

# Hisense

# 2025

## Hisense HA Environmental, Social and Governance Report



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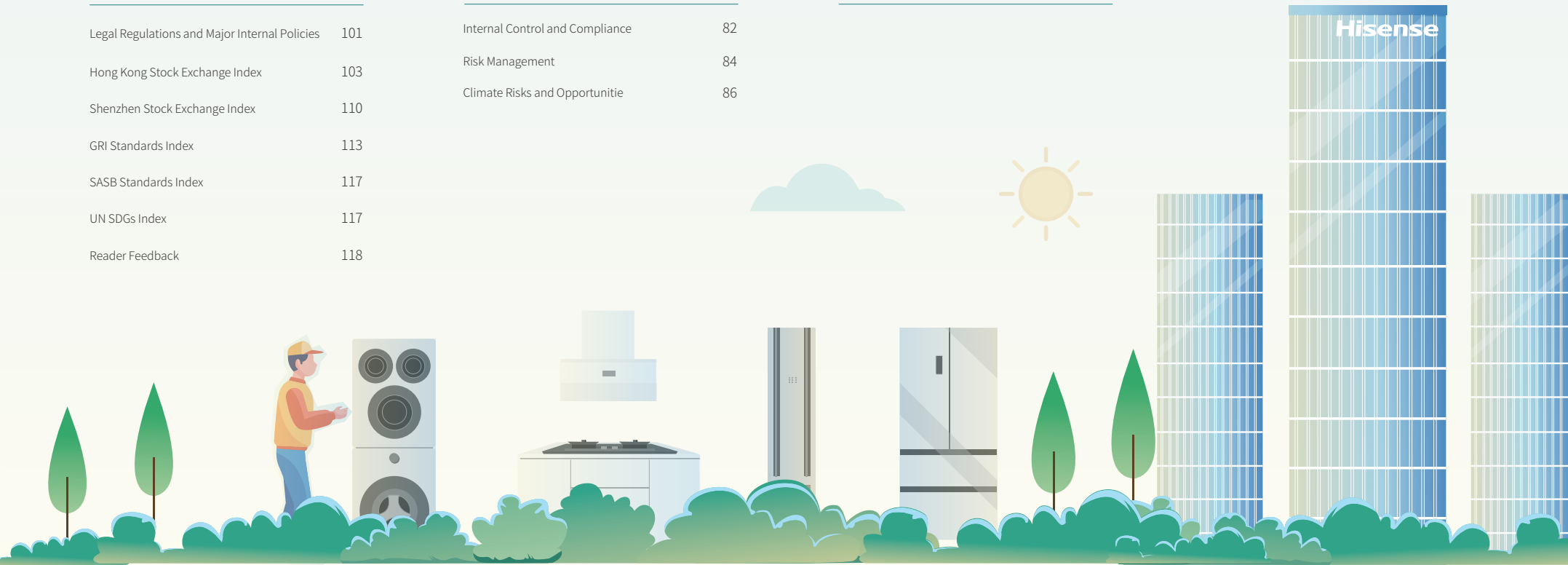
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# Letter to Stakeholders

“ In 2025, the global home appliance industry is undergoing a profound restructuring: artificial intelligence is transitioning from technological exploration to large-scale application, green and low-carbon practices are shifting from corporate electives to market entry thresholds, and global competition is moving from a focus on cost advantages to a contest of comprehensive strengths in technology, branding, and ESG. At this historical juncture, Hisense HA has not chosen to wait and see, but has taken more decisive action and made more solid investments, integrating the philosophies of 'technology-driven operation', 'long-termism' and 'value sharing' into national strategies and global responsibilities, thereby delivering a substantial annual report. ”

## This year, we have reshaped all-scenario smart living with AI, making technology serve people.

We are deeply aware that true intelligence is not a cold accumulation of functions but a gentle consideration for the human heart. In 2025, Hisense HA has deeply integrated AI into every corner of the home. The AI Air Butler, through the synergy of multiple sensors and large models, perceives the entire home environment and user preferences in real time, proactively adjusting settings in scenarios such as sleeping, watching sports, and removing formaldehyde, quietly fulfilling the personalized air needs of 'a thousand people, a thousand preferences'. The AI Food Butler can intelligently identify more than 800 types of ingredients, provide timely reminders for items nearing their expiration dates, and connect the entire user journey from storage, planning, and recommendation to purchasing, supported by over 200,000 personalized recipes. The AI Laundry Butler accurately identifies fabric materials and stains through voice and text interaction, intelligently recommending laundry and care programs to solve the user's problem of 'not knowing how to wash or adjust settings', upgrading the user experience to a 'smart laundry solution that responds instantly'. These three intelligent agents enable home appliances to shift from passive response to proactive service, bringing technology back to a human-centric approach and filling every moment at home with warmth and wisdom.

## This year, we have forged new quality productive forces with green intelligent manufacturing, anchoring our future in carbon neutrality.

In response to climate change, we have not only commitments but also pathways and actions. In 2024, we officially released the *Carbon Neutrality White Paper*, clarifying our goal to achieve carbon neutrality in our own operations no later than 2050, ten years ahead of the national target. The Hisense Hitachi Huangdao factory was selected as a global 'Sustainable Lighthouse Factory', becoming the only 'dual Lighthouse Factory' in the global air conditioning industry. Currently, we have 11 national-level 'green factories' and 2 'zero-carbon factories'. We are actively responding to the national 'trade-in policy', upgrading it to a 'quality renewal' initiative, and have recycled over 1.3 million units of end-of-life home appliances throughout the year, effectively promoting the expansion and quality improvement of green consumption. From green design to green recycling, we are building a low-carbon closed loop that covers the entire product lifecycle, providing a 'Hisense model' for the green transformation of the home appliance industry.

## This year, we have built a win-win ecosystem with a global perspective, sharing value with the world.

Facing the restructuring of the global supply chain and changes in trade rules, we adhere to the 'Local for Local' globalisation philosophy, integrating into, serving, and contributing to local communities. Relying on our matrix of eight major brands including Hisense, KELON, and Ronshen, we have accelerated the localisation of our R&D, production, and sales, increasing our global brand awareness to 56% and being selected among BrandZ's Top 10 Chinese Global Brands for nine consecutive years. We have continuously sponsored the UEFA European Championship and the FIFA World Cup, showing the world the strength and warmth of Chinese smart manufacturing. As a company listed on both A-share and H-share markets, we have received an A-level rating for information disclosure from the Shenzhen Stock Exchange for five consecutive years and have consistently increased our dividend ratio to share development results with shareholders. We have deeply integrated ESG into our global supply chain, achieving a 100% signing rate for our Supplier Code of Conduct and building a responsible and resilient industrial ecosystem with our global partners.

Looking ahead, Hisense HA will closely follow the strategic arrangements of the national 'the 15th Five-Year Development Plan' regarding expanding domestic demand, achieving scientific and technological self-reliance, and promoting comprehensive green transformation. We will take AI as our core driving force and green development as the underpinning of new quality productivity, continuing to expand our presence in the smart living sector. We will unwaveringly advance our strategies of globalisation, premiumisation, brand building, and green development. By fostering co-creation to promote win-win outcomes and encouraging sharing to achieve co-existence, we will strive towards the goal of 'building a world-class enterprise and establishing a world-class brand', contributing Chinese enterprises' wisdom and sense of responsibility to global sustainable development.



# About This Report

## Report Coverage

The content disclosed in this report covers Hisense Home Appliances Group Co., Ltd. and its subsidiaries. The time frame is from 1 January 2025 to 31 December 2025. To enhance the comparability and forward-looking nature of the report, certain contents appropriately reference historical years and contain forward-looking statements.

## Basis of Preparation

This report has been prepared with reference to the Environmental, Social and Governance reporting Guide in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the 'Hong Kong Stock Exchange'), and the *Shenzhen Stock Exchange Guidelines for the Self-Regulation of Listed Companies No. 17 – Sustainability reports (for Trial Implementation)* from the Shenzhen Stock Exchange (the 'Shenzhen Stock Exchange'). It also references the *Global reporting Initiative (GRI) Standards* issued by the Global Sustainability Standards Board (GSSB), the Sustainability Accounting Standards Board (SASB) standards, the framework recommendations of the *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), and the United Nations Sustainable Development Goals (UN SDGs).

## Definitions

For ease of expression, in this report:

▶ The Company, We, Hisense HA	Refer To	Hisense Home Appliances Group Co., Ltd.	▶ Ronshen Refrigerator	Refers To	Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.
▶ Chengdu Refrigerator	Refer To	Hisense (Chengdu) Refrigerator Co., Ltd.	▶ Ronshen Plastics	Refers To	Foshan Shunde Ronshen Plastics Co., Ltd.
▶ Guangdong Air-Conditioning	Refer To	Hisense (Guangdong) Air-Conditioning Co., Ltd.	▶ Shandong Air-Conditioning	Refer To	Hisense Air-Conditioning Co., Ltd.
▶ Guangdong Kitchen & Bath	Refer To	Hisense (Guangdong) Kitchen & Bath Systems Co., Ltd.	▶ Shandong Refrigerator	Refer To	Hisense Refrigerator Co., Ltd.
▶ Hisense Hitachil	Refer To	Qingdao Hisense Hitachil Air-Conditioning Systems Co., Ltd.	▶ Shandong Kitchen & Bath	Refers To	Hisense (Shandong) Kitchen & Bath Co., Ltd.
▶ Kelon Mould	Refers To	Guangdong Kelon Mould Co., Ltd.	▶ Sanden Company	Refers To	SANDEN CORPORATION
▶ Qingdao Mould	Refer To	Qingdao Hisense Mould Co., Ltd.	▶ Yangzhou Refrigerator	Refers To	Hisense Ronshen (Yangzhou) Refrigerator Co., Ltd.
▶ Ronshen Freezer	Refers To	Hisense Ronshen (Guangdong) Freezer Co., Ltd.	▶ Zhejiang Air-Conditioning	Refers To	Hisense (Zhejiang) Air-Conditioning Co., Ltd.

## Reporting Principles

This report has been prepared in accordance with the four reporting principles of Materiality, Quantification, Balance, and Consistency as set out in the *Environmental, Social and Governance reporting Guide* of the Hong Kong Stock Exchange, as well as the disclosure obligations under the 'mandatory disclosure' and 'comply or explain' provisions. Hisense HA undertakes that this report contains no false records or misleading statements and is responsible for the truthfulness, accuracy, and completeness of its content. Hisense HA continues to optimize and improve its ESG data management capabilities, constantly enhancing data accuracy and reliability to provide more credible information to stakeholders.



### Materiality

The Company conducts stakeholder communication and materiality assessments annually to identify material ESG issues, and provides focused responses and disclosures on highly material issues.



### Quantification

This report adopts a quantitative approach to measure applicable key performance indicators, and discloses the measurement methods, basis, and reporting boundaries.



### Balance

This report transparently discloses the Group's work and performance on various ESG issues for objective review by stakeholders.



### Consistency

Unless otherwise specified, this report uses disclosure and statistical methods consistent with those of previous years to ensure that the ESG data for this reporting period are comparable with historical and future data. Any changes to the statistical boundary of indicators will be noted in the report.

## Access to the Report

This report is published in electronic format and is available in Simplified Chinese, Traditional Chinese, and English. To access the report, please visit [www.cninfo.com.cn](http://www.cninfo.com.cn), [www.hkexnews.hk](http://www.hkexnews.hk), or [hxjd.hisense.cn](http://hxjd.hisense.cn).

# About Hisense HA

Hisense Home Appliances Group Co., Ltd. was founded in 1984 and was listed on the main boards of the Hong Kong Stock Exchange (stock code: 00921) in 1996 and the Shenzhen Stock Exchange (stock code: 000921) in 1999. The Company is primarily engaged in the research and development ("R&D"), manufacturing, marketing, and after-sales service of products in fields such as HVAC, refrigerators, washing machines, kitchen appliances, environmental appliances, commercial cold chain, moulds, automotive compressors, and comprehensive thermal management systems, and also provides full-scenario smart home solutions centered on the intelligent upgrading of home appliances.

The Company focuses on long-term capacity building, thoroughly implements the transformation and upgrading requirements for high-quality development, adheres to a user-centric approach, continuously deepens the globalisation of its R&D, production, and sales channels, and strengthens the synergistic efficiency of research, production, and sales, while also actively expanding its global customer and channel network, deeply applying AI technology to drive product innovation, and constantly launching high-end, integrated, intelligent, and home-oriented product portfolios, thereby significantly boosting its market competitiveness in its commitment to creating a comfortable, intelligent, and sustainable life for users worldwide and building a diversified and steadily growing global business layout.

## Economic Performance

Operating Revenue

**879.28** RMB 100 Million

Compound Annual Growth Rate of Operating Revenue from 2020 To 2025

**13%**

Net Profit Attributable to Shareholders of the Listed Company

**31.87** RMB 100 Million

Compound Annual Growth Rate of Net Profit Attributable to Shareholders of the Listed Company from 2020 To 2025

**15%**

Total Assets

**699.84** RMB 100 Million

Net Assets Attributable to Shareholders of Listed Companies

**174.69** RMB 100 Million

Return on Equity

**19.36%**

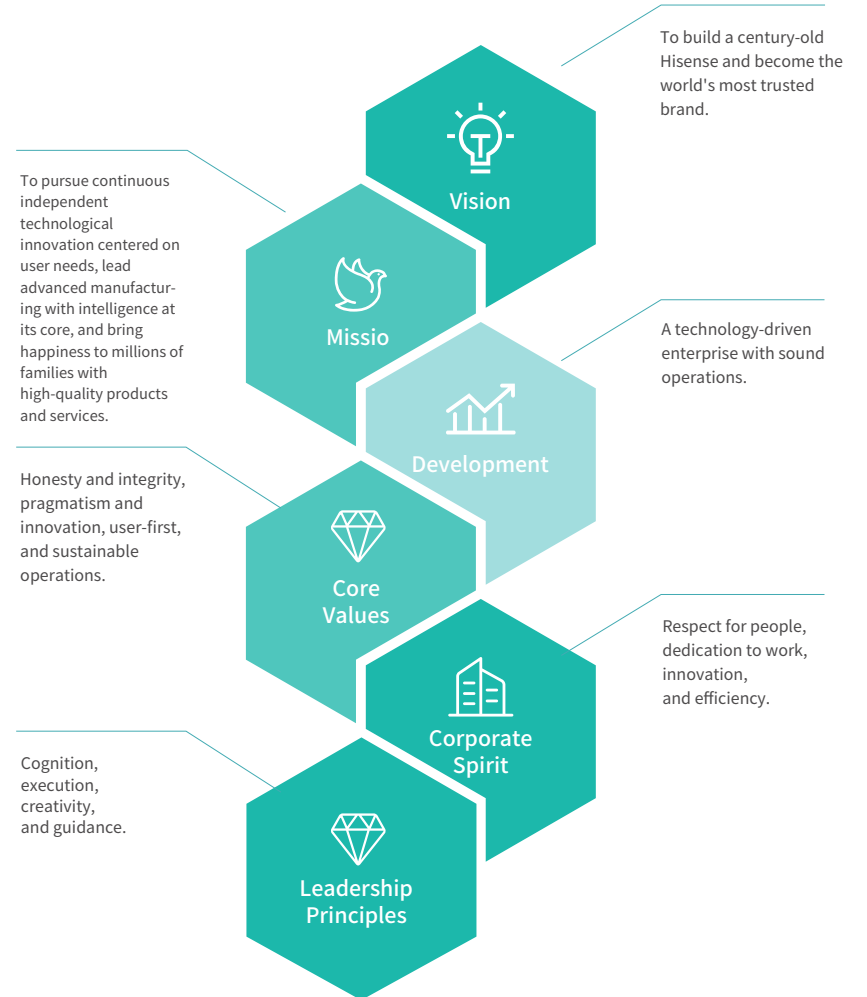
Basic Earnings per Share

**2.33** RMB/share

Dividend per 10 Shares Increased To

**12.65** RMB

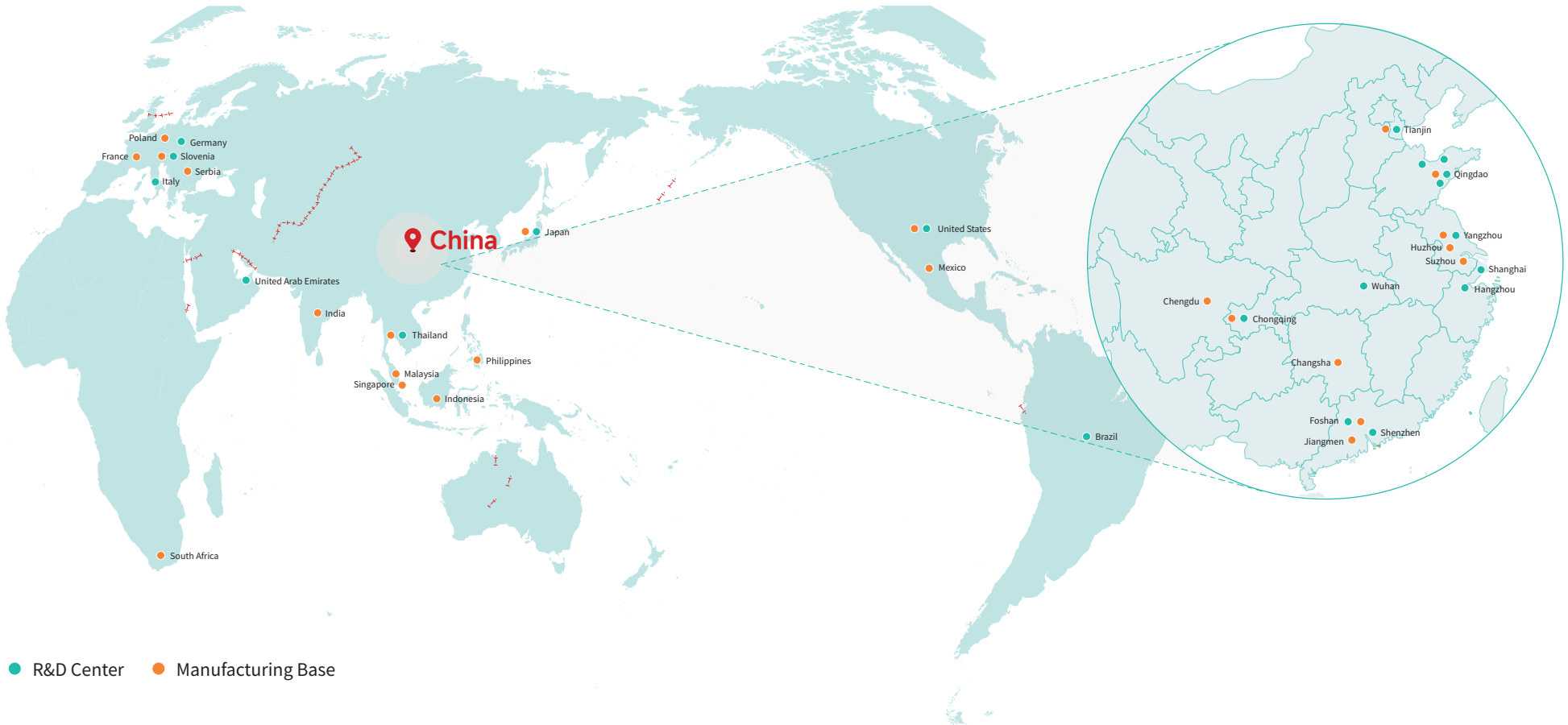
## Corporate Culture



## Core Businesses

Hisense HA is steadfastly pursuing a path of global development, enhancing its global brand influence, and deepening its 'world managed by the world' model. In 2025, construction officially began on the Thailand Smart Manufacturing Industrial Park, and the Changsha Home Appliance Industrial Park was completed and put into operation on schedule, further strengthening the development of its 'Global 7+1' regional operation centers (Asia-Pacific, ASEAN, North America, Central and South America, the Middle East and Africa, Europe, India and the China region). Currently, Hisense has established 37 industrial parks and production bases globally, located in various overseas countries such as Mexico and Thailand, as well as multiple domestic cities including Qingdao, Foshan, Jiangmen and Yangzhou. It also operates 30 R&D institutions in overseas regions like the United States, Japan, Italy and Thailand, and in domestic cities such as Qingdao and Foshan, along with 64 overseas companies and offices, with products sold in more than 160 countries and regions worldwide.

Hisense HA centres its strategy on user needs, continuously enhancing its market competitiveness through a product portfolio that is high-end, full-series, intelligent, and home-oriented. The central air conditioning business continues to solidify its leading position in the multi-split air conditioner sector, supporting the high-speed growth of new industries with energy-saving and low-carbon integrated solutions. The household air conditioning business deeply integrates health, comfort, and smart technologies, maintaining its leadership in the fresh air segment. The refrigerator business focuses on freshness preservation and vacuum technology, expanding into quality living scenarios. The washing machine business breaks industry records through technological innovation, setting a new standard for laundry care experiences. The kitchen appliance business continues to refine its product matrix and deepen the layout of its smart kitchen ecosystem. The automotive thermal management business is accelerating its expansion into the new energy vehicle sector, serving clients globally. The Company is committed to creating a comfortable, intelligent, and sustainable quality of life for its global customers, continuously building a system of high-quality products and solutions.



## Eight Major Brands

The Company's products encompass eight major brands: 'Hisense', 'Ronshen', 'KELON', 'HITACHI', 'YORK', 'gorenje', 'ASKO', and 'SANDEN', all of which enjoy an excellent brand reputation and a solid market foundation. The Company leverages the product ranges and features of these different brands to meet differentiated market demands.

The Company continuously advances its internationalisation strategy and increases its investment in sports marketing, which has consistently boosted its overseas brand recognition and influence. It has sponsored a series of top-tier global sporting events, including the 2016 European Championship, the 2018 World Cup, the 2020 European Championship, the 2022 World Cup, the 2024 European Championship, and the 2025 Club World Cup. It has also been officially announced as a Global Official Sponsor of the 2026 World Cup.

During the reporting period, Hisense's brand equity and awareness continued to grow steadily. According to 2025 survey data from Ipsos, the Hisense Brand Asset Index increased year-on-year, with a corresponding rise in brand awareness. The brand's equity index showed particularly significant growth among young consumer groups and in new first-tier cities. Furthermore, Hisense was ranked among the top ten Chinese global brands for the ninth consecutive year in the '2025 BrandZ Top 50 Chinese Global Brand Builders' list, jointly released by Google and Kantar.



