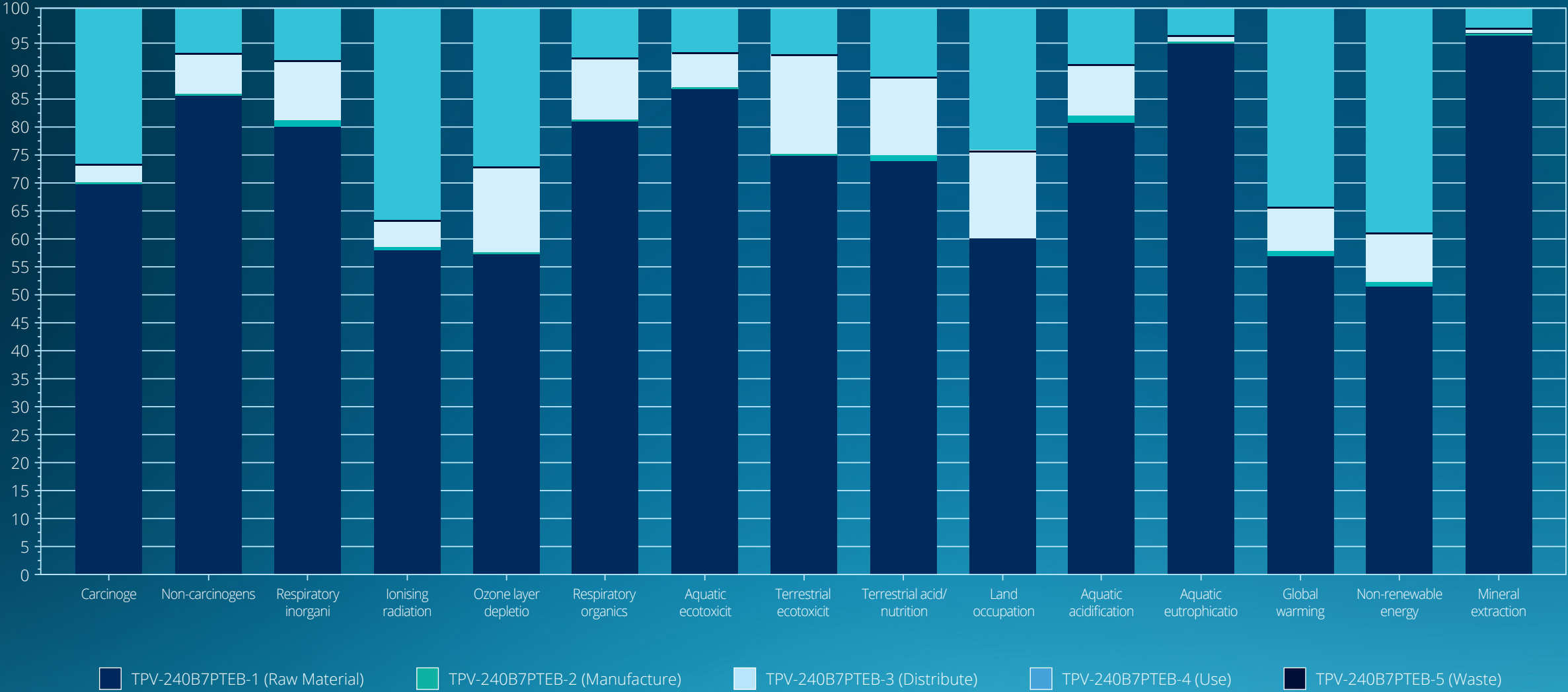


Figure 17: Evaluation Summary of Product's Environmental Impact - characterization(IMPACT 2002+

The LCA result with analysis method ReCiPe Midpoint (E) for 240B7Q:

IMPACT CATEGORY	MEASURING UNIT	SUM
CLIMATE CHANGE	Kg CO2 eq	411.062
OZONE DEPLETION	Kg CFC-11 eq	4.41E-05
TERRESTRIAL ACIDIFICATION	Kg SO2 eq	2.353201
FRESHWATER EUTROPHICATION	Kg P eq	0.455234
MARINE EUTROPHICATION	Kg N eq	2.94584
HUMAN TOXICITY	Kg 1,4-DB eq	31916.54
PHOTOCHEMICAL OXIDANT FORMATION	Kg NMVOC	1.681213
PARTICULATE MATTER FORMATION	Kg PM10 eq	0.877506
TERRESTRIAL ECOTOXICITY	Kg 1,4-DB eq	0.952475
FRESHWATER ECOTOXICITY	Kg 1,4-DB eq	21.07881
MARINE ECOTOXICITY	Kg 1,4-DB eq	20461.53
IONISING RADIATION	kBq U235 eq	58.92326
AGRICULTURAL LAND OCCUPATION	m2a	29.44268
URBAN LAND OCCUPATION	m2a	9.87519
NATURAL LAND TRANSFORMATION	m2	0.09575
WATER DEPLETION	m3	3.862916
METAL DEPLETION	Kg Fe eq	218.0418
FOSSIL DEPLETION	Kg oil eq	127.4403