## Industrial distribution

Technological innovation is the core driver of corporate development. Hisense HA consistently adheres to a user-centric approach, continuously driving product upgrades through innovation. It integrates core technologies into its AI lifestyle butler system, creating three intelligent bodies for air, food, and laundry care. These systems automatically adjust device operating modes based on user habits and environmental changes, truly integrating technology into life scenarios and providing users with more convenient and intelligent living services.

Business	Content	Growth
Central Air Conditioner Business	In the home decoration sector, the focus is on 'functional integration, smart interaction, and energy efficiency', with the launch of Hitachi's 'Whole-House Sensory 3.0', Hisense's 'ThinkAir Active Health Management System', and YORK's 'Six-Dimensional Nine-Constant' full-air system. In the engineering sector, the business has deepened its presence in scenarios such as high-end buildings, medical clean rooms, and renovation projects, introducing products like the SET-FREE RII series renewal units. In new business areas, it has expanded its water chiller and smart HVAC ECO-B 2.0 systems, securing landmark projects such as the Foxconn Central China Fifth District Industrial Park, Weichai-Fudi Battery, and Sinosteel's low-carbon metallurgy high-temperature heat pump project.	The domestic market share for multi-split air conditioners exceeded 23%, continuing to lead the industry. Hitachi ranked first in the pre-decorated housing market with a 30.2% share. Performance in the data center water chiller sector grew by 69% year-on-year, while performance in the industrial sector increased by 15%.
Household Air Conditioner Business	The business focuses on upgrading the Hisense and KELON dual brands. Hisense has enhanced its smart fresh air conditioners, launching products like the X3Pro, X7Pro, and Hercules U6 to create a 'home air intelligent management hub'. KELON concentrates on magnetic levitation technology, introducing the Quiet & Power-Saving Max and Ultra series, with an energy efficiency ratio surpassing 6.26, earning it a place in the '2025 China Consumer Famous Brand Era-Excellence Products' list.	Domestic sales volume increased by 9.6% year-on-year, outpacing the industry's growth by 8.9 percentage points. The retail sales share of Hisense fresh air conditioners reached 44.5%, a rapid year-on-year increase of 11.0%.
Refrigerators and Freezer Business	Leveraging the Ronshen and Hisense dual-brand strategy, the business centers on freshness preservation and vacuum technology as its core competencies. Ronshen launched the Xi Wang 650 Freshness Preservation Refrigerator and the Dual-Clean Sugar Cube series, equipped with the WILL Natural Freshness System and i-Smell Smart-Sensing Dual-Clean Max technology. Hisense introduced the 565 Series Vacuum First-Class Fully Integrated Refrigerator, featuring industry-leading vacuum preservation technology. The market share of the Canseries has increased for six consecutive years.	The retail sales market share of Hisense-affiliated refrigerators reached 17.0%, with the share of mid-to-high-end and high-end products increasing significantly by 2.8 percentage points. Hisense vacuum preservation refrigerators ranked first in domestic sales and held the top sales share in eight overseas countries.
Washing Machine Business	The business launched the Mianhuatang Ultra Family-Tub—the world's first 4-in-1 heat pump washer-dryer combo, featuring a modular, separable design that supports multiple drum combinations. It is equipped with the Zeus heat pump drying system and an AI laundry care butler, enabling intelligent garment recognition and precise washing and care.	Global main business revenue grew rapidly, marking the fastest growth rate among the world's top 10 brands (certified by Euromonitor International 2021-2025). The Mianhuatang series sold over 100,000 units within six months of its launch, becoming the top product in the heat pump washer-dryer category on JD.com. The business achieved the number one sales share in three overseas countries.
Kitchen Appliance Business	Driven by a dual focus on mid-to-high-end products and innovation, the business overcame challenges in high-airflow duct technology for range hoods, launching the Fengyan U5 Quiet Range Hood (45dB gentle sound, dual Grade-1 certification for silence and fume extraction). The S7 and W8 zero-bacteria dishwashers were developed, winning Germany's iF and Red Dot awards, as well as the AWE iF Gold Award. The business also led the formulation of the industry standard 'Technical Specification for Top-Side Dual-Suction Range Hoods'.	Domestic sales revenue grew by 31% year-on-year, with offline revenue increasing by 43%. The revenue share of mid-to-high-end products rose to 60%. The market share of kitchen stoves ranked fourth in Europe.
Automotive Air Conditioner Compressor and Integrated Thermal Management System Business	The business adheres to a product strategy focused on new energy and electrification, expanding its integrated thermal management solutions. It completed the development of a new-generation, highly integrated ITMS module platform, reducing winter driving range decay by 25%. The fifth-generation electric compressor platform achieved multi-refrigerant compatibility. The air conditioning box technology made breakthroughs in noise reduction, temperature control, and energy efficiency.	Both the value of new business acquisitions and the volume of new orders increased by over 30%. The business secured a large order for mechanical compressors from a key strategic customer in the European market. In the Americas, it achieved a breakthrough by winning an automotive air conditioning order, becoming the number one supplier of automotive air conditioning for that client.

# 02

## 2025 Milestone Review

In 2025, Hisense HA was selected for the ninth batch of national manufacturing industry 'Single Champion' enterprises. Hisense Hitachi, Shandong Refrigerator, and Shandong Air-Conditioning were recognized as high-level quality management enterprises by the Ministry of Industry and Information Technology (MIIT). Hisense, Ronshen, and KELON were included in the MIIT's 2025 list of China's top consumer brands. Ronshen Refrigerator and Guangdong Kitchen & Bath were named National Intellectual Property (IP) Demonstration Enterprises. The Company also received first-prize awards from the China General Chamber of Commerce, the Qingdao Municipal Science and Technology Progress Award, and the China National Light Industry Council Science and Technology Award.

Two subsidiaries, Sanden Company and Hisense Hitachi, have joined the Science Based Targets initiative (SBTi); three factories have been rated as national-level Grade-4 smart manufacturing factories, one as a national-level 5G factory, and one as a national-level excellence factory. Additionally, Shandong Refrigerator, Ronshen Freezer, and Sanden Company have officially joined the United Nations Global Compact (UNGC), taking concrete actions to uphold its ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption, and committing to operating in line with the Sustainable Development Goals, continuously disclosing their performance through annual progress reports and demonstrating the Company's sense of responsibility in the field of sustainable development.

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# ESG Strategy

## Hisense

Hisense Home Appliances Group

Use AI technology to reshape the ideal life

· Stimulating internal growth drivers, cultivating new quality productive forces, promoting win-win outcomes through co-creation, and fostering symbiosis through sharing



Strategic Orientation

**Business for Good**

Establish a corporate governance structure with clear rights and responsibilities, transparency, integrity, and efficiency. Integrate ESG risk control into the existing corporate risk management system to ensure stable and long-term development via sound governance.

**Intelligent Manufacturing for Good**

Actively assume corporate responsibility for climate change, build a clean, low-carbon, and efficient energy system, and integrate green concepts into all segments of the value chain. We are committed to achieving carbon neutrality and the target of 100% green electricity by 2050, leading the industry's low-carbon transformation through green smart manufacturing.

**Technology for Good**


Focus on innovative technology R&D, empowering product strength through intelligent innovation, and leading the green and low-carbon transformation of household appliance products. We will strengthen quality control throughout the entire product lifecycle, strive for 'zero recalls', and establish a benchmark overseas enterprise.

**Ecosystem for Good**


Incorporate responsible principles throughout the corporate value chain, build a responsible supply chain, eliminate environmental pollution, and collaborate with stakeholders to foster a value-sharing ecosystem, continuously creating long-term value for customers and local communities.

**Partnerships for Good**


Build fair and inclusive partnerships, safeguard employee rights and benefits, and develop a comprehensive, multi-layered talent training system and innovation mechanism. Set the targets of zero non-compliant employment cases and zero safety incidents, and foster an inclusive, diverse, healthy and safe workplace environment.




Highlight Performance in 2025




- Maintain an a-grade rating for information disclosure from the shenzhen stock exchange for 5 consecutive years.
- 100% signing rate for the Integrity Pledge.
- 0 major violations of business ethics laws and regulations.
- 0 major information security incidents.
- 0 incidents of criticism or penalties from information disclosure.




- Total installed photovoltaic capacity reached 86.08 MW, with renewable energy consumption accounting for 27.32% of total electricity consumption.
- Recycled water usage of 1,172,707 tons, accounting for 34.9% of the total.
- 11 national-level 'green factories', 4 national-level 'companies with green supply chain management', and 2 'zero carbon factories'."
- Over 1.3 million waste household appliances were recycled in the whole year.
- 100% compliance rate for wastewater and waste gas emissions.



- 39 companies have obtained certification for the GB/T 19001-2016 / ISO 9001:2015 quality management system.
- R&D investment of RMB 3.442 billion, representing 3.91% of main business revenue.
- 3,323 R&D personnel, accounting for 8.8% of the total workforce.
- 21 new scientific and technological achievements identified as 'internationally leading', received 35 major scientific and technological awards from governments and industries.
- 3,314 new patent applications (1,403 for inventions) and 2,404 newly granted patents (711 for inventions).
- Led or participated in the formulation and revision of a total of 122 new standards, including 60 national standards, 18 industry standards and 44 group standards.



- Customer satisfaction rate of 98.4%; customer complaint rate of 0.36%, with a 100% complaint resolution rate.
- 0 incidents of non-compliance regarding product and service information.
- 0 incidents of customer privacy breaches.
- 100% signing rate for the supplier Pledge on the Non-Use of Conflict Minerals; 100% of products have traceable raw material sources.
- Carry out public welfare initiatives including educational support, disaster relief donations and voluntary blood donation, covering the whole country.



- 100% social insurance coverage.
- Pay employee remuneration totalling RMB8.768 billion.
- 0 incidents of forced labour, child labour, or discrimination.
- Maintain 100% coverage for trade union membership and collective agreements.
- Invest a total of RMB 31.9218 million in employee training.
- 0 work-related fatalities; 100% occupational health check coverage rate and 100% pass rate.

**Hisense's globalization layout:** 37 industrial parks and production bases, 30 R&D institutions, and 64 overseas companies and offices, covering the 'Global 7+1' regions (Asia-Pacific, ASEAN, North America, Central and South America, the Middle East and Africa, Europe, India and China).

**Eight major brand matrix:** Hisense, Ronshen, KELON, HITACHI, YORK, gorenje, ASKO, and SAND-EN, meeting diverse user needs.

**AI technology foundation:** in-depth integration of the self-developed Xinghai Large Model with Deep-Seek, launch vertical intelligent agents for household appliances, and build a smart home appliance system capable of 'perception, comprehension, decision-making and execution'.

**Sports marketing:** continuous sponsorship of top-tier events such as the UEFA European Championship, FIFA World Cup, and FIFA Club World Cup has increased global brand awareness to 56%. The brand has been ranked among the BrandZ Top 10 Chinese Global Brands for nine consecutive years.

### Strategic Support System

# Awards and Honors

## Corporate Leadership



Ranked seventh among 'Top 200 Enterprises in China's Light Industry'



Ranked fourth in 'Top 100 Science and Technology Enterprises in China's Light Industry'.



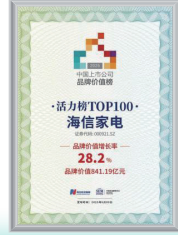
'2025 China listed companies annual benchmark award for overseas branding'



'2025 China listed companies brand value list - overseas top 50'



'2025 China listed companies brand value list - overall top 100'



'2025 China listed companies brand value list - vitality top 100'



National Manufacturing Single Champion



'Golden Bull award - most valuable for investment'



## ESG leadership



Hisense HA MSCI ESG Rating **BBB**



Hisense HA Wind ESG Rating **AA**



Hisense Hitachi CDP Rating **A-**

Hisense HA Listed in The Forbes China ESG 50

Hisense HA Selected For S&P Global's Sustainability Yearbook (China Edition) 2026 'Industry Mover'



'Green Manufacturing Benchmark Enterprise'



Three achievements from Shandong Air-Conditioning and other companies selected for the catalog of advanced energy-saving and low-carbon technologies



'2025 excellent sustainable development practice cases for listed companies'



'2025 best A-share ESG practice award'



'2024 tech enterprise ESG pioneer award'



'Greater Bay Area ESG disclosure excellence list'



'2025 (industry) new ESG benchmark enterprise'



2025 China industrial carbon peaking 'frontrunner' enterprise



'2025 EPR responsibility innovation pioneer enterprise'

## Corporate innovation



A total of 35 awards obtained, including First Prize honours of Qingdao Municipal and China National Light Industry Council Science and Technology Awards.



1 Apland Gold Award and 5 Excellence Awards



Recipient of 18 major industrial design awards, including the iF Award and the Red Dot Award



Two achievements of Hisense Hitachi and Shandong Air-Conditioning are included in the above light industry innovation catalogue for the 14th Five-Year Plan Period



Hisense AI Life Butler wins The Beijing News' 2025 Smart Life Award for "Annual Home Appliance Intelligent Agent Innovation Case"

# 03

## Foundation of ESG Governance

Corporate governance serves as a pivotal pillar within Hisense HA's ESG strategic framework. Corporate governance is the cornerstone of sustainable corporate development, ensuring stable operations by optimising governance structures, strengthening risk management, and improving decision-making efficiency. The ESG management system serves as a strategic tool for the enterprise to practise its sustainable development philosophy, deeply integrating environmental, social, and governance factors into all aspects of corporate operations through systematic planning and effective execution. The two are mutually reinforcing, together driving Hisense HA forward on its path 'towards goodness' and achieving harmonious coexistence and long-term development among the enterprise, society, and the environment.

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# Strengthening Corporate Governance

Hisense HA has always upheld the principles of compliance and efficiency, continuously building an effective and dynamic modern corporate governance system. The Company's '1+2+N' system framework operates robustly, effectively safeguarding the transparency and compliance of its decision-making and ensuring the Company's steady progress in a complex and ever-changing competitive environment.

## Corporate Governance Structure

Hisense HA strictly complies with the requirements of laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules of the Shenzhen Stock Exchange and the Listing Rules of The Stock Exchange of Hong Kong Limited. The Company is committed to constructing a '1+2+N' system framework, with the Articles of Association as the core, the working mechanisms of the shareholders' general meeting and the Board of Directors as guidelines, and other supporting policies and systems as effective implementation measures. This forms an internal control and governance framework featuring scientific decision-making, clear division of powers and responsibilities, and effective checks and balances, so as to safeguard the Company's standardised, sound and sustainable operations.

The board of directors of Hisense HA has five specialised committees, namely the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee, the Strategic Committee and the ESG Committee. All committees are accountable to the board, undertake their duties in accordance with the Articles of Association and board authorisations, and present proposals to the board for deliberation and approval, while the board of directors formulates the working rules for specialised committees to regulate their operations. Independent directors constitute the majority and serve as convenors in the Audit Committee, Nomination Committee and Remuneration and Assessment Committee, and the convener of the Audit Committee is an accounting professional who is deeply involved in the Company's financial audits and internal control assessments.

Name	Position	Age	Term of Office	Specialised Committee Membership				
				Audit	Nomination	Remuneration and Assessment	Strategy	Environmental, Social, and Corporate Governance(ESG)
Ms. Gao Yuling	Executive Director (Chairperson)	44	2		✓		✓ Chairperson	✓ Chairperson
Mr. Jia Shaoqian	Executive Director	53	11		✓	✓	✓	✓
Mr. Yu Zhitao	Executive Director	49	3			✓	✓	✓
Ms. Fang Xueyu	Executive Director	52	1				✓	
Mr. Dai Huizhong	Executive Director	60	10					✓
Mr. Yin Bitong	Employee Representative Director	57	1				✓	✓
Mr. Li Zhigang	Independent non-Executive Director	50	3	✓	✓	✓ Chairman		
Mr. Tsoi Wing Sing	Independent non-Executive Director	63	2	✓	✓ Chairman	✓		
Mr. Xu Guojun	Independent non-Executive Director	63	2	✓ Chairman	✓	✓		

Note: Mr. Yin Bitong has served as an employee director of the Company since 30 July 2025, and Ms. Fang Xueyu has served as an executive director of the Company since 18 September 2025. The tenure of directors is calculated by subtracting the start year of their term from the year of this report's publication (2026).

In principle, directors must attend board of directors meetings in person. If they are unable to attend for any reason, they may appoint another director in writing as their proxy, clearly specifying the scope of authorisation in the letter of proxy, and the appointed proxy shall exercise their rights within this authorised Foundation scope. When attendance by proxy is not possible, the board of directors will ensure directors can fulfil their duties via electronic communication. According to the *Articles of Association*, if a director fails to attend two consecutive board of directors meetings in person and does not appoint a proxy, they are deemed unable to perform their duties, and the board of directors should recommend their removal to the shareholders' meeting.

Directors' Attendance at Board of Directors and Shareholders' Meetings								
Name	Position	Number of Board Meetings Required to Attend During the Reporting Period	Number of Board Meetings Attended in Person	Number of Board Meetings Attended by Teleconference	Number of Board Meetings Attended by Proxy	Number of Board Meetings Absent	Whether Absent from Two Consecutive Meetings in Person	Actual Average Attendance Rate
Ms. Gao Yuling	Executive Director (Chairperson)	9	5	4	0	0	No	100%
Mr. Jia Shaoqian	Executive Director	9	5	4	0	0	No	100%
Mr. Yu Zhitao	Executive Director	9	5	4	0	0	No	100%
Ms. Fang Xueyu	Executive Director	2	1	1	0	0	No	100%
Mr. Dai Huizhong	Executive Director	9	5	4	0	0	No	100%
Mr. Yin Bitong	Employee Representative Director	4	2	2	0	0	No	100%
Mr. Li Zhigang	Independent non-Executive Director	9	5	4	0	0	No	100%
Mr. Tsoi Wing Sing	Independent non-Executive Director	9	5	4	0	0	No	100%
Mr. Xu Guojun	Independent non-Executive Director	9	5	4	0	0	No	100%

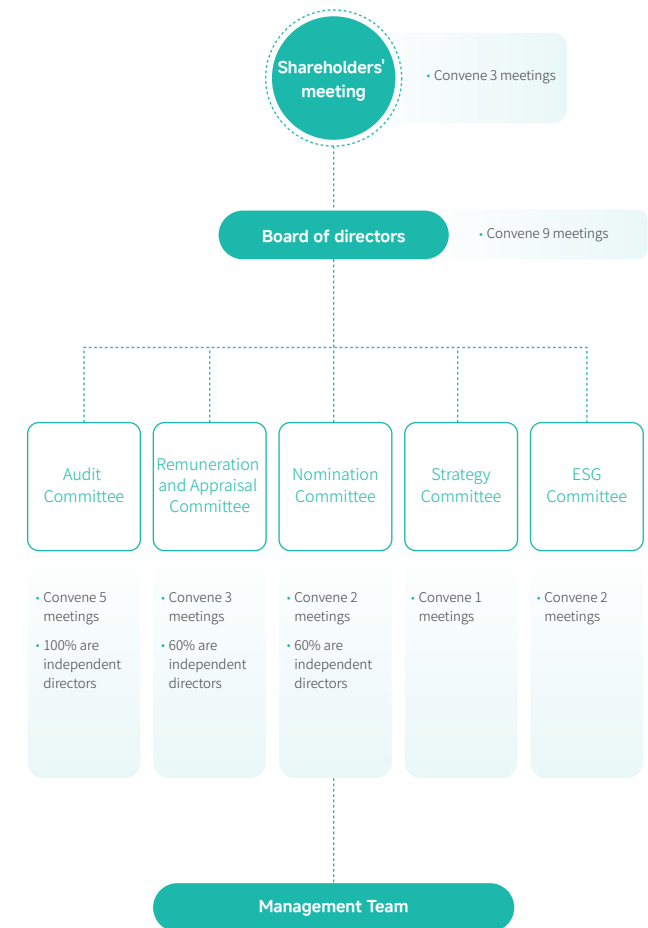
Unless stipulated in the *Articles of Association* or legally authorised by the board of directors, no director may conduct activities on behalf of the Company or the board of directors in a personal capacity. Directors must comply with laws, administrative regulations, and the *Articles of Association*, owe a duty of diligence to the Company, act in the best interests of the Company when performing their duties, and fulfil the responsibilities of reasonable care and prudent management typically expected of a manager.

### Core Duties of Diligence for Directors

- To exercise authority cautiously, conscientiously and diligently, ensuring that the Company's operations are lawful, compliant and within its authorised business scope.
- To treat all shareholders of the Company with fairness.
- To stay timely informed of the Company's operation and management.
- To sign and confirm periodic reports, ensuring that all information disclosed is truthful, accurate and complete.
- To provide truthful documents and information to the Audit Committee and not obstruct the discharge of its duties.

In 2025, in accordance with the *Guidelines for the Articles of Association of Listed Companies*, the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other relevant laws and regulations of the People's Republic of China, the Company completed a systematic revision of core policies including the *Articles of Association*, the *Rules of Procedure for Shareholders' General Meetings*, and the *Rules of Procedure for the Board of Directors*. During the reporting period, Hisense HA abolished its supervisory board, with the Audit Committee exercising the powers of the supervisory board as stipulated in the *Company Law*.

### Hisense HA Governance Structure



## Diversity and Independence

### Promoting Diversity

The Company has formulated the *Board Diversity Policy*, which establishes core selection criteria for directors across multiple dimensions including gender, age, cultural and educational background, professional experience, skills, regional and industry experience, ethnicity, knowledge, and length of service. By comprehensively considering diversity factors, the policy promotes gender, professional, and background diversity on the board of directors, ensuring a balanced governance structure and enhanced governance effectiveness to support the Company's sustainable development.

Currently, the Company's board of directors includes two female executive directors. The Company will continue to seize opportunities to increase the proportion of female members on the board, optimizing gender diversity levels and enhancing the board's diversified structure in line with shareholder expectations and industry best practices.

As a specialised body under the board of directors, the nomination committee is responsible for advising on and reviewing candidates for director and senior management positions, as well as their selection criteria and procedures; directors are ultimately elected by the shareholders' general meeting. The Company's human resources department assists with daily tasks such as personnel selection and nomination. The nomination committee regularly reviews the diversity of the board's composition and monitors the implementation of the diversity policy to ensure its continued and effective application, thereby continuously optimising the board's governance structure.