Table 18: Evaluation summary of Product environmental impact- (ReCiPe Midpoint (E) V1.12)

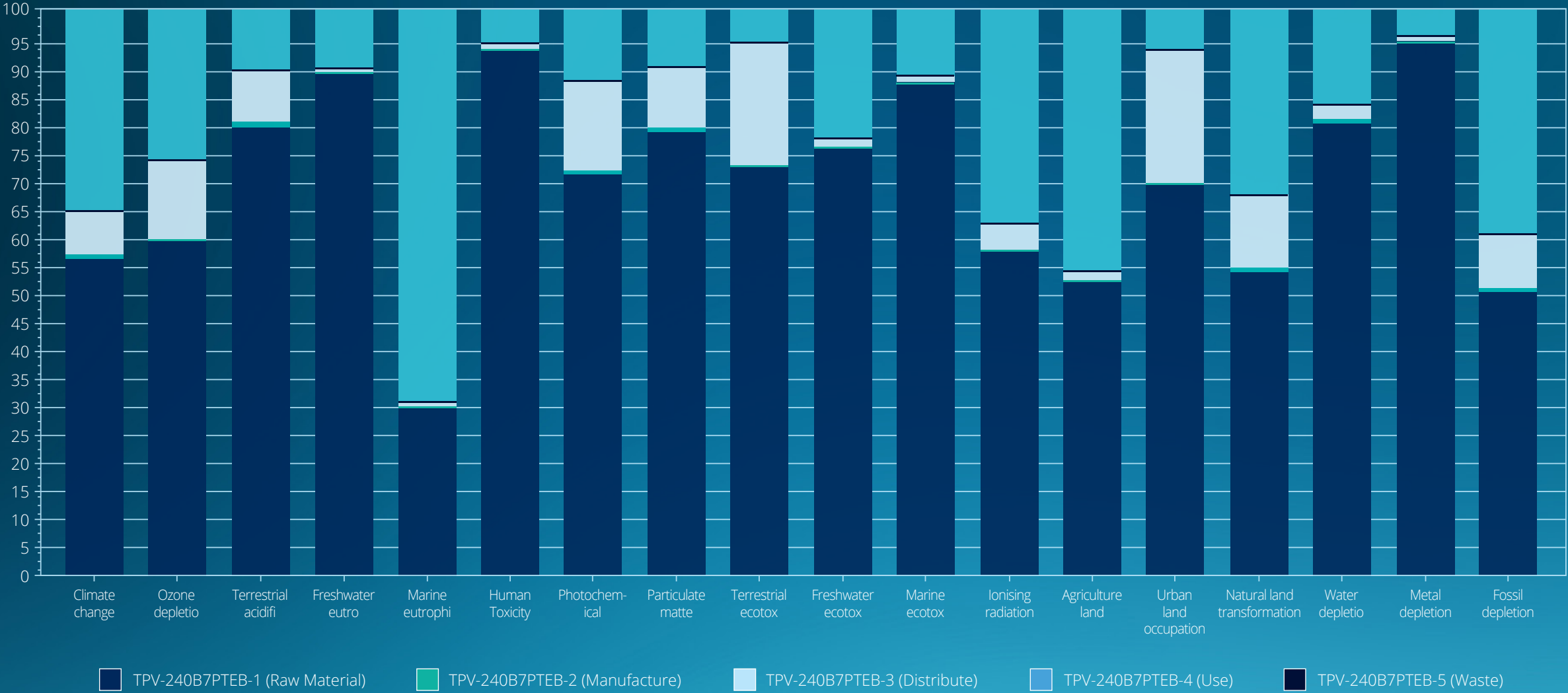


Figure 19: Evaluation Summary of Product’s Environmental Impact – characterization (ReCiPe Midpoint (E) V1.12)