Audit Expert

#### Mr. Xu Guojun, Independent non-Executive Director

He holds a Ph.D. in Economics (Accounting) from Renmin University of China and is a non-practising certified public accountant, possessing a profound theoretical foundation in accounting and auditing along with extensive practical management experience. He previously served for many years as the Chief Accountant, Deputy General Manager, and General Manager of Qingdao Guoxin Development (Group) Co., Ltd., where he accumulated experience in auditing and financial management for large state-owned enterprises. Additionally, Mr. Xu was a professor of accounting, a doctoral supervisor, and the Director of the Institute of Human-centred Value Management at the Ocean University of China (now retired), combining academic research and teaching experience in the field of accounting and auditing.



Industry<sup>1</sup> Expert

#### Mr. Tsoi Wing Sing, Independent non-Executive Director

With over 30 years of deep experience across the entire value chain of consumer discretionary goods (non-essential consumer goods) in the footwear, apparel, and textile sectors, he is a seasoned industrialist in this field. His core management experience stems from the full-time operation of physical enterprises: he started his business in 1992 and became a core supplier of footwear (a typical consumer discretionary product) through a partnership with Walmart. He has served and currently serves as a director for footwear manufacturing companies such as Changzhou Qifa Shoes Co., Ltd., where he has overseen the entire process of footwear and apparel R&D, production, supply chain management, and global distribution, making him a veteran manager in the industry. Mr. Tsoi Wing Sing currently serves as an Executive Director of Yingxing Holdings Group Co., Ltd. and as a director for several other companies, including Qixing Industrial (International) Co., Ltd. He is also a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) for the Hong Kong region and a member of the Putian Municipal Committee of the CPPCC. He is deeply involved in industrial planning, policy consultation, and investment promotion for the consumer discretionary (footwear, apparel, consumer goods) sectors in the Guangdong-Hong Kong-Macao Greater Bay Area and Fujian province, possessing extensive industry experience at the governmental level and continuously promoting the industry's high-quality development and policy implementation.

<sup>1</sup>Industries Are Classified According to GICS Level 1.

### Ensuring Independence

Directors are elected or replaced by the shareholders' general meeting for a term of three years. Upon term expiration, directors are eligible for re-election. The Company has established the *Working System for Independent Directors*, under which independent non-executive directors may, in principle, serve as independent directors in no more than three domestic listed companies and must ensure they have sufficient time and energy to effectively perform their duties. An individual who has served continuously as an independent non-executive director of the Company for six years is not eligible for nomination as a candidate for the position for a period of thirty-six months from the date this fact occurs.

Hisense HA's controlling shareholder is prohibited from directly or indirectly interfering with the Company's decision-making and its lawful production and operational activities in a manner that harms the interests of the Company and other shareholders. Individuals holding administrative positions other than director or supervisor at the Company's controlling shareholder are not permitted to serve as senior management of the Company, so as to avoid an excessive concentration of decision-making power.

The independent non-executive directors strictly adhere to relevant laws, regulations, and corporate governance standards. They leverage their professional knowledge and extensive experience in their respective fields, performing their duties with objectivity, fairness, and independence to provide professional advice and independent judgment on major corporate decisions. None of the independent non-executive directors hold concurrent positions in any of the Company's related parties, and the number of their external appointments complies with regulatory limits, effectively safeguarding the independence of decision-making. Through regular special investigations and dedicated meetings, the independent non-executive directors express their opinions on key issues such as the pricing of Related Party Transactions and oversee the compliant operation of the internal control system.

### 2025 key performance indicator

Number of Directors

9

Number of Female Directors

2

Accounting For

22.22%

Number of Independent Non-Executive Directors

3


Accounting For

33.33%

## Remuneration and Incentive Mechanism


The Company's board Remuneration Committee is composed of two executive directors who are not involved in daily operations and three independent non-executive directors. All committee members do not hold positions in the Company's management, which ensures the independence of assessment and decision-making from a governance structure perspective. This arrangement ensures that the incentive mechanism is highly aligned with the Company's long-term value creation and the interests of all shareholders.

Guided by the core principles of 'long-term orientation, fairness and transparency, and sustainable development', the Remuneration Committee has established a comprehensive remuneration and assessment system comprising 'fixed salary + performance-based pay + medium- and long-term incentives'.



Remuneration Principles

- Distribution according to work, aligned with responsibilities, authority, and benefits;
- Income levels linked to the Company's performance and work objectives;
- Remuneration aligned with the Company's long-term interests;
- Remuneration standards that are open, fair, and transparent.



Remuneration System

- Basic salaries and performance bonuses are comprehensively determined based on job responsibilities, risks, contributions, industry benchmarks, and individual performance to ensure fairness and competitiveness;
- Operational bonuses are closely linked to the Company's annual business results and ESG indicator performance, strengthening the alignment of incentives with corporate strategy and sustainable development goals.

Senior management undergoes an annual performance assessment, in which the proportion of performance-based pay is, in principle, no less than 50% of the total of basic salary and performance-based pay. The Remuneration Committee conducts a comprehensive evaluation of their job competency and task completion, with the assessment results directly determining remuneration distribution. The basic salary for senior management is paid monthly, while a certain proportion of performance-based pay is disbursed after the disclosure of the annual report and completion of the performance evaluation, which must be based on audited financial data. The CEO's annual performance-based salary is subject to a dual-dimensional assessment of 'Performance + ESG'. While revenue and profit growth serve as the core sources for incremental incentives, ESG indicators (such as environmental performance, production safety, product quality, business ethics, and anti-corruption) are established as veto items. If there is no year-on-year growth or a decline in revenue and profit, or if ESG targets are not met, the annual performance-based salary will be zero. If revenue and profit grow and ESG targets are met, the annual performance-based salary is paid out based on the increments in revenue and profit, combined with the individual's performance score.

The Company has established a sound remuneration clawback mechanism. In cases of deliberate falsification of indicators confirmed by audit, the full amount of that year's variable remuneration will be recovered, and penalties will be imposed in accordance with regulations. If indicators are adjusted post-audit, any overpaid remuneration will be fully recovered, reinforcing management's integrity and long-term accountability. Concurrently, the Company utilizes long-term incentive tools such as core talent recruitment and equity incentives to align the interests of employees with the long-term interests of the Company, creating a community of shared interests that supports its sustainable development.



# Leading Sustainable Development

Hisense HA has established a systematic and comprehensive ESG management framework to ensure the orderly progress of its ESG initiatives. This framework consists of three levels: a decision-making body, a management body, and executive bodies. Each level has clearly defined responsibilities and works collaboratively to drive the implementation of the Company's ESG strategy.

## ESG Statement from the Board of Directors

The board of directors of Hisense HA, as the highest authority responsible for the Company's Environmental, Social, and Governance (ESG) strategy and management, holds overall responsibility for the supervision, management, and decision-making on all ESG matters. It coordinates the deployment of the Company's end-to-end ESG management processes and diligently fulfills its ESG oversight duties.

The board of directors formulates and continuously optimizes ESG management policies and strategies, and establishes a sound ESG governance system. Led by the ESG Committee, and taking into account the Company's development strategy, operational realities, and feedback from stakeholder communication, the board dynamically reassesses material ESG topics. It systematically identifies, evaluates, and prioritizes ESG-related risks and opportunities, formulates targeted management measures, and deeply integrates ESG principles into the Company's core business and long-term development strategy. This ensures that ESG management practices are highly aligned with the Company's sustainable development goals.

The board of directors regularly reviews progress toward ESG-related targets, closely linking ESG performance with the Company's business results and strategy execution. It continuously improves the ESG management mechanism and dynamically optimizes ESG management policies and strategies to ensure that ESG management remains current. This effectively promotes the continuous enhancement of the Company's environmental, social, and governance standards, creating long-term value for all shareholders and stakeholders.

The board of directors regularly receives reports on the formulation and progress of the Company's established annual ESG Strategy and targets. It promotes the integration of ESG target achievement into the performance appraisal system, reviews progress in areas such as product quality and safety, occupational health and safety, e-waste recycling, and sustainable supply chain development, considers their promotional effect on the business, and proposes improvement suggestions to continuously enhance ESG performance.

### ▶ Key Decisions of the Board of Directors and the ESG Committee In 2025:

- Reviewed and approved the 2024 *Environmental, Social and Governance* Report;
- Re-elected ESG Committee members and adjusted the ESG leadership structure.

This report provides a detailed disclosure of the progress and effectiveness of Hisense HA's ESG work in 2025 and was reviewed and approved by the board of directors on 28

## ESG Governance Structure

Hisense HA has established a comprehensive and systematic ESG management framework to ensure the orderly implementation of its ESG work. This framework consists of three levels: a decision-making body, a management body, and an execution body. Each level has clearly defined responsibilities and works collaboratively to promote the implementation and execution of the Company's ESG Strategy.

### • ESG Governance Structure





Level type	Institution / Body Name	Core Composition	Responsibilities	Reporting / Meeting Requirements
 Decision-Making Body	ESG Committee	Led by the Chairman of the Company, with Key Members Being Directors of the Company.	<ul style="list-style-type: none"> <li>· Spearheads the Formulation of the Company's ESG Strategy and Planning.</li> <li>· Identifies and Assesses ESG Risks and Opportunities Closely Related to the Company's Business.</li> <li>· Tracks and Inspects the Progress of ESG Work.</li> <li>· Reviews the Company's ESG-related Disclosure Documents and Other</li> </ul>	Holds at Least One Meeting Annually, with Proposals Passed at the Meeting Submitted to the Board of Directors for Review and Decision.
 Management Body	ESG Leadership	Composed of the Heads of the Company's Major Departments.	<ul style="list-style-type: none"> <li>· Identifies ESG Risks and Issues.</li> <li>· Promotes the Implementation of ESG Work.</li> </ul>	Reports to the ESG Committee at Least Twice a Year.
 Execution Body	ESG Executive Working Group	The Leaders of Each Group Are Jointly Held by Heads with Key Functions and Front-Line Management.	<ul style="list-style-type: none"> <li>· Collaboratively Advances Work on Important ESG Issues.</li> <li>· Ensures ESG Concepts Are Integrated into All Aspects of the Company's Operations.</li> <li>· Promotes the Implementation and Execution of Sustainable Development Concepts.</li> </ul>	The Results of Related Work Are Reported Quarterly to the ESG Leadership Group by the Head of Each Subgroup.

## ESG Management Policy


Guided by the 'Benevolence' ESG strategy model, Hisense HA has set higher standards for its ESG governance processes. In collaboration with responsible departments, it has formulated a comprehensive, systematic, robust, and industry-leading ESG management system for relevant issues. This system internalizes the expectations of stakeholders into the Company's self-management constraints, thereby promoting its high-quality development.

### • Business for good | Setting an Outstanding Benchmark for Modern Global Corporate Governance


Core Issues	Value Proposition	ESG Management System Construction
 Corporate Governance	<ul style="list-style-type: none"> <li>• The Company adheres to the principles of compliant and efficient governance, building a '1+2+N' modern governance system centered around its articles of association. Through the collaborative empowerment of five special committees, it achieves comprehensive coverage across risk control, strategic planning, and performance evaluation dimensions. The Company strictly follows regulatory laws, dynamically optimizes its institutional framework, and ensures clear responsibilities and effective checks and balances. With the shareholders' meeting and the board of directors as the decision-making core, it guarantees the standardized performance of directors' duties, ensures a scientific and orderly corporate governance structure, and supports long-term sustainable development with high-quality governance.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has established a governance structure comprising the shareholders' meeting, the board of directors, and the management team. Below this are five board-level special committees: the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee, the Strategic Committee, and the environmental, social, and corporate governance (ESG) committee, which work together to promote standardized corporate governance. During the reporting period, through the systematic revision of core regulations such as the <i>Articles of Association</i>, <i>Rules of Procedure for the Shareholders' Meeting</i>, and <i>Rules of Procedure for the Board of Directors' Meeting</i>, the institutional guarantees for law-abiding, compliant, and scientific corporate management were further enhanced.</li> </ul>
 Compliant Operations	<ul style="list-style-type: none"> <li>• Adhering to the compliance philosophy of 'Compliant Operation, Integrity-based Development' and the compliance management policy to 'implement comprehensive compliance and build a value-creating compliance management system', the Company strictly abides by the laws, regulations, and business ethics of the countries where it operates, fostering a culture of honesty and integrity. In accordance with the principles of comprehensiveness, materiality, checks and balances, and hierarchical responsibility, and based on comprehensive risk management and control with a focus on key areas and high risks, internal controls are integrated throughout the entire process of decision-making, execution, and supervision to ensure the achievement of the Company's overall control objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• An internal control framework has been established where 'the board of directors is fully responsible for the implementation, improvement, and evaluation of the internal control system; the management organizes and leads the daily operation of internal controls; and the Audit Committee provides supervision', thereby ensuring compliant operations.</li> </ul>

Core Issues	Value Proposition	ESG Management System Construction
 Risk Control	<ul style="list-style-type: none"> <li>The Company is committed to integrating ESG risk management into its existing risk management system to achieve integrated and coordinated control of conventional operational risks, emerging uncertainty risks, and specific ESG risks. The Company not only routinely strengthens its defenses against conventional risks in production, financial compliance, and operational management, but also proactively anticipates and assesses emerging risks such as geopolitical economics, industry transformations, and supply chain fluctuations. Concurrently, it systematically identifies potential environmental, social, and governance-related hazards. This risk assessment empowers scientific decision-making, optimizes overall governance efficiency, and ensures the Company's stable operation, the implementation of its sustainable development strategy, and the steady achievement of its long-term operational goals.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established a three-line risk management defense system composed of business departments, functional departments, and the audit department, integrating risk control into the entire operational process. The business departments of each subsidiary form the first line of defense, designing and executing necessary systems, processes, and standards according to their scope of authorization, division of responsibilities, and business objectives. Functional departments such as the President's Office, Securities Department, Operations and Financial Management Department, Human Resources Department, and Legal Department collaboratively conduct internal control construction and evaluation through continuous risk monitoring and assessment, maintaining the effectiveness of the internal control system. The Audit Department provides independent supervision over internal controls through supervisory evaluations and audit reports.</li> </ul>
 Business Ethics	<ul style="list-style-type: none"> <li>The Company maintains a zero-tolerance attitude towards all behaviors that violate business ethics, including corruption, bribery, extortion, fraud, money laundering, and insider trading. Through a series of proactive and preventive measures such as regular audit supervision, strengthening internal compliance capabilities, and ensuring unimpeded internal and external reporting channels, it continuously improves its business ethics risk prevention mechanism. This strengthens the full-process management and supervision of risks related to sustainable development, safeguarding the Company's compliant operation and long-term growth.</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive business ethics governance system has been established with the <i>Business Code of Conduct as its core</i>. The board's Audit Committee oversees anti-corruption and anti-bribery efforts, the President's Office is responsible for receiving and investigating reports of violations, and various business departments bear the primary responsibility for implementation. The system covers all Group employees, directors, and third-party partners. With a governance structure of clear responsibilities and a full-process risk control mechanism, it effectively manages risks and opportunities related to business ethics, ensuring the Company's compliant operations and sustainable development.</li> </ul>
 Information Security Management	<ul style="list-style-type: none"> <li>With a core goal of 'zero major information security incidents', the Company systematically advances its cybersecurity management plan. By building a comprehensive information security management system and deepening the information security culture, it fully ensures data security and compliance.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has built an information security and data compliance governance framework with clear responsibilities and layered collaboration. In 2025, the Group established the Privacy Protection and Data Security Compliance Management Committee, responsible for coordinating privacy protection and data compliance strategies, guidelines, and policies, and providing overall guidance for the Group's privacy protection and data compliance management. Each business division has set up a compliance working group, staffed with a compliance group leader, a privacy protection representative, a data security representative, and a process system representative. These groups are responsible for the daily management and implementation of privacy issues, conducting risk assessments on businesses involving private data, and promptly identifying and rectifying non-compliance issues. The Group's Chief Information Officer (CIO) participates in the formulation and review of information security and cybersecurity strategies and oversees the Group's cybersecurity work. Hisense HA Executive Director Gao Yuling serves as the Deputy Director of the Group's Privacy Protection and Data Security Compliance Management Committee, directly overseeing important matters related to information security and ensuring a high level of attention and effective promotion of data security and privacy protection at the governance level.</li> </ul>

• **Intelligent manufacturing for good | Anchoring the 2050 carbon neutrality and 100% green electricity targets to lead the industry's low-carbon transformation with green intelligent manufacturing**


Core Issues	Value Proposition	ESG Management System Construction
 Energy and Water Resource Management	<ul style="list-style-type: none"> <li>We continuously improve our energy and water resource management systems, promote the optimization of our energy structure and the circular use of resources, enhance water use efficiency, and contribute to achieving our 2050 carbon neutrality goal.</li> </ul>	<ul style="list-style-type: none"> <li>We have established energy management systems and deepened the application of our digital energy management platform, continuously optimizing our energy structure through energy-saving technological upgrades and the use of clean energy, while strengthening control over the entire process of water intake, usage, and discharge to constantly improve resource utilization efficiency.</li> </ul>

Core Issues	Value Proposition	ESG Management System Construction
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 Green Management of the Entire Product Lifecycle


- Focusing on material upgrades, structural optimization, energy efficiency improvements, and recycling and remanufacturing, we continuously optimize the green management of the entire product lifecycle to reduce ecological and environmental impacts from the source and promote the popularization of green and low-carbon products.

- We continuously improve the green management framework for the entire product lifecycle, which covers strategic decision-making, R&D and design, green procurement, production and operations, quality certification, warehousing and logistics, and recycling and remanufacturing; we also consistently promote certifications for green products, carbon labels, and Energy Star, driving the collaborative green transformation of our supply chain.

 Emissions and Waste Management

- Adhering to the principle of 'reduction at the source, control during the process, treatment at the end, and recycling and utilization', we promote the reduction, harmless treatment, and resource-based utilization of emissions and waste, thereby strengthening the foundation of our green operations.

- The safety and environmental protection departments of each factory are responsible for the compliant handling of emissions and waste; during the reporting period, they organized environmental risk identification and revised emergency response plans at each factory, enhanced early warning capabilities through a digital monitoring platform, and continued to promote the resource-based utilization of waste to ensure a 100% compliance rate for wastewater, waste gas, and waste emissions.

 Responding to Climate Change

- Focusing on our 2050 carbon neutrality target for our own operations, we continue to advance the development of our carbon management system and our green transformation, strengthen our ability to respond to climate risks, and contribute to global climate governance.

- Drawing on our ESG management framework, we continuously improve the three-tiered carbon neutrality management system covering the decision-making, management and executive levels, apply the CMS carbon management platform to realize online management and simulation analysis of business modules including corporate carbon, product carbon, carbon emission reduction and carbon assets, carry out ongoing product carbon footprint accounting, scale up green electricity procurement and distributed photovoltaic construction, establish a climate risk and opportunity assessment mechanism, and advance collaborative emission reduction across the full value chain.

• **Technology for Good | Continuously increasing investment in R&D and innovation; strengthening quality control throughout the entire lifecycle, striving to achieve 'zero recalls' for our products**

Core Issues	Value Proposition	ESG Management System Construction
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 Product Quality and Safety


- We always adhere to the core bottom line of product quality and safety, strictly follow national and industry standards, and have established a comprehensive control system covering R&D, production, quality inspection, and after-sales service.

- By building a quality management system, each of our subsidiaries implements regulations for supervising their primary responsibility for quality and safety, strictly adheres to national and industry compliance standards, and investigates product quality and safety issues.


 Product R&D and Innovation

- We focus on low-carbon energy conservation, quality upgrades, and technological breakthroughs, with user needs and green sustainability as our core guides, to create green, efficient, safe, and reliable products.

- We use a standardized system to drive the implementation of low-carbon, safe, and efficient R&D and innovation, and promote the development and design of green products, covering areas such as industry-academia-research cooperation, school-enterprise partnerships, and the establishment of joint laboratories.

Core Issues	Value Proposition	ESG Management System Construction
 Intellectual Property Protection	<ul style="list-style-type: none"> <li>We establish and improve a comprehensive mechanism for protecting intellectual property (IP) throughout its entire lifecycle, strengthen the ownership management and risk control of patents, trademarks, and other rights, and strictly protect our own and others' IP.</li> </ul>	<ul style="list-style-type: none"> <li>We have established an intellectual property management system that includes strategic planning, application, maintenance and management, as well as assessment and transaction of intellectual property.</li> </ul>

• Ecology for Good | Building a responsible ecosystem with customers, partners, and the community; promoting improvements in supplier conduct; and continuously creating value for customers and the community

Core Issues	Value Proposition	ESG Management System Construction
 Customer Experience and Satisfaction	<ul style="list-style-type: none"> <li>We always adhere to a customer-centric service philosophy, continuously optimizing our service processes and product quality to earn customer trust and satisfaction through excellence.</li> </ul>	<ul style="list-style-type: none"> <li>We have established a comprehensive customer service system and regularly organize after-sales service skills training to fully enhance the professional competence and response efficiency of our service teams; we also improve our after-sales service processes and have established a customer follow-up mechanism.</li> </ul>
 Customer Privacy Protection	<ul style="list-style-type: none"> <li>We strictly comply with national laws and regulations related to data security and personal information protection, have established a robust data security management system, and employ advanced technical measures and strict access controls to ensure the confidentiality of customer data and employee information.</li> </ul>	<ul style="list-style-type: none"> <li>We have established a strict customer information management mechanism, achieving standardized control of user information through our CRM system. The marketing end accesses the customer data digital platform via a VPN intranet, and all generated forms are protected by encryption software to ensure the privacy of customer information.</li> </ul>
 Conflict Minerals	<ul style="list-style-type: none"> <li>We resolutely oppose the procurement and use of Conflict Minerals, have formulated strict supplier management policies requiring all suppliers to sign a Conflict Minerals compliance commitment letter, and promote the development of a sustainable supply chain system.</li> </ul>	<ul style="list-style-type: none"> <li>We vigorously strengthen our supply chain management, have formulated and implemented strict related management systems and regulations, and have established a comprehensive screening and traceability mechanism to ensure the legality of raw material sources and resolutely prevent Conflict Minerals from entering the production process.</li> </ul>
 Sustainable Procurement	<ul style="list-style-type: none"> <li>Adhering to the principle of responsible procurement, we have established a sound sustainable procurement management system, deeply integrated ESG strategy into the entire procurement process, and built sustainable relationships with consumers, society and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>We deeply integrate ethical principles with business value to build sustainable brand competitiveness, embedding responsible marketing throughout the entire product lifecycle, and achieving the unification of corporate and social value through systematic institutional development and innovative practices.</li> </ul>
 Community Engagement and Investment	<ul style="list-style-type: none"> <li>We thoroughly practice corporate social responsibility, strengthen the mechanism for collaborative education between schools and enterprises, give back to society through practical actions, and build and share development achievements with the community.</li> </ul>	<ul style="list-style-type: none"> <li>We have established a comprehensive social responsibility management system and participate in public welfare activities through various means such as educational donations, rural revitalization, and environmental protection.</li> </ul>

## • Partners for Good | Aiming for '0' non-compliant hiring incidents and '0' safety accidents, we build an inclusive, diverse, healthy, and safe workplace environment

Core Issues	Value Proposition	ESG Management System Construction
<p>Employee Rights Protection and Compensation and Benefits</p>	<ul style="list-style-type: none"> <li>We fully protect the legitimate rights and interests of our employees, adhere to the principle of distribution according to work, and ensure that employees receive their due benefits.</li> </ul>	<ul style="list-style-type: none"> <li>We establish and maintain a labor system that aligns with social responsibility and legal requirements, consistently respect and protect the basic Human rights of our employees, create a positive working environment, provide employees with due compensation and benefits, and enhance employee motivation.</li> </ul>
<p>Job Creation and Equal Employment</p>	<ul style="list-style-type: none"> <li>We actively create diverse employment opportunities, adhere to the principle of equal employment, respect individual differences, and ensure that all employees enjoy equal rights in recruitment, promotion, and compensation.</li> </ul>	<ul style="list-style-type: none"> <li>We implement the principle of equal pay for equal work and regularly conduct pay equity reviews to ensure that employees receive the same compensation under equivalent conditions; we have also established a fair and transparent promotion mechanism based on ability and performance to ensure equal promotion opportunities for all employees.</li> </ul>
<p>Employee Development and Training</p>	<ul style="list-style-type: none"> <li>We place a high value on the professional growth and career development of our employees, providing solid support for them to realize their personal value by building a systematic, multi-level training system and development platform.</li> </ul>	<ul style="list-style-type: none"> <li>We have established a three-tiered training system at the Group, company, and department levels to empower employee growth at different stages, and have created a global talent reserve pool to expand overseas development channels for our staff. Training content covers four major categories: Corporate Culture, professional ethics, general knowledge, and professional skills. Through various methods such as job rotation, mentorship, and specialized courses, we help employees continuously enhance their professional capabilities and overall competence.</li> </ul>
<p>Employee Safety and Health</p>	<ul style="list-style-type: none"> <li>Adhering to a people-centric safety philosophy, we have established a comprehensive occupational health and safety management system and enhanced our risk prevention, control, and emergency management capabilities to build a solid shield for the life, safety, and physical and mental health of our employees.</li> </ul>	<ul style="list-style-type: none"> <li>We have established a comprehensive occupational health and safety system and effectively operate an EHS management system internally to continuously provide employees with a safe and comfortable working environment.</li> </ul>

## • Valid Management System Certificates



# Management of Material Issues

## Stakeholder Communication

Hisense HA considers the expectations and demands of its stakeholders the cornerstone of its ESG risk management. The Company proactively listens to all parties to accurately guide its sustainable development practices. Based on its business characteristics and operational realities, the Company has identified eight key stakeholder groups and continues to build a diverse and open communication system. It encourages all parties to file grievances regarding potential or actual negative impacts and ensures direct feedback, dedicated follow-up, and proper handling through various channels, including a public email address (hxjdjiwei@hisense.com) and a complaint hotline. Concurrently, Hisense HA leverages platforms like its ESG report and official public accounts to regularly update stakeholders on improvement progress, fulfilling its commitment as a responsible enterprise through transparent and efficient remedial mechanisms.

Stakeholders								
	Government and Regulatory Bodies	Investors and Shareholders	Customers / Consumers	Employees	Partners	Industry	Media	Community
Expectations and Demands	<ul style="list-style-type: none"> <li>Compliant Operations</li> <li>Tax Payment in Accordance with the Law</li> <li>Anti-Corruption</li> <li>Product Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Compliant Operations</li> <li>Risk Management and Control</li> <li>Information Disclosure</li> <li>Business Ethics</li> <li>Shareholder Rights</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Product Service Accessibility</li> <li>Information and Privacy Protection</li> <li>Responsible Consumption Concepts</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Rights and Interests</li> <li>Compensation and Benefits</li> <li>Equal Employment</li> <li>Employee Training and Development</li> <li>Employee Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual Property (IP) Protection</li> <li>Sustainable Procurement</li> <li>Green Products and Packaging</li> <li>Product Quality and Safety</li> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Product R&amp;D and Innovation</li> <li>Product Responsibility</li> <li>Industry Development</li> </ul>	<ul style="list-style-type: none"> <li>Pollutant Emissions</li> <li>Product Responsibility</li> <li>Protection of Employee Rights and Interests</li> <li>Response to Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Community Involvement</li> <li>Public Welfare and Charity</li> <li>Promotion of Employment</li> </ul>
Communication and Response	<ul style="list-style-type: none"> <li>Symposiums</li> <li>On-Site Interviews and Surveys</li> <li>Work Reports</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder Meetings</li> <li>Investor Communication Sessions</li> <li>On-Site Visits</li> <li>Conference Calls</li> <li>Email</li> <li>Online Interactive Platforms</li> <li>Financial Reports</li> <li>ESG Report</li> </ul>	<ul style="list-style-type: none"> <li>Online Customer Service</li> <li>Hotlines</li> <li>Social Media Platforms</li> <li>User Follow-Up Visits, User Satisfaction Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Labor Unions</li> <li>Employee Forums</li> <li>Employee Training</li> <li>Routine Interviews</li> <li>Employee Satisfaction Surveys</li> <li>Employee Feedback Platforms</li> </ul>	<ul style="list-style-type: none"> <li>Work Meetings</li> <li>Business Correspondence</li> <li>Supplier Conferences</li> <li>Supplier Assessments</li> </ul>	<ul style="list-style-type: none"> <li>Industry Exchange Conferences</li> <li>Field Visits</li> </ul>	<ul style="list-style-type: none"> <li>Press Conferences</li> <li>Social Media Platforms</li> <li>On-Site Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Regular Follow-Up Visits</li> <li>Public Welfare Activities</li> <li>School-Enterprise Cooperation</li> </ul>

## Materiality Analysis

### Double Materiality Assessment Process

Hisense HA uses the double materiality assessment as a core tool to quantify ESG risks and impacts, employing a unified dimension to measure ESG risks and opportunities, thereby providing key support for corporate risk response and scientific decision-making. Building on the Impact Materiality Assessment, the Company incorporates a financial perspective and strictly follows an assessment process of 'issue identification—issue assessment—issue confirmation' to systematically review the multidimensional impacts of each material issue at the financial, economic, environmental, and social levels, which significantly enhances the scientific rigor and effectiveness of its ESG governance.



### Materiality Assessment Results

In light of its current business development and changes in Stakeholders' key areas of focus, the Company re-evaluated and screened its material ESG topics, aiming to further focus on core, critical topics for the current period, enhance the relevance and effectiveness of its ESG disclosures, and effectively respond to Stakeholder concerns.<sup>1</sup>



<sup>1</sup>: During the optimization and adjustment of the ESG issue library in 2025, the Company restructured and renamed existing issues across the three dimensions of environment, society, and governance to further concentrate on core topics, optimize resource allocation, and drive breakthroughs in key areas. Specifically, the original 'Energy Management and Water Resource Management' was simplified to 'Energy and Water Resource Management'; the original 'Data Security and Privacy Protection' was split into two independent issues, 'Information Security Management' and 'Customer Privacy Protection', to achieve more refined management; and the original 'Public Welfare, Philanthropy, and Volunteer Services' was renamed 'Community Engagement and Investment' and expanded to include more comprehensive practices, thereby continuing to deepen the implementation of social responsibility.

## • Impact materiality

Guided by its high-level 'Five Goods' framework, the Company comprehensively covered the material ESG topics identified during the report period and systematically assessed the scope and degree of business impact for each topic from five key dimensions: supply chain, production/operations, products, employees, and social participation. Through a dimensionally layered, Stakeholder-oriented matrix assessment method, the Company completed a systematic analysis of the impact materiality of ESG topics, providing support for the implementation of its sustainable development strategy.

Dimension	Material Topics	supply chain	Production/Operations	Products	Employees	SocialParticipation
Cornerstone of ESG Governance	Compliant Operations	●	●	●	●	●
	Corporate Governance		●	●		
ESG Risks and Opportunities	Risk Management and Control	●	●	●	●	●
Business for Good	Business Ethics	●			●	
	Information Security Management		●		●	
Intelligent Manufacturing for Good	Addressing Climate Change	●	●	●	●	●
	Green Management of the Full Product Lifecycle	●	●	●	●	●
	Emissions and Waste Management	●	●	●	●	
	Energy and Water Resource Management	●	●	●	●	
Technology for Good	Product Quality and Safety	●	●	●		
	Product Research and Development and Innovation		●	●	●	
	Intellectual Property (IP) Protection		●	●	●	
Eco for Good	Customer Experience and Satisfaction		●	●	●	
	Customer Privacy Protection		●		●	
	Conflict Minerals	●	●	●		
	Sustainable Procurement	●	●	●		
Partners for Good	Community Engagement and Investment					●
	Employee Rights Protection and Compensation and Benefits		●		●	
	Employee Safety and Health		●		●	
	Job Creation and Equal Employment		●		●	●
	Employee Development and Training		●		●	

## • Financial Materiality

The Company employs a multi-dimensional, quantitative, and graded matrix assessment method to systematically analyze the financial materiality of ESG topics; based on on-site interviews, research, and professional third-party opinions, the Company conducts a preliminary assessment of the impact of identified ESG risk factors, and after these analysis results are reviewed and confirmed by the board of directors, standards for determining the assessment grade of a topic's financial materiality are established and subsequently used to optimize and adjust the ESG topic identification results for 2025.

The Company will continue to formulate and implement internal special action plans based on the conclusions of its annual topic materiality assessment, while fully disclosing relevant information in its ESG reports to actively respond to the concerns and expectations of Stakeholders regarding Hisense HA's sustainable development efforts.

Material Topics	Risk Factors	Impact Stage	Impact Target	Financial Impact Indicators	Impact Assessment (Optimized Version)	Degree of Impact	Likelihood	Impact Level
<b>Cornerstone of ESG Governance</b>								
<b>Compliance and Operations</b>	Occurrence of Corruption and Compliance Issues	Corporate Operations, Policies, Regulations, Investor Relations	Operational Stage	Brand Value, Operating Costs, Financing Costs	Corruption and compliance violations will lead to high litigation costs, and violations of laws and regulations could result in substantial fines, causing direct financial losses.	2 ● ● ● ● ○	2 ● ● ● ● ○	2 ● ● ● ● ○
<b>Corporate Governance</b>	Rationality of the Operational Framework for Governance Processes	Corporate Operations, Policies, Regulations, Investor Relations	Operational Stage	Operating Profit, Net Profit, and Costs	Redundant governance levels and lengthy decision-making processes will increase operating costs and slow market response efficiency; unclear boundaries of governance authority and responsibility can easily lead to management loopholes and hinder the sustainable development of the business.	4 ● ● ● ● ○	1 ● ● ● ● ○	2 ● ● ● ● ○
<b>ESG Risks and Opportunities</b>								
<b>Risk Control</b>	Failure to Properly Identify and Assess All Potential Risks	Corporate Operations, Investor Relations	Operational Stage, Corporate Financing	Operating Costs, Brand Value, Financing Costs	Inadequate risk identification and response across all stages will increase the probability of sudden incidents, impacting the Company's normal operations.	4 ● ● ● ● ○	1 ● ● ● ● ○	2 ● ● ● ● ○
<b>Business for Good</b>								
<b>Business Ethics</b>	Occurrence of Corruption and Unfair Competition Issues.	Corporate Operations, Regulatory Bodies, Investor Relations	Operational Stage	Brand Value, Operating Costs, Financing Costs	Incidents of corruption and unfair competition will cause investors to question the stability of the Company's operations, damage its reputation, and weaken its financing capabilities.	2 ● ● ● ● ○	2 ● ● ● ● ○	2 ● ● ● ● ○
<b>Information Security Management</b>	Improper Use of Internal Data and Unauthorized Access Leading to Data Abuse.	Corporate Operations	Employees, Customers, Regulatory Bodies	Operating Costs, Brand Value, Non-Operating Expenses	Internal data abuse will trigger a crisis of customer trust and regulatory penalties, drive up compliance audit and rectification costs, disrupt the internal management order, foster integrity risks, and undermine the effectiveness of the Company's internal governance.	2 ● ● ● ● ○	2 ● ● ● ● ○	2 ● ● ● ● ○
<b>Intelligent Manufacturing for Good</b>								
<b>Addressing Climate Change</b>	Business Interruption Caused by Climate Disasters.	Corporate Operations, Upstream Procurement, Production & Manufacturing	Operational Stage, Manufacturing Stage	Net Operating Profit, Operating Costs	Extreme weather will cause damage to corporate assets and production interruptions, significantly increasing operating costs and affecting profitability; to respond to global carbon reduction policies and control product carbon emissions, the Company will strengthen the development of environmentally friendly processes, apply new technologies, and update clean production equipment to meet low-emission product requirements, which may increase operating costs in the short term.	2 ● ● ● ● ○	2 ● ● ● ● ○	2 ● ● ● ● ○

Material Topics	Risk Factors	Impact Stage	Impact Target	Financial Impact Indicators	Impact Assessment (Optimized Version)	Degree of Impact	Likelihood	Impact Level
<b>Intelligent Manufacturing for Good</b>								
<b>Green Management of the Full Product Lifecycle</b>	Stricter Regulations and Increased Customer Demand for Green Products	Upstream Procurement, Production & Manufacturing, Product R&D and Design, End-of-Life Disposal, Environmental Impact	Government, Customers, Procurement, and supply chain	R&D Expenses, Production Costs, Net Operating Profit	Failure to meet green procurement requirements will lead to loss of orders and simultaneously expose the Company to regulatory penalties; increased customer demand for green products requires the Company to invest more resources to complete its green transformation.			
<b>Emissions and Waste Management</b>	Improper Disposal of Emissions and Waste.	Production & Manufacturing, Social Reputation, Environmental Impact	Government, Operational Stage	Operating and Management Costs, Non-Operating Expenses, Operating Revenue	Improper waste disposal will lead to environmental violations, resulting in penalties such as fines and production suspension for rectification, while also damaging the Company's reputation, increasing compliance costs, and causing revenue loss.			
<b>Energy and Water Resource Management</b>	Rising Prices or Supply Abnormalities for Energy and Water Resources, Impacting Corporate Operations	Production and Manufacturing, Social Reputation, Environmental Impact	Operational Phase	Operating Costs	Rising energy and water prices will drive up operating costs, compelling companies to invest in R&D for energy-saving technologies; long-term abnormal resource supply could lead to a decline in production capacity, affecting operational continuity.			
<b>Tech for Good</b>								
<b>Product Quality and Safety</b>	Occurrence of Product Quality and Standard Issues	Production and Manufacturing, Customer Use, Social Reputation	Users and Customers	Net Operating Profit	Product quality issues will lead to legal liabilities and customer attrition, severely damage the brand image, and result in revenue loss.			
<b>Product R&amp;D and Innovation</b>	Competitors Preemptively Launch New Products to Capture the Market.	Market Competition, Product R&D and Design	Operational Phase, Manufacturing Phase	R&D Expenses, Production Costs, Net Operating Profit	Failure to timely launch new products that meet market demand will lead to customer attrition and loss of market share, affecting corporate profitability.			
<b>Intellectual Property (IP) Protection</b>	Loss of Patent Protection	Market Competition	Competitors	Operating Costs	Intellectual property (IP) litigation will increase operating costs, and a lack of systematic maintenance could lead to the misappropriation of technology and brands, hindering business development.			
<b>Eco for Good</b>								
<b>Customer Experience and Satisfaction</b>	Failure to Provide Required Products and Technical Services to Customers in a Timely Manner.	Customer Use, Social Reputation	Users and Customers	Net Operating Profit	Inability to meet customer needs will reduce satisfaction, lead to customer attrition, and damage brand reputation.			
<b>Customer Privacy Protection</b>	Leakage of Customer Privacy Information	Corporate Operations, Customer Use, Social Reputation	Users and Customers	Operating Costs, Brand Value	The leakage of customer privacy will trigger numerous complaints, damage customer trust, and harm the corporate brand image.			

Material Topics	Risk Factors	Impact Stage	Impact Target	Financial Impact Indicators	Impact Assessment (Optimized Version)	Degree of Impact	Likelihood	Impact Level
<b>Eco for Good</b>								
<b>Conflict Minerals</b>	Disputed Procurement Leading to Litigation Cases	Production and Manufacturing, Social Reputation	Manufacturing Stage, Customers	Net Operating Profit, Operating Costs	Disputed procurement will trigger litigation, causing financial losses, and will also fail to meet customer access requirements, leading to a decline in market share.	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○
<b>Sustainable Procurement</b>	supply chain Instability, supply chain Compliance Risks	Production and Manufacturing, Environmental Impact, Social Reputation	Manufacturing Stage, Customers	Net Operating Profit, Operating Costs	An interruption in the supply of raw materials will lead to shortages of key components and production disruptions, requiring additional personnel and resources to mitigate the impact and driving up operating costs.	3 ● ● ● ○ ○	1 ● ○ ○ ○ ○	2 ● ● ● ○ ○
<b>Community Engagement and Investment</b>	Public Sentiment	Social Reputation	Community	Brand Value	Active participation in public welfare initiatives will strengthen the Company's image as a responsible entity, steadily enhance its brand value, and increase social recognition.	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○
<b>Partners for Good</b>								
<b>Protection of Employee Rights and Interests, Remuneration and Benefits</b>	Employee Turnover	Corporate Operations	Employees, Operational Stage	Operating Costs	The infringement of employee rights and interests and uncompetitive remuneration and benefits will increase the employee turnover rate, thereby raising costs for recruitment and talent replacement.	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○
<b>Employee Safety and Health</b>	Incidents of Employee Work-Related Injuries or Fatalities	Corporate Operations	Manufacturing Stage, Employees	Operating Costs	Inadequate implementation of the safe production system will threaten the personal safety of employees, leading to work-related accidents and compliance risks.	2 ● ● ● ○ ○	2 ● ● ● ○ ○	2 ● ● ● ○ ○
<b>Job Creation and Equal Employment</b>	Employee Turnover	Corporate Operations, Social Reputation	Employees, Operational Stage, Manufacturing Stage	Operating Costs, Brand Value	Incidents of non-compliance, such as the use of forced labor and child labor, will lead to the termination of cooperation by partners and damage the Company's social reputation.	2 ● ● ● ○ ○	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○
<b>Employee Development and Training</b>	Employee Turnover	Corporate Operations	Employee Operations Process	Operating Costs	Unclear promotion mechanisms and insufficient development opportunities will increase the employee turnover rate, leading to talent drain and wasted human resource costs.	3 ● ● ● ○ ○	1 ● ○ ○ ○ ○	1 ● ○ ○ ○ ○

## Management of Material Topics

The Company continuously strengthens the coordinated management of key ESG issues, fully leveraging its internal risk management and internal control systems to accurately identify and manage potential risks, proactively seize sustainable development opportunities, and empower the Company's long-term stable operations through enhanced issue management, thereby supporting the implementation of sustainable development goals.

To systematically promote the continuous improvement and enhancement of ESG issues, the Company has established a three-tiered ESG management indicator system, implementing classified management based on indicator attributes and defining differentiated control strategies. These indicators are assigned to the ESG Executive Working Group, which continuously promotes their optimization and performance improvement in line with external regulatory requirements and actual business operations. During the report period, the measures taken to Enhance Quality and Efficiency for each material topic are detailed in the corresponding chapters of this report.

Materiality Topics 2025	Financial Materiality	Impact Materiality	ESG Executive Working Group	Corresponding Chapter
Compliance Operations	●	●	Risk Governance Group	Business for Good · Excellent Governance
Corporate Governance	●		Risk Governance Group	Business for Good · Excellent Governance
Risk Management and Control	●	●	Risk Governance Group	ESG Risks and Opportunities
Business Ethics	●		Risk Governance Group	Business for Good · Excellent Governance
Information Security Management	●		Technology and Innovation Group	Business for Good · Excellent Governance
Responding to Climate Change	●	●	Green Manufacturing Group	Smart Manufacturing for Good · Sustainable Development Special Feature: Climate Risk and Opportunity
Green Management of the Full Product Lifecycle	●	●	Green Manufacturing Group, Sales/Recycling Group	Smart Manufacturing for Good · Sustainable Development
Emissions and Waste Management		●	Green Manufacturing Group	Smart Manufacturing for Good · Sustainable Development
Energy and Water Resource Management		●	Green Manufacturing Group	Smart Manufacturing for Good · Sustainable Development
Product Quality and Safety	●	●	Quality Assurance Team	Technology for Good · A Technology-Driven Enterprise
Product R&D and Innovation	●	●	Technology Innovation Team	Technology for Good · A Technology-Driven Enterprise
Intellectual Property (IP) Protection		●	Technology Innovation Team	Technology for Good · A Technology-Driven Enterprise
Customer Experience and Satisfaction	●	●	Quality Assurance Team	Ecology for Good · Creating the Future Together
Customer Privacy Protection	●	●	Quality Assurance Team	Ecology for Good · Creating the Future Together
Conflict Minerals		●	supply chain Integration Team	Ecology for Good · Creating the Future Together
Sustainable Procurement	●	●	supply chain Integration Team, Warehousing and Logistics Team	Ecology for Good · Creating the Future Together
Community Engagement and Investment			Social Welfare Team	Ecology for Good · Creating the Future Together
Employee Rights Protection, Compensation, and Benefits		●	Employee Rights Team	Partnerships for Good · Mutual Success
Employee Safety and Health	●	●	Employee Rights Team	Partnerships for Good · Mutual Success
Job Creation and Equal Employment			Employee Rights Team	Partnerships for Good · Mutual Success
Employee Development and Training			Employee Rights Team	Partnerships for Good · Mutual Success

# 04

## ESG Strategic Actions

Hisense HA, grounded in its core ESG Strategy framework of 'Good for All, Win-Win', integrates the results of its regular ESG risk assessments to build a customized system of special practical actions. Based on compliant and standardized operations and aiming for long-term value co-creation, the Company deeply promotes the integration of ESG concepts into its main business operations, actively responds to and resolves social issues of concern, and continuously strengthens the bonds of trust with all Stakeholders to achieve steady and sustainable growth.

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# Business for Good · Excellence in Governance

Hisense HA is committed to standardized governance and strict control of operational risks, integrating sustainable development into its governance system and upholding its original commitment to 'business for good'. The Company relies on high-quality information disclosure to protect the rights of minority shareholders, adheres to business ethics, and maintains a fair business environment; it comprehensively strengthens information security and privacy protection, building a robust information security barrier to solidify the foundation for the Company's long-term, steady growth.

## Investor Rights Protection

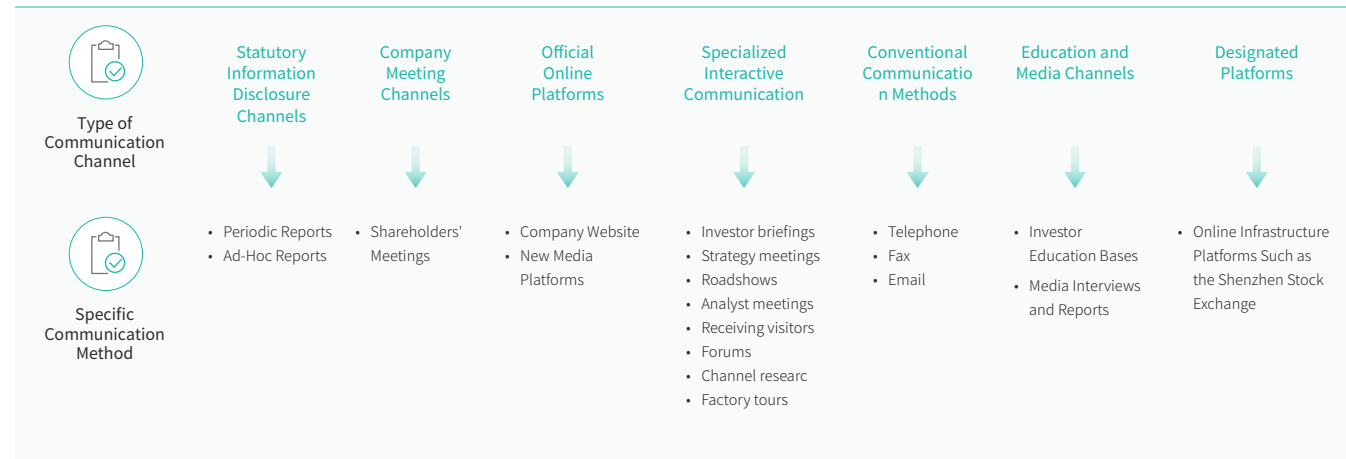
To continuously enhance investor understanding and trust, solidify a high-quality and stable investor base, and foster a Corporate Culture that respects and serves investors, the Company has established and improved its Investor Relations Management mechanism, upholding the philosophy of balancing overall corporate interests with shareholder value growth while constantly improving information disclosure transparency and optimizing its level of Corporate Governance.

### Investor Relations Management

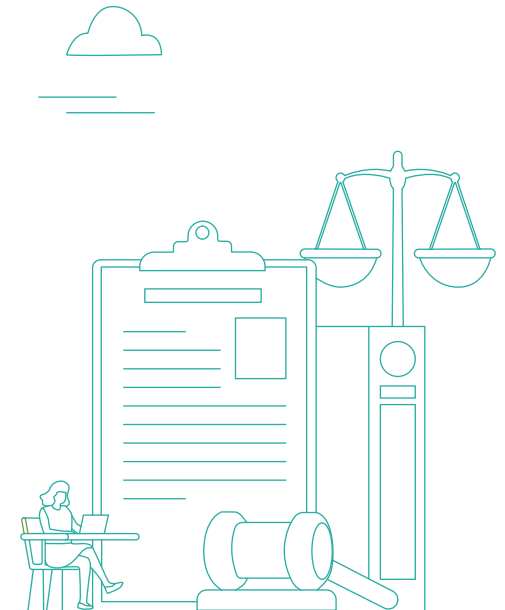
Hisense HA conducts its Investor Relations Management based on the principles of 'compliance, equality, proactivity, honesty, and trustworthiness'. The Company clearly defines the scope, content, management departments, and responsibilities for Investor Relations Management to promote its standardization.

The Company communicates with investors through various channels to explain its financial performance, business segments, future strategy, channel development, R&D investment, and technological advantages, while actively fulfilling its disclosure obligations and fully listening to the opinions and suggestions of investors.

#### Investor Communication Channels



The Company maintains close communication with domestic and foreign brokerages and various types of investors by hosting investor research visits, participating in offline and online reverse roadshows and brokerage strategy meetings, holding results briefings, and arranging investor channel research and factory tours. It strengthens the confidence of existing investors while attracting the attention of more long-term investors, explains issues related to the Company's financial performance, business segments, future strategy, channel development, R&D investment, and technological advantages, and enhances investors' understanding of the Company.



## 2025 key performance indicator

Answered Investor Questions over **79** Times on the Shenzhen Stock Exchange Interaction Easy Platform

Answered over **200** Investor Inquiries via the Investor Hotline

Organized over **300** Investor Communication Events

Covering over **1,100** Institutional Investors

Brokerages Issued **101** Research Reports on the Company, All Maintaining a 'Buy' or 'Overweight' Rating

The A/H share price discount rate improved by **7%** compared to the previous year, and H-shares received initial in-depth coverage from major foreign investment banks such as Galaxy International

## Protection of Shareholder Rights and Interests

The Company places a high value on protecting shareholder rights and interests, treating all shareholders equally with a special focus on safeguarding the legitimate rights and interests of small and medium-sized shareholders. The Company continues to improve its shareholder voting mechanism, enhance the separate vote-counting mechanism for small and medium-sized investors, and refine the online voting system to facilitate shareholder participation in general meetings. When general meetings deliberate on major issues affecting the interests of small and medium-sized investors, their votes are counted separately, and the results are disclosed publicly in a timely manner to protect their voting rights. Additionally, the Company promptly responds to inquiries from small and medium-sized investors through various channels such as the Interaction Easy platform, the investor hotline, and a dedicated email address. It fully considers and references their opinions and suggestions, effectively guaranteeing their rights to participation, information, and supervision, and ensuring their legitimate rights and interests are effectively protected.

## Information Disclosure

The Company's information disclosure must strictly adhere to the principles of truthfulness, accuracy, completeness, conciseness, and clarity. False records, misleading statements, and major omissions are strictly prohibited. The Company's directors and senior management must perform their duties faithfully and diligently to ensure timely and fair information disclosure, strictly control inside information, and prohibit insider trading and illegal solicitation of information. They must lawfully publish disclosure information and prepare relevant documents through designated channels, clarifying that the scope of disclosure covers all information that has a significant impact on investor decisions, while also standardizing the types of disclosure documents to ensure compliance and orderliness.

## Highlight Case

As a benchmark for best practices in investor relations management and compliance governance, Hisense HA successfully won the 2025 'Golden Dawn Investor Relations Award' for its outstanding performance in information disclosure quality, investor communication efficiency, market performance, and compliance governance standards, once again appearing on the Golden Dawn Awards list. This marks the second time the Company has been recognized by the Golden Dawn Awards, following its receipt of the 'Light of Best ESG Practice' award in 2024, highlighting the Company's continuous deep cultivation and outstanding achievements in investor relations management, compliance governance, and sustainable development.



## 2025 key performance

**0** Incidents of Criticism or Penalties from Regulatory Authorities for Violations in Information Disclosure

**A-level for 5 consecutive years**—Since 2020, Hisense HA has received an **A** rating for information disclosure from the Shenzhen Stock Exchange for the fifth consecutive year

## Fair Operating Practices

Hisense HA diligently practices fair operations, adheres to business ethics, operates with honesty, integrity, and in accordance with the law, and actively assumes the moral and legal responsibilities for mutual benefit and common development with all parties. The Company strictly complies with the *Anti-Monopoly Law of the People's Republic of China* and other laws and regulations of its operating locations. It firmly opposes dumping and monopolistic behaviors, consciously maintains a fair competition environment, objects to all forms of unfair competition, and regulates market operations.

## Related Party Transactions

Hisense HA adheres to principles of 'justice, fairness, and openness' and strictly manages related party transactions in accordance with laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, as well as the Company's Articles of Association. The Company designates the shareholders' meeting as the highest decision-making body for related party transactions. Transactions with a value exceeding RMB 30 million and accounting for more than 5% of the Company's latest audited net assets (excluding cash asset donations and the provision of guarantees) must be reviewed and approved by the shareholders' meeting, where a mechanism for interested shareholders to abstain from voting is implemented.

When conducting necessary and unavoidable related party transactions, the Company ensures they are carried out fairly, justly, and openly without harming the interests of the Company and its independent shareholders. This guarantees fair operations based on market-oriented principles and fair prices. The Company adheres to strict requirements, simultaneous disclosure on both stock exchanges, and follows the relevant provisions of its Articles of Association to fulfill decision-making procedures and information disclosure obligations for related party transactions, ensuring shareholders are promptly informed to protect their rights and interests.

Before conducting a transaction, the Company's business department randomly selects at least three independent third parties to compare prices for similar transactions, proceeding only after ensuring the related party transaction price is not lower than third-party quotes to guarantee fairness and reasonableness. Concurrently, the Company's Securities Department and the Operations and Financial Management Department review the necessity and rationality of the related party transaction to ensure its compliance. If a related party transaction requires shareholder approval, the Company, in accordance with the Hong Kong Stock Exchange listing rules, establishes an independent board committee and appoints an independent financial advisor. After considering the advisor's recommendations, the independent board committee must provide an opinion to shareholders on whether the terms are fair and reasonable, whether the transaction is conducted on normal commercial terms or better in the Company's ordinary course of business, and whether it aligns with the overall interests of the Company and its shareholders, thereby safeguarding the fairness of the transaction price and the collective interests of the Company and its shareholders.

## Responsible Tax

The Company upholds the core tax principles of legal compliance and integrity in tax payment, integrating tax governance into its overall corporate strategy and operational management system, and is committed to building a stable, transparent, and sustainable tax management framework. The Company consistently regards tax compliance as a crucial component of its corporate social responsibility, pledging to strictly abide by all national and listing location tax laws and regulations, conscientiously fulfill its tax obligations, and actively promote the transparency and standardization of tax governance. The Company commits to strictly following the provisions and legislative spirit of local tax laws in every jurisdiction where it operates, not only fulfilling its tax obligations according to the law but also respecting the original intent of the law, and resolutely prohibiting any form of tax evasion, tax avoidance planning, or tax arrangements that do not conform to the spirit of tax law.

The Company has formulated policy documents such as the *Tax Management Measures and the Overseas Tax Management Measures* to comprehensively regulate the entire process of tax accounting, tax filing, and tax payment. It has established multi-level review, internal audit, and regular tax self-inspection mechanisms to ensure that tax handling fully complies with the legal and regulatory requirements of its domestic and overseas listing locations, continuously enhancing its level of tax compliance.

### Core Components of Tax Governance

<p>Adhering to compliance as the baseline, balancing business development with tax costs, prudently conducting tax planning that aligns with regulatory guidance, and resolutely prohibiting aggressive tax avoidance schemes;</p>	<p>Standardizing the entire process of tax accounting, filing, and payment, and establishing multi-level review and internal audit mechanisms to ensure tax handling complies with the legal and regulatory requirements of the country and its listing locations;</p>
<p>Conducting regular tax risk investigations and special risk assessments for major transactions, cross-regional business, and the application of tax incentives, with related party transaction pricing identified as a key risk point;</p>	<p>The Company's President and Chief Accountant serve as the ultimate decision-makers on tax matters, reviewing and approving the Company's tax strategy, major tax policies, and risk response plans.</p>

### 2025 key performance indicator

Hisense HA Has Received an **A-Level** Taxpayer Credit Rating for Many Consecutive Years

0 Tax Violation Incidents

## Business Ethics

Hisense HA has established and improved a full-process monitoring and handling mechanism for business ethics. Through diverse measures such as regular internal monitoring, signing of business ethics codes by all employees, and maintaining open channels for reporting and appeals, the Company actively prevents negative behaviors that violate business ethics, including corruption, bribery, extortion, fraud, money laundering, and insider trading. For any misconduct identified, the Company strictly implements closed-loop management covering disposal and rectification, deeply embedding anti-corruption requirements into all business and operational segments to comprehensively solidify the foundation of compliant corporate operations.



The Company conducts annual internal business ethics inspections, such as integrity and professional conduct checks, covering all business and operational segments, and launches special inspections for key issues.

- The Audit Committee is responsible for coordinating and supervising anti-corruption and anti-bribery efforts and defining business ethics management objectives;
- The President's Office is the primary department responsible for receiving, reporting, and investigating reports of violations and misconduct, and is subject to supervision and reporting from employees and external customers;
- Business departments assume primary responsibility for advancing business ethics initiatives.



The Company encourages all employees and other external Stakeholders to report violations and disciplinary infractions, either anonymously or by name, and has established a reward mechanism to provide certain rewards to whistleblowers based on the actual investigation and handling of cases, and, depending on the circumstances, offers reduced or waived penalties for violators who proactively report similar cases.

✉ Whistleblowing Email: [hxjdiwei@hisense.com](mailto:hxjdiwei@hisense.com)

☎ Whistleblowing Hotline: 0757-28361512



The Company handles reported incidents in strict accordance with regulations, fully implements whistleblower protection mechanisms, maintains strict confidentiality of whistleblower information and report content, prohibits retaliation, and ensures fair and safe investigations. Any malicious fabrication of facts, false accusations, or use of reporting to stir up trouble or vent personal grievances will be dealt with severely upon verification; cases involving suspected illegal or criminal activities will be transferred to judicial authorities in accordance with the law.



Code Signing

For all employees and partners of Hisense HA Group, the Company regulates the business conduct of employees and partners by formulating and organizing the signing of business ethics codes, which stipulate strict regulations on business activities such as business entertainment, gift-giving, and supplier management, to prevent any form of corruption, bribery, extortion, fraud, money laundering, or insider trading.



Handling of Violations

After the Company's Discipline Inspection Commission accepts a report, if a preliminary review indicates that a case should be filed for investigation, an investigation request report is prepared and submitted to the supervising leader for approval before the investigation begins. For confirmed illegal, irregular, or work discipline violations, the relevant departments will handle the responsible persons seriously in accordance with regulations; if a crime is constituted, the case will be transferred to judicial authorities in accordance with the law.

## Business Ethics Training

Hisense HA regularly identifies personnel in different positions and conducts targeted promotions of its business ethics culture, covering topics such as anti-bribery, anti-corruption, anti-money laundering, anti-fraud, and fair trade.

The Company continuously promotes the development of an integrity culture, conducting periodic integrity education for all employees (including temporary staff, contract workers, and contractors) each year through company-wide training, case studies, and other formats; before new employees join, the Company conducts pre-employment integrity training; for personnel in key and sensitive departments such as finance, procurement, and sales, the Company also provides targeted specialized training on anti-unfair competition and fair trade to deepen all employees' awareness of the baseline for business ethics.

## 2025 key performance indicator

**100%** Signing Rate for the *Integrity Pledge* and *Anti-Commercial Bribery Pledge*.

**100%** Coverage of Business and Operational Segments by Integrity Inspections and Internal Audits.

**0** major incidents of non-compliance or violations related to business ethics, including any form of corruption, bribery, conflicts of interest, fraud, money laundering, and unfair competition.

### • Anti-Corruption and Integrity-Building Initiatives In 2025

In 2025, Hisense HA continued to deepen its anti-corruption and integrity-building efforts, systematically promoting work across the three dimensions of publicity and education, risk prevention and control, and mechanism enhancement. Throughout the year, seven publicity campaigns related to anti-corruption and anti-bribery were conducted, with anti-corruption and integrity work being regularly deployed through meetings such as office meetings and monthly business analysis meetings, reinforcing the promotion and reflection on typical cases. In August, a special conference on anti-corruption issues was held, covering all manufacturing cadres and front-line managers; in October, the Company's Discipline Inspection Commission publicized the anti-corruption issues discovered and reported; in November, at the all-hands marketing return meeting in Qingdao, a presentation on 'Branch Policy and Expense Risk Prevention and Control' was given to marketing cadres; and in December, work style issues were re-emphasized at the Company's business meeting. The Company's leadership maintains a high level of importance on anti-corruption and integrity work, making it clear that red-line issues must be handled 'strictly, severely, and swiftly'.

- In terms of training and education, a company-wide 'integrity in practice' system examination was organized in the first half of the year, reaffirming management regulations such as the 'Ten Prohibitions for Holidays' and the *Integrity Pledge*; in coordination with the Group's Discipline Inspection Commission, two employees were arranged to participate in the annual anti-corruption educational film 'Greed Rises, Bottom Line is Lost, the "Prey" Sheds Tears of Remorse!'; the Group's Discipline Inspection Commission was invited to conduct a special training session on 'Creating a Clean and Upright Cultural Atmosphere to Escort the Long-term Healthy Development of the Enterprise' for over 200 core marketing personnel at the Company's annual marketing work conference. In the second half of the year, in conjunction with the Group's 'Anti-Corruption Storm' special campaign, over 150 personnel in risk-related positions were organized to visit the Qingdao Warning Education Base, a party discipline and integrity knowledge competition was held, and a systematic casebook was compiled, effectively assisting various departments in self-inspection and educational promotion.
- In terms of risk prevention and control, leveraging the Group's proactive risk position screening mechanism, the Company formulated management measures and carried out screening work as a project. Through comprehensive screening, AI risk analysis, and cadre interviews, a total of 156 medium-to-high-risk positions were identified, resulting in a risk position list and corresponding supervisory measures, with interviews for employees in 20 high-risk positions completed before December. Concurrently, the Company's Discipline Inspection Commission, in collaboration with the human resources division, conducted a screening of external family relationships, identifying and documenting a total of 72 relationships, with no associated risks of disciplinary violations found in relevant positions, effectively strengthening the line of defense for integrity.

## 2025 key performance indicator

**100%** Coverage Rate for Business Ethics Training for Employees (Including Part-Time Employees and Contractors).

**17** Sessions of Specialized Business Ethics Training

## Information Security Management

Hisense HA continuously improves its information security management system, establishes and refines its information security compliance and internal control review mechanisms, and conducts full lifecycle information security management covering multiple stages from data collection, storage, processing, transmission, to deletion, proactively implementing work requirements and governance processes related to data management, cybersecurity, and personal information protection.

### Strengthening Security Defenses

With the core objective of 'zero major information security incidents', the Company has built a security and compliance system that covers its global operations and is tailored for the AI era. By refining systems and standards, obtaining international certifications, and innovating management mechanisms, the Company comprehensively ensures data security and privacy compliance, thereby solidifying the foundation for its digital development.

#### Global Compliance System Construction

- Added and revised 8 data security policies, formed a complete system of regulations including the *AI Security Management Measures* and the *Personal Information Protection Impact Assessment Management Standards*, and established a 'proactive prevention' mechanism for new information systems.
- Obtained global CBPR (Cross-Border Privacy Rules) certification, covering major markets such as Japan, the United States, and Australia.

#### Innovation in Management Mechanisms

- Established the Privacy Protection and Data Security Compliance Management Committee, creating a two-tier 'Group-subsidiary' compliance management structure.
- Completed Full Compliance Assessments for 22 Units, Achieving Data Asset Inventory and Compliant Management of Cross-Border Data Transfers.

#### Data Security Protection

- Regulated the Use and Management of Information Systems Based on Internal Data Classification and Grading Standards and Risk Assessment Tools.
- Deployed Multiple Technical Measures Such as Firewalls, Anti-Virus Software, and Intrusion Detection Systems, and Conducted Self-Inspections for Data Leakage Prevention.
- Implemented Key Monitoring for Processes and Equipment Involving Highly Confidential Data to Strictly Prevent the Leakage of Core Data.

#### AI Security Capability Building

- Constructed a '1+3+N' AI security strategy framework (1 overall strategy, 3 foundational strategies, and 12 specialized strategies) and established a three-tier AI security management mechanism (decision-making layer, execution layer, and implementation layer).
- Innovatively developed an AI security firewall with a three-layer protection system of 'intervention-detection-alternative response', achieving full-process security control from user input to model-generated content.

### Ensuring Business Continuity

The Hisense Security Operations Center was established, bringing in third-party professional technical teams to regularly conduct specialized tasks such as network attack and defense drills, cybersecurity alert monitoring, and vulnerability scanning. To address various scenarios like phishing attacks, endpoint viruses, and data breaches, the Company has formulated a cybersecurity emergency plan and built a comprehensive management mechanism covering the entire process of prevention, detection, response, and recovery. This ensures that information security incidents (including privacy incidents such as data breaches) are effectively handled and that critical business operations can be quickly restored after an interruption. Concurrently, the Company employs a combination of tabletop exercises and technical drills, organizing emergency drills each quarter to continuously enhance its emergency response capabilities.



### 2025 key performance indicator

Conducted Information Security and Confidentiality Training and Examinations for All Employees, and Organized **2** Phishing Drills (with Full Employee Coverage).

**0** Major Information Security Incidents Occurred.

# Technology for Good - A Technology-Driven Enterprise

Guided by the core principle of "Technological Empowerment for ESG, Quality for Sustainability", Hisense HA is deeply engaged in the dual pillars of technological innovation and quality control. The Company is building a global collaborative R&D ecosystem, increasing investment in R&D and strengthening its Intellectual property (IP) portfolio. It leads product iteration through high-end breakthroughs, intelligent upgrades, and green transformation. By integrating the quality philosophy throughout the entire value chain, Hisense HA ensures that technological innovation is rooted in meeting people's needs and contributes to Low-carbon development, thereby achieving a synergy between corporate growth and environmental and social value.

## Igniting Innovation Momentum

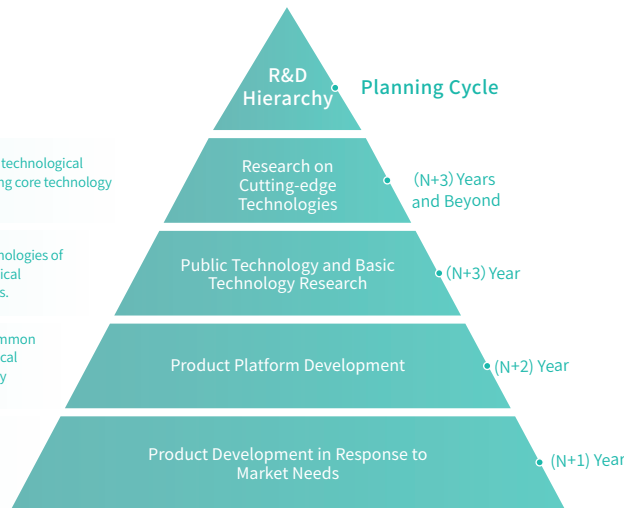
Hisense HA actively integrates its global R&D network by establishing R&D centers and manufacturing bases around the world. The Company continuously increases its investment in technological innovation, deepens its localized operational capabilities, and builds a technologically competitive ecosystem to drive simultaneous upgrades in product innovation and user experience.

### Open Innovation and Collaborative R&D

The Company, supported by its 'three generations, four levels' framework, employs a layered and precise approach to its layout. It clearly defines the R&D positioning at each level, achieving a dual focus on both technological leadership and market suitability, thereby providing solid support for product innovation.

#### Core Mission

- Focusing on intergenerational products and disruptive technological innovation, deploying research in frontier fields, building core technology barriers, and seizing industry opportunities.
- Conducting forward-looking research on the core technologies of next-generation products to consolidate our technological leadership and build momentum for platform upgrades.
- Focusing on the R&D of product platforms and CBB common modules to build an advanced and scalable technological foundation that supports the iteration of multi-category products.
- Iteratively optimizing existing product platforms to rapidly respond to market demands, ensure timely product delivery, and enhance market suitability.



### Integrated and Collaborative Innovation Across the Entire Chain

The Company upholds the philosophy of "Open Collaboration and All-Staff Innovation", building a global, end-to-end innovation ecosystem that stimulates innovation vitality from multiple dimensions.

#### Deepening the Global R&D Layout

The Company's R&D centers are located in regions including the North America, South America, Europe, the Middle East and Africa, Asia-Pacific and ASEAN regions. This global R&D layout is continuously being refined to deeply penetrate global end-user markets.

#### Fostering a Culture of Innovation

The Company fosters a continuous atmosphere of innovation through events such as innovation design competitions, patent contests, Science and Technology Innovation Month, Engineer Culture Festival, and R&D achievement exhibition.

#### Collaborative Innovation Among Industry, Academia, Research, and Application

The Company deepens the integration of industry, academia, and research, as well as collaboration across the industrial chain. It has jointly established key laboratories with universities such as Tsinghua University, Tianjin University, and China University of Petroleum (East China), and undertakes projects for the national key R&D program of the 14th Five-Year Plan. Additionally, the Company has established joint laboratories with 10 suppliers to advance 30 joint development projects, creating a collaborative innovation ecosystem that spans from technological R&D to industrial application.

## • Creating Benchmarks for Innovative Practices

### The 6th Hi-Club HVAC System Innovative Design Competition: Empowering Technology Achievement Application

In November 2025, hosted the 6th Hi-Club HVAC System Innovation and Design Competition, built a professional exchange platform focusing on industry-leading innovative technologies and low-carbon intelligent solutions, and advanced the transformation and implementation of technological achievements.



### The 9th R&D innovation achievements and 2nd digitalization and AI achievements exhibition

In December 2025, held the 9th R&D Innovation Achievements Exhibition and the 2nd Digitalization and AI Achievements Exhibition, showcasing cutting-edge innovative products, technical solutions and design concepts of the past year, together with outcomes of digital transformation, AI empowerment and user value enhancement.



## Strengthening Innovation Incentive Measures

Upholding the core technology-driven strategy, the Company has built a dual-dimension talent mechanism of "cultivation + incentive". Leveraging digital management tools, it has launched diversified incentive measures to fully stimulate the innovative enthusiasm and creativity of R&D staff, and foster a high-quality, professional innovative talent team.

During the reporting period, Hisense Washing Machine granted a total of RMB 1.973 million in scientific and technological innovation incentives, covering innovation awards, technical research awards and patent awards to motivate more than 360 person-times of employees.



### Developing Innovative Talent

**Dual-track promotion mechanism:** The Company has built a job qualification system and established dual-track promotion paths for both managerial and professional sequences.

**Systematic professional training:** Specialized training programs for innovative talent are offered. Leveraging the "Hisense Academy" and external resources, the Company provides professional training covering core areas such as technological R&D and patent management to enhance the professional capabilities of its talent.

**Diversified competitive platforms:** The Company regularly holds innovation competitions, innovation proposal sessions, and outstanding design achievement evaluations, providing a platform to showcase and promote innovative results.



### Innovation Incentive Measures

**Performance-oriented remuneration system:** The Company implements a remuneration structure of "base salary + performance bonus + special/operational bonus", directly linking R&D innovation achievements and contributions to technological breakthroughs with compensation to precisely incentivize core value creation.

**Long-term equity incentive plan:** The Company provides long-term incremental incentives and equity incentives to core R&D personnel.

**Comprehensive special incentive initiatives:** The Company has established incremental R&D rewards, special incentives for major projects, and special rewards for intellectual property (IP). It provides targeted incentives in areas such as breakthroughs in cutting-edge technologies, patent applications, and standards development to stimulate innovation among all employees.

## 2025 key performance indicator

R&D Investment Amount	Ratio of R&D Investment to Main Business Revenue	Number of R&D Personnel	Ratio of R&D Personnel to Total Employees
<b>3.442</b> RMB Billion	<b>3.91%</b>	<b>3,323</b> People	<b>8.80%</b>
R&D Investment Amount in the Last 7 Years	Compound Annual Growth Rate of R&D Investment over the Last 7 Years	Patent Award Incentive Amount	Year-On-Year Increase in Patent Award Incentive Amount
<b>16,904</b> RMB Million	<b>19.18%</b>	<b>5.12</b> RMB Million	<b>6.37%</b>
Number of Person-Times for Patent Incentives	Number of New Scientific and Technological Achievements Identified as 'Internationally Leading'	Number of Major Government and Industry Science and Technology Awards	
<b>2,500</b> Person-Times	<b>21</b>	<b>35</b>	

## Strengthening Intellectual Property (IP) Management and Control

The Company places a high value on intellectual property (IP) protection, balancing respect for the IP of others with the prevention of infringement risks by integrating IP concepts into all aspects of corporate development, improving its management system, strengthening compliance controls, and promoting value transformation to secure a foundation for technological innovation and support sustainable corporate development.

<p><b>Fostering Innovative Achievements</b></p> <p>The Company has established an intellectual property (IP) market search and tracking mechanism to accurately grasp industry technology trends and patent dynamics; it mines innovative achievements throughout the entire process of technological R&amp;D, platform construction, and product development, systematically arranging patents around core technologies to build a patent pool and strengthen technological barriers.</p>	<p><b>Intellectual Property (IP) Protection</b></p> <p>The Company conducts patent searches and risk assessments for key R&amp;D projects and new products, and strengthens IP risk monitoring in core markets; an infringement early warning system has been established, using PCT international patent applications to achieve multinational layout, expand the scope of protection, and prevent infringement risks.</p>	<p><b>Standardized Management and Operations</b></p> <p>The Company has constructed a comprehensive intellectual property (IP) management system, established a dedicated management department, and clarified job responsibilities; it is advancing the development of IP informatization to achieve digital management of the entire process of patent application, evaluation, and maintenance, thereby enhancing management efficiency and standardization.</p>	<p><b>Deepening Value Transformation</b></p> <p>The Company engages in collaborative innovation through patent sharing and technology alliances, integrating industry resources to achieve complementary advantages; it explores commercialization paths such as patent licensing, transfers, and pledge financing to transform intellectual property (IP) from "innovative achievements" into "valuable assets".</p>
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During the report period, the Company added Ronshen Refrigerator and Guangdong Kitchen & Bath as new 'National Intellectual Property (IP) Demonstration Enterprises'. Hisense HA has consistently maintained this qualification, further validating its position as an industry benchmark in intellectual property (IP) management and sustainable development.

### 2025 key performance indicator

Number of New Patent Applications

3,314

Number of Newly Granted Patents

2,404

Including, Number of New Invention Patent Applications

1,403

Number of New Invention Patents Granted (Applied to Main Business Operations)

711

Number of invention patents for core business operations

3,314

Number of Promotional Training Sessions on Patent Applications Held

40 Sessions

Number of Participants in Promotional Training on Patent Applications

1,423 Participants

Number of Trademarks as of the End of the Reporting Period

602

Number of Valid Invention Patents as of the End of the Reporting Period (Applied to Main Business Operations)

4,010

Number of Valid Patents as of the End of the Reporting Period

15,021

- As of the end of the report period, both Hisense Hitachi and Guangdong Air-Conditioning have continued to maintain their GB/T 29490-2023 intellectual property (IP) compliance management system certifications and have completed annual audits as required.



GB/T 29490-2023 Intellectual Property Compliance Management System Certification Certificate

## Driving Product Innovation

Hisense HA closely follows the green consumption development trend, focusing on "high-end orientation, intelligentization, and green orientation" as its core directions to build a full-chain green value system covering technology R&D, product design, and scenario-based services, creating a product matrix that is all-category, all-scenario, and all-intelligent, balancing diverse user needs with low-carbon development goals, and promoting the upgrade of products from 'functional satisfaction' to 'value creation' to facilitate a green transformation and upgrade.

### High-End Orientation

Technological Innovation and Upgrades, Scenario-Based High-End Experiences, Artistic High-End Design, and the Integration of Globalization and Localization

### Intelligentization

Personalized Smart Product Development, Artificial Intelligence Technology Breakthroughs, and Multi-Scenario Smart Living Solutions

### Green Orientation

Low-Carbon Technology, Green Products, Green Materials, Structural Optimization, Energy Efficiency Upgrades, and Low-Carbon Solutions

## Overcoming Core Technology Bottlenecks

Leveraging the dual empowerment of localized innovation and a global layout, the Company has extended its brand competitiveness to the high end of the industrial chain, integrating Eastern aesthetics with top global industrial design concepts, focusing on core areas such as air treatment and intelligent control, breaking through multiple key technologies, and launching a series of industry-leading technological achievements.

### World's first magnetic light-curtain door panel

In October 2025, the refrigerator division launched the world's first magnetic light-curtain door panel, which embeds magnetic media into a special glass layer to give the door panel magnetic functionality without affecting its appearance or insulation performance, solving the user pain point of glass door refrigerators being "beautiful but unable to hold magnets". This technology was shortlisted for and won the 2025 International CMF Design Award and will be applied to customized products for the 2026 World Cup.



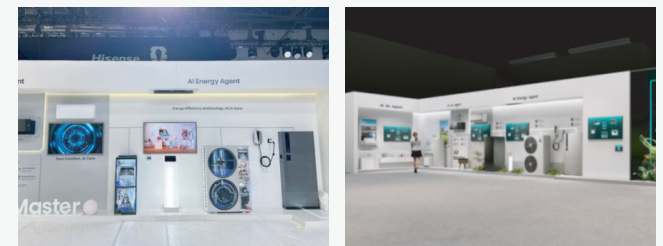
### New generation temperature and humidity dual control technology

In October 2025, launched its new generation of indoor units with dual control of temperature and humidity, which feature a special design with three refrigerant pipes and dual heat exchangers to achieve independent control of temperature and humidity, providing a cool but not cold sensation and year-round dehumidification. The PE+ pure ecological module has been further upgraded to effectively remove PM2.5 particles, bacteria, viruses, and odors, and degrade pollutants such as formaldehyde and pollen, purifying indoor air and setting a new standard for healthy breathing.



### Technology resonates gently with the air

In January 2026, participated in the International Consumer Electronics Show (CES 2026) under the theme "AI Air Agent", showcasing innovative achievements such as the Hi-Comfort series outdoor unit, one-way airflow indoor unit, and AI smart control screen, and released its AI smart air solution to the world, demonstrating diverse scenario applications for the solution. This exhibition presented innovative practices integrating artificial intelligence technology with the HVAC field, enabling precise empowerment for diverse living scenarios, providing users with efficient, comfortable, and green all-dimensional smart air solutions, and highlighting the brand's technical strength in the intelligent HVAC track.



## Promoting Intelligent Product Upgrades

The Company continues to increase its investment in AI technology around the four major directions of 'health, comfort, energy saving, and intelligence', accelerating its digital and intelligent transformation, focusing on core scenarios such as smart kitchens, smart energy, smart air purification, and smart laundry care, to create integrated smart living solutions and drive the evolution of smart home appliances from 'functional stacking' to 'imperceptible intelligence and proactive service'.

### Hisense AI Home Appliances Redefine Proactive Service

In March 2025, themed "Imperceptible Intelligence, Proactive Service", Hisense AI Home Appliance exhibition launched three core technological solutions: generative laundry care, generative fresh-keeping and proactive air management. Through the scenario-based application of proactive air conditioning regulation, generative fresh-keeping for refrigerators and generative laundry care for washing machines, the Company accurately addresses user pain points and returns to the core value of products. The graphite-black four-piece laundry suite of the ASKO JUNGA series won the AWE Golden Award with a complete solution covering washing, drying, garment care and storage. A host of star products were granted the AWE Innovation Award, including the Hisense Oxygen Bar X7 Air Conditioner, TRESOR C3 Artistry Household Central Air Conditioner, TRESOR Vacuum First-class Fully Built-in Refrigerator, ASKO Fully Integrated Combined Refrigerator-Freezer, and Hitachi Smart Villa Full-sense AI Floor Temperature Control System. Empowered by cutting-edge technologies, Hisense continuously optimizes residential living experiences, fully demonstrating its robust product strength and leading edge in the industry.



### Whole-house Full-sense 3.0 System: From single-product intelligence to system-wide control

In June 2025, launched the Whole-House Sensory 3.0 smart air customization system, integrating core modules including central air conditioning, floor heating and hot water, and flexibly compatible with extended modules such as fresh air, humidity regulation, whole-house water system and smart optoelectronics. Enabling single-module upgrade and full-system linkage, satisfying diversified household comfort needs with one single set of system, and pioneering a new era of systematic collaboration for smart homes.



### The world's first 4-in-1 heat pump washer-dryer revolutionizes the laundry care experience

To meet users' needs for multi-functionality, convenience and high efficiency in laundry care, launched the world's first 4-in-1 heat pump washer-dryer, integrating washing, drying, care and sterilization in one unit to fulfill full-process laundry requirements. Equipped with low-temperature heat pump drying technology, delivering gentle drying at 42°C to protect fabric fibers; supported by an intelligent sterilization system, effectively removing bacteria and mites to provide professional-grade clothing care. Breaking the constraints of single function and large space occupancy of traditional equipment, offering modern families an efficient, hassle-free and space-saving laundry solution.



### Wind-Eye U5 Low-Noise Cooker Hood pioneers a new paradigm for healthy kitchens

To address the pain points of traditional range hoods, including loud noise, weak suction and difficult cleaning, Shandong Kitchen & Bath launched the Wind-Eye U5, equipped with a proprietary Wind-Eye Engine System. It offers a maximum air volume of 28 m<sup>3</sup>/min and a maximum static pressure of 1200 Pa, capturing cooking fumes instantly during high-heat stir-frying and keeping oil fumes away from users' faces. The operating noise is as low as 45 dB, and only 55.5 dB in the high-speed mode, freeing the kitchen from excessive noise disturbance.

Adopting AG skin-friendly glass and AF lotus bionic nano-coating, oil stains can be wiped off effortlessly. Combined with water-free thermal dissolution technology, the cooker hood realizes lifelong maintenance-free operation without disassembly and cleaning. Integrated with 45 patents, the product has obtained dual Class 1 certifications for noise reduction and fume purification issued by CHEARL. It creates a quiet, clean and worry-free healthy kitchen space.



## Promoting a Low-Carbon Green Transformation

The Company focuses on fundamental, original, and disruptive green innovation technologies, building a sustainable development model that covers the entire chain of R&D, production, and sales, while promoting the application of renewable raw materials and biodegradable materials and upgrading energy-saving and emission-reduction technologies.

### Building Green Manufacturing Benchmark Enterprises

Hisense HA pursues low-carbon development under long-term value orientation, focusing on the full manufacturing process to accelerate the green and intelligent transition. Hisense-Hitachi Air Conditioning has been selected into the list of "2025 Annual Light Industry Green Manufacturing Benchmark Enterprises" issued by the China National Light Industry Council. By deeply integrating advanced technologies such as AI, IoT and digital twins, Hisense-Hitachi reduces carbon emissions across the product full lifecycle, achieving a win-win result of operational optimization as well as energy conservation and emission reduction.



### Air conditioner energy-saving technology innovation

Three technological achievements of the Company have been selected into the Catalog of Advanced Energy-saving and Carbon-reduction Technologies in Key Fields of the Light Industry (2025 Edition) issued by the China National Light Industry Council.

- Ultra-low Temperature Refrigerant Circulation and Dynamic Pressure Ratio Synergistic Energy-saving Control Technology Through dual-valve coupling control, intelligent defrosting strategies and a smart energy management platform, this technology ensures non-degraded heating performance under ultra-low temperature conditions.
- Key Energy-saving and Carbon-reduction Technologies for Integrated Air Conditioners By adopting enhanced heat transfer and efficient condensate water utilization, this technology guarantees stable continuous operation under extreme high humidity working conditions.
- Multi-scenario Intelligent Decoupling of Environmental Parameters and Adaptive Collaborative Airflow Control Technology

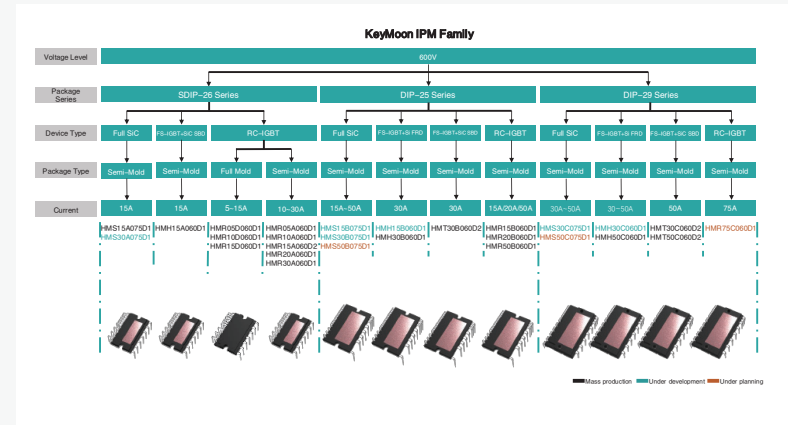
This technology addresses the long-standing challenge of balancing dehumidification and energy conservation in low-temperature and high-humidity regions, delivering an 18.5% energy saving rate while maintaining precise temperature and humidity control.

In addition, two technological innovations of the Company have been recognized as Outstanding Scientific and Technological Innovation Achievements of the Light Industry during the 14th Five-Year Plan Period, namely the Multi-split Air Conditioner Standby Power Consumption Reduction and Wind Energy Harvesting Power Supply Technology, as well as the Full-domain Gentle Air Supply and Collaborative Control Technology for Heat, Humidity and Oxygen with Industrial Application.



### Innovation in green materials and core components

In September 2025, Hisense HA showcased a lineup of cutting-edge power semiconductor products at PCIM Asia Shanghai, including China's first 750V Full SiC IPM module in SDIP-26 packaging, a 650V superHTIM intelligent power module integrated with next-generation RC-IGBT technology, and a 1200V RC-IGBT PIM module. Hisense Power Semiconductor's newly launched 750V Full SiC IPM products in DIP-25 and SDIP-26 packages leverage the inherent advantages of silicon carbide devices, such as high junction temperature, low on-state resistance and low power loss. These merits substantially cut overall module power consumption, elevate household appliance operational efficiency, and deliver core technological support for the continuous improvement of home appliance energy efficiency.



Product image of Hisense Power Semiconductor's Full SiC IPM

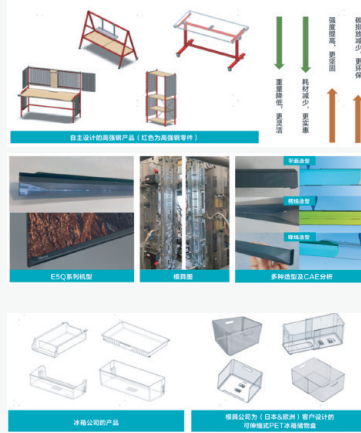
### Significant Carbon Reduction from Digitalized Testing

Hisense Hitachi has built the self-developed Dilab intelligent laboratory to realize full-process digital management, covering test plan formulation, test item sequencing, production scheduling arrangement and testing execution optimization. Enabled by AI, the testing cycle for a single new product model is cut by 20.3%, the production scheduling occupancy ratio drops by 19.3%, and the overall carbon emissions generated from new product testing fall by 31.7%, which greatly reduces implicit carbon emissions.



**Innovative breakthroughs in consumption reduction for mass-produced molds**

Guangdong Kitchen & Bath has newly developed desks, side racks, floor-standing TV brackets and other products. High-strength steel is adopted for 90% of metal materials, achieving an approximate 20% reduction in material consumption. Through full-process systematic innovations in the development of metal powder blended plastics, new mold structures and mass production processes, metallic texture can be directly formed on plastic surfaces via injection molding technology. In the field of mold development, Guangdong Kitchen & Bath has successfully developed dozens of K-series TV front shell molds and quickly put them into mass production, reducing costs by 8.3 RMB per piece. In cooperation with the refrigerator division, the team has conducted research on materials, new mold structures and tooling fixtures, and developed more than 10 types of PET transparent parts for refrigerators. The finished products deliver high gloss, strong impact resistance and excellent light transmittance.



**World's First Structurally Innovative Electric Compressor**

Featuring a world-original pioneering structure, this product completely abandons the meshing design of "fixed scroll + orbiting scroll" adopted by traditional scroll compressors. Adopting a modular design with integrated packaging of the compressor, motor and inverter, the solution cuts the total number of components from approximately 150 to fewer than 50. This technological innovation halves operating noise, boosts the COP by 8% (helping increase vehicle winter driving range by 5%–8%), and reduces unit costs by over 20%, while remaining compatible with eco-friendly refrigerants. Supported by NEDO, the project is scheduled to complete technical development by the end of 2026 and achieve mass production in 2029.



**Achieving Quality Breakthroughs**

Hisense HA regards product quality and safety as its top priority, continuously improves the quality and safety risk prevention and control mechanism, and implements the business principle of "Quality First" throughout the entire product lifecycle covering R&D, production, transportation and sales, so as to strengthen full-process quality control capabilities.

Benefiting from the continuous improvement of full-chain quality control and advanced manufacturing capabilities, the Company has obtained a number of authoritative recognitions in quality management and manufacturing, and has been selected into the 9th Batch of National Manufacturing Single Champion Enterprises.

Hisense Hitachi, Shandong Refrigerator and Shandong Air-Conditioning have been awarded the title of High-grade Quality Management Enterprise by the Ministry of Industry and Information Technology.

**Building a Full-Chain Quality System**

Guided by the principles of being 'full-process, full-coverage, and fully-collaborative', the Company has built a 'four-dimensional delivery' quality control system. Combined with foundational quality management tools, this system strengthens production process monitoring, optimizes process capabilities, and reduces quality fluctuations, thereby achieving continuous improvement in product delivery quality and meeting the compliance requirements of global markets.



**Improving the Four-Dimensional Control System**

**R&D-end delivery control:** Leveraging common foundational modules from public research and CBB to support rapid market response from product lines; strictly controlling the qualified delivery of new products to efficiently release R&D resources; adopting differentiated shipping methods for different regional markets to ensure product suitability.

**Material-end delivery control:** Establishing a material batch procurement licensing mechanism and strengthening material supply management during the ramp-up phase to ensure the stability of mass supply; accelerating the release of technical resources for customized materials to enhance supply chain collaboration efficiency.

**Manufacturing-end delivery control:** Strengthening stability and change management for 5M1E (Man, Machine, Material, Method, Environment, Measurement); enhancing basic management capabilities for different production bases and shipping methods; prioritizing the supply stability of core materials such as customized parts to reduce quality risks in the manufacturing process.

**Market-end delivery control:** Integrating warehousing and transportation into the quality control system, implementing differentiated product protection for different markets and sales channels; accurately identifying gaps between product specifications and user needs to continuously optimize the product delivery experience.



**Strengthening Foundational Quality Management**

**Comprehensive quality evaluation:** Focusing on the development of quality experts, quality evaluation at all stages, quality improvement projects, QC problem-solving initiatives, accuracy of quality information, and foundational capability building to enhance quality management across the board.

**Quality system optimization:** Continuously optimizing the quality management system through measures such as process streamlining, implementation of quality assurance projects, precise alignment of processes with business needs, and multi-form audits, ensuring the system adapts to corporate development and global market compliance requirements.

Based on its business realities, the Company continuously improves its quality management system. The Company's cluster of cutting-edge laboratories has obtained accreditation from the China National Accreditation Service for Conformity Assessment (CNAS). The Company relies on internationally authoritative institutions such as TÜV Rheinland and TÜV SÜD to complete overseas product quality and safety certifications, delivering safe and reliable high-quality products and services to global users. At the same time, the Company constantly refines its product recall mechanism, promptly initiating recall procedures for products with identified quality issues and conducting full-process problem tracing and analysis to effectively prevent the recurrence of similar issues and earnestly protect the legitimate rights and interests of customers and users.

## 2025 key performance indicator

Washing machines have passed the premium product certification for maternal and infant laundry appliances; 39 companies have obtained GB/T 19001-2016 / ISO 9001:2015 quality management system certification, achieving full coverage of certification.

**100%**

As of the end of the reporting period, the Washing Machine Company has obtained the CQC24SH10021R0L/46500 commodity after-sales service certification (Type I Service Certification).



21 companies have obtained the IATF 16949:2016 (1st Edition, 2016-10-01) international automotive quality management system certification to achieve comprehensive certification coverage.

**53%**



## Accelerating the Closed Loop of Quality Improvement

Focusing on user needs, the Company formulates an annual quality improvement plan, dynamically optimizes the full-chain quality control process, and continuously enhances the alignment between product quality and market demand. Relying on standardized processes and an anomaly traceability mechanism, it ensures product delivery quality and end-user experience.

Each subsidiary focuses on quality enhancement by iterating digital management systems, strengthening the application of intelligent testing platforms, and standardizing energy efficiency certification operating procedures, thereby effectively improving the efficiency of product quality and safety management.

### Key Initiatives and Results of Quality Improvement at Hisense HA Subsidiaries In 2025

Name	Improvement Measures	Improvement Results
Washing Machine Business	Upgraded the Washing Machine Parts Restricted Substances List (RSL), incorporating newly added substances from EU REACH SVHC Candidate List and China's new pollutant control inventory, covering 12 key component categories such as plastics, sealants and inks. The company optimized the supply chain access process and added an audit module for hazardous substance management capability, and established a monthly random inspection mechanism.	Re-evaluations were completed for 38 core suppliers; spot-check coverage was increased from 65% to 100%; and the response time for handling abnormal batches was reduced to within 24 hours.
Air Conditioner Business	The Company formulated 40 key quality improvement projects, covering IGBT breakdown improvement for electronic control boards, enhancement of motor withstand voltage capability, compressor noise reduction, brass nut solder joint leakage, standardization of off-site maintenance refrigerant charging, ATE/ATH turn-to-turn short circuit improvement, enhancement of online resolution rates, and improvement of heat exchanger odor and air supply noise.	The defect rate for domestic air conditioners improved by 1% year-on-year; the defect rate for commercial air conditioners improved by 47% year-on-year; and the export defect rate improved by 21% year-on-year. External losses were reduced by 10.35 million RMB. The product defect rate target was 0.221%, with an actual achievement of 0.213%, a year-on-year improvement of 4%.
Mold Business	QCC improvement projects, PSP Improvement Weeks, and QEP Improvement Weeks were implemented to enhance the first-pass yield of processing, reduce errors and omissions, and strengthen packaging protection.	Losses were reduced by 1.28 million RMB.
Refrigerator and Freezer Business	The Company formulated 8 company-level quality improvement projects for domestic sales and 2 for export sales, covering electronic control boards, compressors, commercial freezers, key overseas markets, component quality, transportation damage, welding, noise, losses from domestic sales returns and exchanges, and air-cooling manufacturing processes.	Five projects, including those for electronic control boards, compressors, commercial freezers, key overseas markets, and component quality, achieved year-on-year improvements and met their targets. A total of 347 measures were submitted, with 310 completed, for a completion rate of 89%. This resulted in the solidification of 69 standards and processes and a reduction in losses of 22.98 million RMB on a comparable basis.
Kitchen Appliance Business	Improvement projects were formulated for dishwasher water leakage and poor door opening/closing performance. By benchmarking against industry competitors, the Company optimized the water circuit interface structure and sealing ring compression, and modified the door lock structure.	The quality improvement projects yielded benefits of 2.04 million RMB.

## 2025 key performance indicator

Total Number of Products Recalled for Safety and Health Issues

**0**  
Units

Total Number of Products Sold by the Company

**55.68**  
Million Units/Sets

Number of Product Recall Incidents

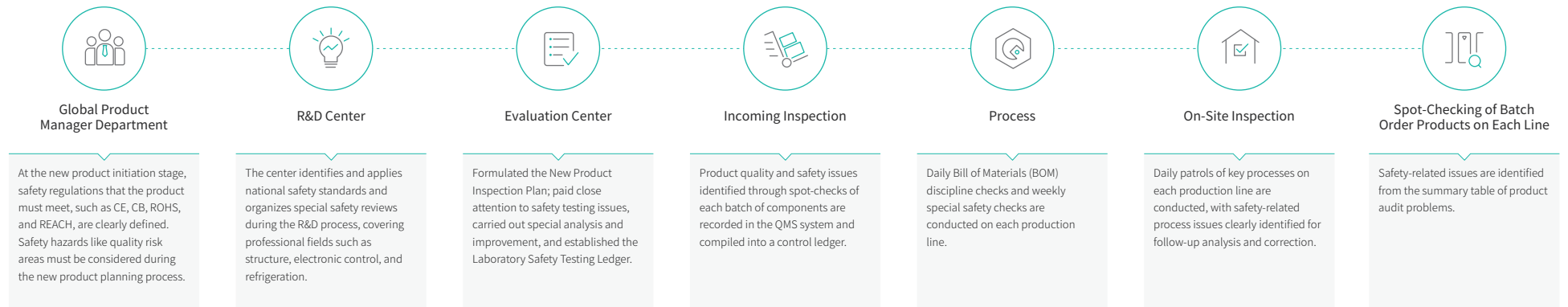
**0**  
Incidents

## Fostering a Company-Wide Quality Culture

The Company promotes the development of a quality culture centered on 'full participation, full-process control, and comprehensive improvement'. It has established a company-wide quality system that extends from the decision-making level to the execution level. In conjunction with the business characteristics of each subsidiary, the Company carries out diverse quality improvement activities to integrate the concept of quality into employees' daily work, fostering a deeply rooted quality culture.

Focus on the full product lifecycle, define the division of responsibilities for each link, establish a quality and safety control system covering key nodes such as new product initiation, R&D and design, testing and verification, incoming inspection, process control, on-site inspection, and finished product spot-checks, and ensure that quality requirements are implemented throughout the entire product realization process.

### Quality and Safety Control System



### Constructs a Full-Lifecycle Quality Control Defense Line

Regularly conducts specialized training in QC, SQE, and Six Sigma to strengthen the quality control capabilities of all employees. It has established a weekly quality and safety risk investigation and rectification mechanism for precise statistics, immediate correction, and targeted measures, comprehensively fortifying the quality defense line.



Quality management (QC) training, supplier quality engineer (SQE) training

### Strengthens Quality Control Through QC Problem-Solving

Hisense Hitachi organized special QC group activities, focusing on core aspects of product quality and production control to tackle issues such as reducing commercial inspection errors, improving indoor unit noise, and increasing product testing pass rates. Through collaborative efforts from all staff and precise implementation of various measures, projects such as reducing E21 errors in W24 line commercial inspections, lowering the non-conformance rate of indoor unit noise, and increasing the testing pass rate of the H+ series on the W8 line have been effectively implemented with good results, further solidifying the foundation of product quality.



## Promote quality upgrading through Quality Month activities

In April 2025, Shandong Kitchen & Bath launched the Quality Month campaign of the Kitchen Appliance Division under the theme of "Strengthening Responsibility Awareness, Preventing Batch Risks and Optimizing Quality System". Various departments held over ten training sessions covering quality tool application, management system documentation promotion, and professional knowledge of products and components. These efforts steadily raised quality awareness, consolidated quality accountability, improved the quality management system and strengthened foundational operational capabilities. In strict compliance with the principles of "Three Non-Acceptances and Four No-Omissions", the company effectively guarded against batch-scale quality incidents. During the Quality Month period, the occurrence of low-level assembly errors and omissions at Shandong Kitchen & Bath improved by 27.7% month on month, and the employee-position matching rate rose by 11.6% month on month.

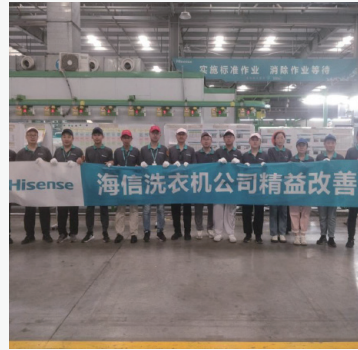


Hisense Shandong Kitchen & Bath holds an internal kickoff meeting for Quality Month

## Builds a Quality Foundation with Multi-Dimensional Initiatives

Carry out a series of activities such as the D-line Lean Improvement Week, on-site quality hazard publicity conference, and production reviewer skill competition, establish a monthly random inspection mechanism for hazardous substances in components, and focus on key components such as washing machine inner barrels, motors, control boards, and seals.

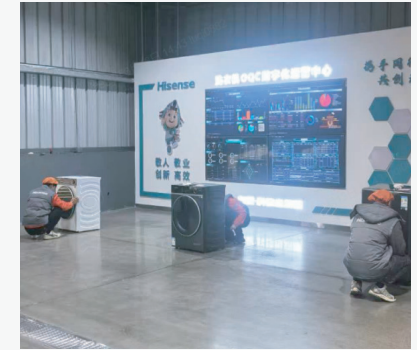
During the reporting period, the Washing Machine Company's spot-check coverage increased from 65% to 100%, and the response time for handling abnormal batches was controlled to within 24 hours.



Lean Improvement Week



On-site quality risk awareness conference



Product auditor skills competition

During the reporting period, the Company achieved a series of solid results in quality training, culture building, and improvement promotion, laying a firm foundation for the enterprise's high-quality and sustainable development.



### Training and Talent Development

- Organized over 110 Quality Training Sessions, Covering Approximately 4,000 Participants
- Cultivated a Total of 13 Green Belts Through External Six Sigma Training



### Skills Enhancement and Quality Culture

- Held 19 Job Skills Competitions and 21 Skill Contests Throughout the Year
- Selected 25 'Advanced Quality Personnel'
- Held 75 Quality Culture Promotional Activities
- Published Nearly 40 Themed Social Media Posts



### Improvement Outcomes and Contributions

- Submitted 118 Improvement Proposals and Delivered 37 Special Improvement Projects
- Organized over 43 Quality Improvement Activities and Improvement Weeks, with Nearly 280 Participants

Benefiting from the continuous improvement of full-chain quality control and advanced manufacturing capabilities, the Company has obtained multiple authoritative recognitions in quality management and manufacturing. It has been selected into the 9th batch of National Manufacturing Single Champion Enterprises. Hisense Hitachi, Shandong Refrigerator and Shandong Air-Conditioning have been granted the title of High-level Quality Management Capacity Enterprise by the MIIT.



# Smart Manufacturing for Good - Sustainable Development

Green manufacturing is the action compass for Hisense Home Appliances to practice long-termism. With its own operational carbon neutrality by 2050 as a strategic anchor, the Company integrates low-carbon concepts throughout the entire process of green design, production operations, and recycling and disposal. It systematically advances in five major areas: ecological environment, circular economy, energy and water resources, biodiversity, and climate action, solidifying the foundation for sustainable development through a comprehensive green transformation.

## Building an Ecological and Environmental Culture

Hisense HA continuously strengthens the control of environmental risks at their source, cultivates a culture of full employee participation, and leads green manufacturing practices by setting benchmarks.

### Source Prevention of Environmental Risks

The Company regularly organizes the identification and evaluation of environmental factors, covering all stages including production, transportation, and storage, and conducts spot-checks on the effectiveness of control measures for significant environmental factors.

In 2025, the Company organized its factories to re-conduct environmental risk identification, revised and improved emergency response plans for sudden environmental incidents based on the identified risks, and completed the compilation and filing of these plans with the Ecological Environment Bureau in accordance with regulatory requirements such as the *Administrative Measures for Emergency Management of Environmental Incidents*. Concurrently, it established part-time emergency response teams and regularly conducted emergency drills.

Through measures such as a digital monitoring platform, regular internal audits, third-party management reviews, and employee empowerment training, the Company forms a closed-loop system of continuous improvement for environmental management.



Environmental Protection Training



ODS Fluorinated Gas Training

### Company-wide Environmental Awareness Communication

The Company continues to strengthen its environmental protection culture, enhancing the environmental awareness of all employees through diverse training and themed activities. In 2025, each factory organized specialized environmental protection training based on its own business characteristics, covering key areas such as the interpretation of laws and regulations, operation of government environmental systems, management of hazardous chemicals, disposal of hazardous waste, operation of waste gas treatment facilities, and ODS. Additionally, all factories actively conducted promotional activities for World Environment Day, fostering a positive atmosphere of full employee participation.

Indicator	Unit	2025
Number of Environmental Protection and Pollution Prevention Training Sessions	Sessions	38
Number of Employees Trained in Environmental Protection and Pollution Prevention	Employees	18,055
Total Hours of Environmental Protection and Pollution Prevention Training	Hours	15,646

## Establishing Green Manufacturing Benchmarks

### Hisense Hitachi Huangdao Factory as a global 'Sustainable Lighthouse Factory'

In September 2025, the Hisense Hitachi Huangdao Factory was selected by the World Economic Forum as a global 'Sustainable Lighthouse Factory', becoming the first in the global air conditioning industry. Following its recognition as a 'Lighthouse Factory' in 2024, Hisense Hitachi became the world's only 'Dual Lighthouse Factory' in the air conditioning sector. The factory has implemented refined, intelligent energy-saving controls for three major energy-consuming types of equipment—air conditioners, air compressors, and drying furnaces—achieving a transformation from 'passive response' to 'proactive management' through IoT, big data, and AI technologies. In the area of supply chain carbon management, it has partnered with 315 green supply partners and signed 55 green agreements, achieving results such as a 20% reduction in carbon emissions from new product development and 100% green electricity usage by core suppliers. As the first company in China to achieve refrigerant purification, recovery, and reuse, Hisense Hitachi has built an intelligent control system covering the entire product life cycle, providing a benchmark demonstration for the industry's green transformation.



Digital and intelligent production workshop at the Hisense Hitachi Huangdao Factory

## Pollution Prevention and the Circular Economy

Hisense HA prioritizes source control, process control, and end-of-pipe treatment, establishing a life-cycle approach to environmental management that covers major pollutants such as wastewater, waste gas, solid waste, and noise. In 2025, the Company focused on source reduction and treatment upgrades. Through measures including clean energy substitution, process optimization, facility efficiency enhancement, and resource recycling, the Company systematically promoted pollutant reduction and environmental risk prevention. Wastewater and waste gas emissions consistently met compliance standards, and the resource utilization level of solid waste steadily improved. These efforts continuously reduce the environmental impact of production and operations, achieving synergistic development between the economy and the environment.

### 2025 key performance indicator

Incidents of Non-Compliant or Excessive Emissions

0

Annual Wastewater Compliance Discharge Rate

100%

Annual Waste Gas Compliance Discharge Rate

100%

## 2025 key performance indicator

Factories with ISO 14001:2015 Environmental Management System Certification

35

Coverage

90%

National-Level 'Green Factories'

11

Hisense Hitachi Huangdao Factory

Global Sustainable Lighthouse Factory

Hisense Hitachi Maintained Zero Waste to Landfill Management System Certification

'Zero Waste Factory'

National-Level 'Demonstration Business for Green Design in Industrial Product'

5

'Zero Carbon Factories'

2

National-Level 'Companies with Green supply chain Management'

4

'Waste-Free Factory'

5

Total Investment in Environmental Governance and Protection

13.22 RMB Million

Major Environmental Pollution Incidents

0

Administrative Penalties Received for Environmental Issues

0

## Noise Pollution Prevention and Control

During production, the Company implements targeted measures to control sources of noise pollution. For key noise sources like punching machines, soundproof rooms are installed for physical isolation, effectively blocking noise transmission. For centralized feeding equipment that generates significant noise, sound-insulating panels are used for full enclosure, reducing the impact of equipment operation on the external environment. Additionally, the Company mitigates noise impact through equipment upgrades and process optimization, such as eliminating single-punch equipment and introducing new cleaning lines to reduce noise hazards.

In terms of monitoring and protection, the Company commissions qualified third-party testing agencies to conduct regular noise monitoring at its boundaries to ensure compliance with discharge standards. At the same time, employees in positions exposed to noise are uniformly provided with protective equipment such as sound-insulating earplugs. The Company also organizes regular occupational health and safety training to strengthen employees' awareness and ability to protect themselves, comprehensively ensuring a quiet working environment and surrounding community. In 2025, the Company's noise monitoring values remained consistently within the limits stipulated by national regulations, and no environmental incidents involving excessive noise occurred.

## Wastewater Management

Hisense HA adheres to a dual approach of source prevention and systematic treatment. It utilizes an online monitoring platform for 24-hour real-time monitoring and early warning at the main wastewater discharge outlet, conducts regular testing of water pollutants, and has established sewage treatment stations to centrally treat wastewater. These stations are operated and managed by dedicated personnel or qualified third parties to ensure that both industrial and domestic wastewater are collected and discharged in compliance with standards. For wastewater reduction, each factory actively promotes source control measures tailored to its specific production processes.

Shandong Refrigerator factories dismantled the spraying process in the freezer plant, completely eliminating wastewater discharge from this process and achieving an annual reduction of 20,000 cubic meters of wastewater.

Guangdong Kitchen & Bath optimized its production processes by implementing tank liquid recycling technology, which reduces the generation of process wastewater. The company also commissions a third party to conduct quarterly wastewater testing to ensure the treated water quality meets discharge standards.

Shandong Air Conditioning has set up a dedicated wastewater testing and treatment station within its sewage treatment facility. It generates monthly, quarterly, and annual monitoring reports to comprehensively manage wastewater discharge risks.

### Water pollutant emissions of select Hisense HA factories in 2025<sup>1</sup>

Indicator	Ronshen Refrigerator	Ronshen Freezer	Shandong Refrigerator	Shandong Air Conditioning	Zhejiang Air Conditioning	Hisense Hitachi	Guangdong Kitchen & Bath
NH3-N Emissions (Tons)	2.314	2.479	0.129	0.594	0.148	0.231	0.032
COD Emissions (Tons)	8.297	13.614	1.571	9.553	2.079	8.653	1.869
BOD <sub>5</sub> Emissions (Tons)	3.428	4.634	/	/	/	4.323	/
pH Value (Dimensionless)	7.2	7.2	6-9	7.2	7-8.5	6-9	/
Fluoride Emissions (Tons)	/	/	0.054	/	/	/	/
Petroleum Emissions (Tons)	/	/	0.058	/	/	/	/
Total Phosphorus Emissions (Tons)	0.184	0.401	0.007	/	/	/	/
Suspended Solids Emissions (Tons)	/	3.665	/	/	0.629	/	/

1: In 2025, the following subsidiaries are designated as key local units for environmental risk control, and their water pollutant emission data is shown in the table below: Hisense Ronshen (Guangdong) Refrigerator Co., Ltd., Hisense Ronshen (Guangdong) Freezer Co., Ltd., Hisense Refrigerator Co., Ltd., Qingdao Hisense Air Conditioning Co., Ltd., Hisense (Guangdong) Kitchen & Bath Systems Co., Ltd., Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd., and Hisense (Zhejiang) Air Conditioning Co., Ltd.

## Exhaust Gas Management

Hisense HA continuously optimizes its end-to-end control measures for exhaust gas through technological upgrades, process innovations, and enhanced monitoring to ensure compliant emissions treatment.



### In terms of source reduction

The Company minimizes exhaust gas generation through process optimization. The Pingdu Washing Machine, Hisense Refrigerator, and Ronshen Freezer facilities have dismantled the spraying process in their freezer plants, completely eliminating exhaust gas emissions from this process and reducing annual emissions by 39.68 million cubic meters. During production, the Company promotes the use of low-volatility, environmentally friendly raw materials and expands the application of green energy sources such as photovoltaics to lower combustion-related exhaust emissions.



### In terms of monitoring and management

The Company has implemented online monitoring of emission concentrations from volatile organic compounds (VOCs) treatment equipment, with data integrated in real-time into its safety production management platform for excess-level alarms and 24-hour dedicated surveillance. All factories commission qualified third parties to conduct regular environmental factor testing, achieving a 100% compliance rate for exhaust gas emissions. In accordance with relevant laws and regulations, the Company conducts biannual environmental monitoring and impact assessments for exhaust gas, with all emission points meeting discharge standards. Additionally, the Company has developed and implemented an emergency response plan to ensure swift action is taken during accidental discharges, thereby minimizing the impact on the community.



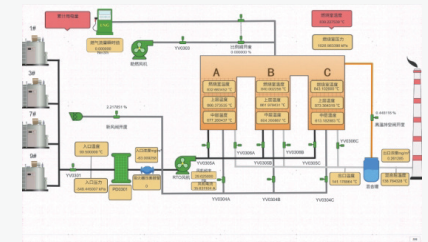
### In terms of exhaust gas treatment and facilities

The Company has enhanced their treatment capabilities based on their specific production processes: Hisense Moulding upgraded three exhaust gas treatment units by replacing the UV photolysis process with activated carbon adsorption and also replaced one graphite dust collector; Hisense Guangdong Kitchen & Bath optimized and retrofitted its powder-spraying prototype machine, installing a separate discharge outlet and adding a filter element to reduce fugitive emissions; Ronshen Plastics upgraded its gas collection hoods to improve the collection efficiency of organized exhaust gas; Hisense Chengdu Refrigerator added six new sets of exhaust gas treatment facilities to Line B, with a stack height of 25 meters to ensure compliant emissions; Hisense Yangzhou Refrigerator retrofitted its molding exhaust gas facilities for collection, achieving organized and compliant emissions; and Hisense Shandong Kitchen & Bath modified five fans in the heating area of its baking ovens, adding extraction ducts to centralize the discharge of high-temperature exhaust gas and eliminate the occupational health risk of employees inhaling particulate matter.



### Standardized operation and maintenance of RTO equipment to fortify long-term VOCs control

In 2025, Hisense Hitachi continued to strengthen the refined operation and maintenance management of its volatile organic compounds (VOCs) treatment facilities to ensure the efficient and stable operation of its exhaust gas treatment systems. The Company currently operates five Regenerative Thermal Oxidizer (RTO) units to treat VOCs generated during production processes. In 2025, the equipment operated stably, with the average temperature in the combustion chambers maintained above 800°C, and real-time monitoring data showed that VOCs emission concentrations were better than national emission standards. Four of these emission points have been equipped with real-time concentration monitoring, and the data is integrated into the Company's safety information management platform for 24-hour dynamic surveillance. For equipment maintenance, the Company strictly conducts annual inspections and upkeep in accordance with the *RTO Equipment Maintenance Manual*. Through standardized and refined operation and maintenance management, the Company continuously consolidates the effectiveness of its VOCs treatment, ensuring the long-term stable operation of its exhaust gas treatment systems and contributing to the improvement of regional air quality.



Real-time data interface for online monitoring of RTO exhaust gas emission points

## • Air pollutant emissions of selected Hisense HA factories in 2025 <sup>1</sup>

Indicator	Ronshen Refrigerator	Ronshen Freezer	Shandong Refrigerator	Shandong Air Conditioning	Zhejiang Air Conditioning	Hisense Hitachi	Guangdong Kitchen & Bath
Sulfur Dioxide (SO <sub>2</sub> ) Emissions (Tons)	/	/	0.043	0.55	0.385	/	0.196
Nitrogen Oxides (NO <sub>x</sub> ) Emissions (Tons)	/	/	0.034	1.862	1.695	/	0.12
Volatile Organic Compounds (VOCs) Emissions (Tons)	0.719	0.849	0.668	0.76	0.254	3.654	0.042
Non-Methane Hydrocarbon (NMHC) Emissions (Tons)	1.305	1.921	/	/	0.498	3.654	/
Canteen Cooking Fume Emissions (Kilograms)	/	/	19.3	/	/	/	/
Particulate Matter (PM) Emissions (Tons)	/	/	0.053	/	1.337	0.487	0.315

## Solid Waste Management

The Company strictly adheres to the waste treatment principles of 'reduction, resource recovery, and harmlessness' and has established a comprehensive management system covering the entire process for both general industrial solid waste and hazardous waste. For general solid waste generated during production, such as metals, plastics, and packaging materials, as well as hazardous waste like waste oil drums, waste mineral oil, and waste circuit boards, the Company implements classified collection, zoned storage, ledger registration, and compliant disposal. Once generated, hazardous waste is promptly labeled and temporarily stored in a dedicated hazardous waste storage facility. Within this facility, waste is sorted into designated zones and its entry and exit are registered. The facility is managed by specialized personnel, and the mixing of incompatible wastes is strictly prohibited to ensure the storage and transfer processes are safe and controllable.

Regarding waste disposal, general solid waste is handed over to manufacturers for recycling, reuse, or landfill treatment, with certain recyclable materials like metals and plastics achieving resource reutilization; hazardous waste is transferred and disposed of by qualified hazardous waste disposal units. Each factory strictly implements the hazardous waste transfer manifest system, maintains ledgers for incoming and outgoing hazardous waste, and reviews the information submitted by generating departments upon waste entry to ensure the entire process from generation to disposal is traceable and information is consistent.

The Company continuously advances the resource utilization of waste and actively carries out waste recycling projects. In 2025, the Company actively explored pathways for waste resource utilization, aiming to further reduce waste generation and promote efficient resource recycling through practices such as cascaded recovery of hazardous waste and circular reuse of wooden packaging. Additionally, each factory conducts regular environmental factor monitoring to ensure that waste management complies with national laws and regulations as well as the Company's ESG target requirements.

Category	Unit	2025 Data
<b>Hazardous Waste Disposal</b>		
Landfill	Tons	0
Incineration (with Energy Recovery)	Tons	185.08
Incineration (Without Energy Recovery)	Tons	60.97
Disposed of by Third-Party Units	Tons	974.49
<b>Non-Hazardous Waste Disposal</b>		
Disposed of or Recycled by Third-Party Units	Tons	31,337.90
Recycled by the Company	Tons	21,117.86
Waste to Landfill	Tons	253.00

## 2025 key performance indicator

Recycling and Reuse of Injection Molding Waste

**16,717.86** Tons

1: In 2025, the following subsidiaries of the Company: Hisense Rongsheng (Guangdong) Refrigerator Co., Ltd., Hisense Rongsheng (Guangdong) Freezer Co., Ltd., Hisense Refrigerator Co., Ltd., Qingdao Hisense Air Conditioner Co., Ltd., Hisense (Guangdong) Kitchen & Bathroom Systems Co., Ltd., Qingdao Hisense Hitachi Air Conditioning Systems Co., Ltd., and Hisense (Zhejiang) Air Conditioner Co., Ltd., are classified as key environmental risk control entities at the local level. Their air pollutant emission data are presented in the table below.

## Circular Economy

The Company systematically promotes a resource recycling system focused on two key areas: the recycling of used home appliances and green packaging.

### Integrating recycling channels

The Company partners with Hisense specialty stores, chain channels, and major e-commerce platforms across the country. Leveraging the 'Hisense Ai Jia' mini-program, it provides users with one-stop services including old appliance valuation, trade-in subsidy distribution, new appliance selection, and 'delivery, disassembly, installation, and collection', achieving closed-loop information management among users, merchants, and recyclers.

### Building reverse logistics

Based on specialty stores and community service outlets, and supplemented by roadshows and community events, the Company directly reaches consumers to improve trade-in efficiency.

### Used Electronic Products

The Company has established a traceable nationwide recycling system for used home appliances, integrating online platforms with offline networks to connect the information flow between users, merchants, and recyclers, ensuring the standardized disposal and resource utilization of used appliances.

### Guiding consumer participation

AI technology is used to educate consumers on social media about the high energy consumption and safety hazards of old home appliances. Incentives such as free recycling, trade-in subsidies, and membership point redemption are offered to encourage user participation.

### Standardizing dismantling and disposal

By collaborating with certified recyclers, the Company ensures that all used home appliances are sent to nationally certified dismantling enterprises. This enables the resource utilization of materials like metals and plastics through compliant dismantling, mitigating environmental risks from informal channels.

### Strictly controlling cross-border disposal

In compliance with international conventions, the Company does not export e-waste to non-OECD or non-EU countries without permission, ensuring that waste electronic equipment is processed in facilities that meet international standards.

### Hisense-Hitachi sets targets to increase recycled materials, leading a new trend in material circulation

To reduce resource consumption at the source, Hisense-Hitachi has established clear targets for increasing the proportion of recycled materials: by 2035, the recycled aluminum content will be increased to 40% and recycled steel to 40%; by 2045, these proportions will be raised to 60% and 50%, respectively. To achieve this goal, Hisense-Hitachi has formed a joint working group with key suppliers to collaborate deeply on R&D innovation and supply chain management, driving advancements in recycling technology within the industry and setting a new benchmark for green manufacturing in the supply chain.

### Recognized as an innovative pioneer enterprise for EPR fulfillment

In July 2025, the Company was recognized as a '2025 Innovative Pioneer Enterprise for EPR Fulfillment' at the 18th Conference on Extended Producer Responsibility Systems and Recycling Technology for Electrical and Electronic Products, reflecting industry recognition for its efforts in recycling, disposal, and resource utilization of waste electrical and electronic products.



### Dismantling and recycling waste circuit boards from used home appliances for resource utilization

In 2025, the Company continued to advance the recycling and dismantling of used home appliances. Recovered appliances were dismantled in compliance with regulations, and the resulting waste circuit boards were separated for resource processing. Through professional recycling processes, metallic components (including copper, tin, gold, and silver) were separated from non-metallic components in the waste circuit boards. A total of 56.18 tons of waste circuit boards were processed during the year, from which 11.24 tons of metallic components (20%) and 43.26 tons of non-metallic components (77%) were recovered, with the remaining 1.69 tons (3%) being other substances, thus achieving resource circularity.

## Green Packaging

The Company systematically promotes green packaging practices, from material selection and R&D design to recycling and circulation.

### Selecting environmentally friendly materials

Recyclable and renewable materials such as corrugated paper, honeycomb paper, calcium-plastic boxes, and plastic crates are used to replace non-circular materials like plastic and foam.

### Optimizing packaging design

Green packaging requirements are embedded into the product development process, and simulation technology is used to optimize structures and avoid over-packaging.

### Promoting packaging recycling

A packaging recycling network is being built to promote the circular reuse of packaging materials.

### Application of recycled EPS materials in refrigerator packaging

In 2025, Hisense's Refrigerators and freezer business launched the 'Research on the Application of Recycled EPS Materials in Packaging Bottom Cushions' project. Through in-house research on the formula design and extrusion process of recycled EPS materials, and by optimizing the pre-expansion and molding processes for EPS components, the project successfully addressed issues such as poor mechanical performance, long molding cycles, and high production costs associated with recycled EPS. This enabled the application of recycled EPS to reach a proportion of 40% in refrigerator packaging bottom cushions. This technology was implemented in refrigerator products exported to the European Union in 2026.

## 2025 key performance indicator

Used Home Appliances Recycled Throughout the Year

1.3 Million Units

Number of e-waste handling and recycling incidents with significant negative impacts on comprehensive resource utilization, environmental protection, occupational safety, and human health

0 Incidents

## Energy and Water Resources

Hisense HA incorporates energy and water resource management into its core sustainable development strategy. Through initiatives such as improving the management system, optimizing the energy structure, promoting energy-saving technical upgrades, and strengthening water conservation measures, the Company continuously enhances resource utilization efficiency and supports the green, low-carbon transition.

### Energy Management

We systematically advance our green intelligent manufacturing transformation, with AI intelligence as the core driver, production technology innovation as key support, and energy conservation as the fundamental goal.

#### ECO-B system empowers the green and low-carbon transformation of buildings

In September 2025, Hisense Central Air-Conditioning showcased its ECO-B Smart HVAC and Energy Management System 2.0 at IFA Berlin. Addressing the pain points of high energy consumption and decentralized management in commercial buildings, the system integrates new-generation information technologies including the Internet of Things, big data, artificial intelligence and 5G, to deliver a full suite of intelligent design solutions covering central air conditioning, DDC controllers, building gateways, automatic control systems, digital twins and energy consumption simulation. It provides integrated services of air management, energy management and operation & maintenance for commercial chain stores, hospitals, health clinics and corporate office buildings, making building operation and maintenance more efficient and energy-saving. building operations more efficient and energy-saving.



Hisense ECO-B shines in Berlin

#### Key initiatives

##### AI intelligence

The Company has fully deployed a digital energy management platform for centralized monitoring, intelligent alarms, and dynamic optimization of energy sources like electricity, water, gas, and heat, shifting energy management from being experience-driven to data-driven. Concurrently, by deeply integrating an AI intelligent control system, applying deep autoencoder neural networks to generate testing plans, and combining it with DQN intelligent production scheduling technology, a comprehensive energy and carbon management system has been established. In refrigerant management, we have upgraded to an intelligent, end-to-end management and control system covering 'leak prevention, intelligent injection, and purification', achieving refined governance throughout the entire refrigerant life cycle and solidifying the foundation for green operations with intelligent methods.

##### Production technology innovation

The Company continuously optimizes production processes, with a focus on promoting waste heat recovery technology to convert waste heat generated during production into reusable energy, significantly reducing steam and electricity consumption. In refrigerant management, we have moved beyond traditional monitoring and recovery models to build an integrated technology system covering leak prevention, intelligent injection, and purification, driving process upgrades across the entire chain. Through continuous technological iteration and the large-scale application of industry-first processes, we consistently improve resource utilization efficiency, driving the continuous evolution of our green manufacturing capabilities through technological innovation.

##### Energy conservation

The Company actively uses high-efficiency, energy-saving equipment, combined with AI-powered intelligent controls to optimize energy use efficiency in real time and reduce ineffective consumption. We are vigorously improving our energy structure by continuously building distributed photovoltaic power generation systems and utilizing a Green Electricity Certificate purchasing mechanism. Among these, the Ronshen Plastics and Hisense Guangdong Kitchen & Bath factories purchase a fixed amount of Green Electricity Certificates annually, achieving 100% green electricity usage. Through a combination of measures including lean production management, waste heat recovery, and clean energy substitution, energy conservation is integrated throughout the entire production process, continuously reducing energy consumption per unit of output and strengthening the foundation for sustainable development.

#### High-efficiency plant room construction project

In 2025, the Ronshen Refrigerator high-efficiency plant room project introduced AI-optimized controls, magnetic levitation variable frequency technology, and an intelligent centralized control system, employing a combination of magnetic levitation variable frequency centrifugal chillers and variable frequency screw chillers—a first in the refrigerator industry. By installing temperature sensors at the terminals and establishing an AI model for intelligent control, the system achieves automatic adjustment of chiller startup, shutdown, and load. The project yields annual energy savings of 2.832 million kWh, supporting a reduction of 1,519.65 tons of carbon dioxide emissions.

#### Yangzhou Refrigerator's distributed photovoltaic power generation project

Hisense Yangzhou Refrigerator utilizes the concrete rooftops of dormitories, canteens, and factory buildings within the industrial park to construct a distributed photovoltaic power station based on a 'self-generation for self-consumption with surplus power fed to the grid' model. The project uses microinverters for power transmission and distribution, enhancing both transmission safety and power generation efficiency, with a total installed capacity of 6.45 MW. The estimated average annual power generation is 6.046 million kWh, equivalent to saving 743.05 tons of standard coal, reducing carbon dioxide emissions by 3,233.8 tons, and providing the same environmental benefit as planting 180,000 trees. This results in annual electricity cost savings of 2.064 million yuan.

#### Intelligent management and control project for the entire refrigerant life cycle

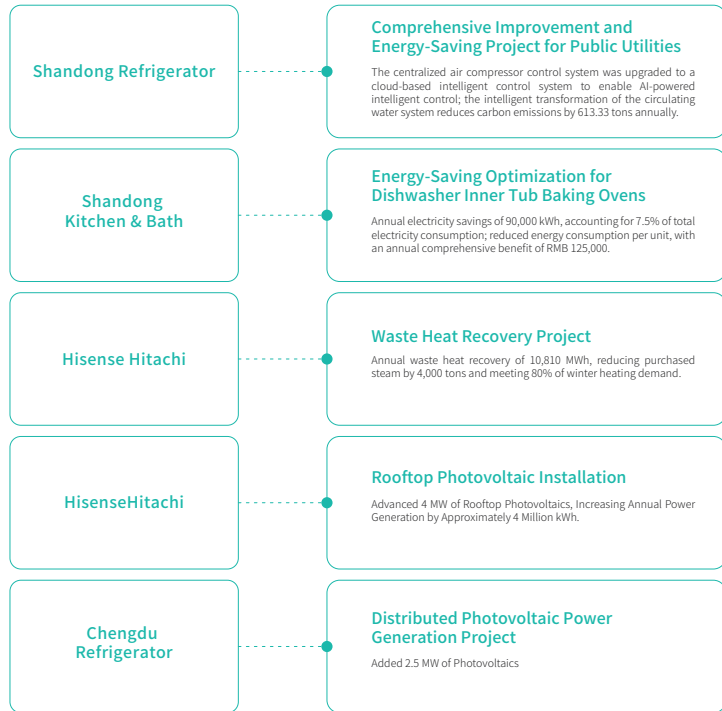
To address common industry challenges such as inefficient leak detection in refrigerant supply pipelines, significant losses during charging calibration, and bottlenecks in recycling and purification processes, Hisense-Hitachi has established a real-time, closed-loop management and control system covering 'monitoring, early warning, locating, disposal, and feedback':

**IoT-driven closed-loop control of refrigerant emissions:** Based on digital twin technology, flow meters have been deployed at 23 high-risk points to enable precise leak detection, successfully reducing the leakage rate by 52% (an annual reduction of 13.53 tons) and ensuring production continuity.

**Precision intelligent charging based on dynamic compensation algorithms:** By detecting refrigerant temperature and pressure in real time, a dynamic density compensation algorithm model was established, giving the refrigerant charging machine self-calibration capabilities. This has resulted in a 99.9% reduction in refrigerant loss and a 98.9% decrease in the frequency of equipment spot checks.

**One-stop refrigerant recovery and recycling:** Pioneered a one-stop integrated system for recovery and purification, breaking through the recovery pressure limit to 80Pa using negative pressure vacuum technology, which increased the single-pass refrigerant recovery rate to 99%; driven by a four-stage purification process (two-stage oil filtration and refrigerated drying and dehumidification), the comprehensive reuse rate increased to 98%.

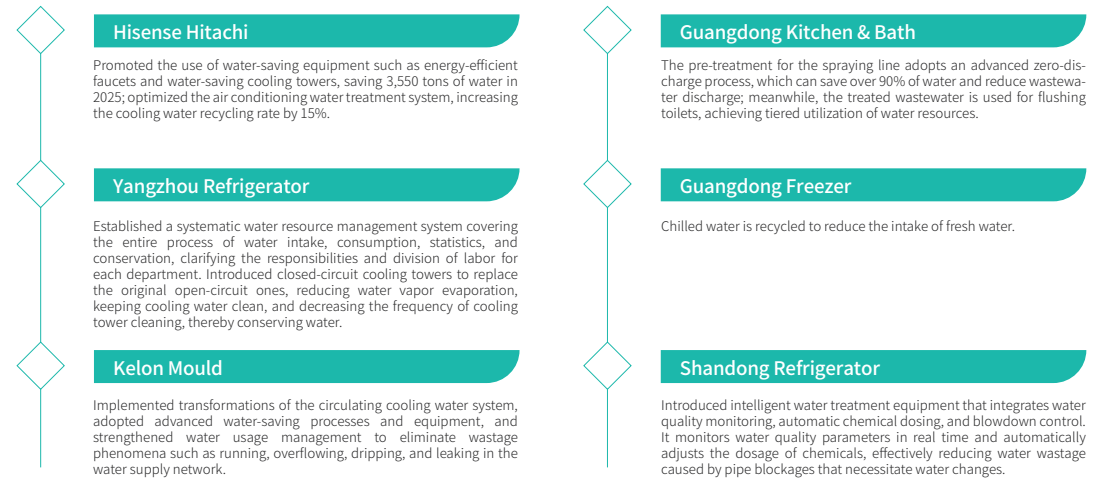
## • Energy Efficiency Project



## • Water Resource Management

Hisense HA's water for production and operations is fully supplied by the municipal pipe network, with main usage scenarios covering manufacturing, cooling circulation systems, boiler operations, environmental protection treatment, and domestic and fire-fighting purposes. In 2025, the Company continued to advance water-saving technological upgrades and the recycling of water resources, with some factories achieving actual water consumption levels far below the advanced national industry water quotas.

Hisense HA has built an efficient water-saving system through systematic technological upgrades and intelligent management, with specific measures as follows:



## 2025 key performance indicator

Factories certified under GB/T 23331-2020 or ISO 5001:2018 energy management systems

15

Total Installed Photovoltaic Capacity Reaches

86.08 MW

Renewable Energy Consumption as a Percentage of Total Electricity Consumption

27.32%

Coverage Rate

38%

Purchase of Approximately

55,973 Green Electricity Consumption Certificates

Recycled Water Volume

1.17 Million tons

Recycled Water Ratio

34.9%

## Biodiversity

In accordance with the *Biodiversity and No-Deforestation Commitment and Statement*, Hisense HA is dedicated to protecting the ecological environment and maintaining biodiversity. The Company prohibits participation in activities that lead to forest destruction, aiming for 'zero deforestation' and advocating for sustainable forest management and the protection of primary forests. Following international guidelines and considering the ecological characteristics of its operating locations, the Company manages biodiversity assessments in all countries and regions where it conducts business activities, avoiding the establishment of factories or operational activities near areas of global or national importance for biodiversity. In 2025, the Company had no biodiversity-related risks.

### • Biodiversity conservation measures

Continuously Conduct Self-Monitoring of Soil and Groundwater, and Regularly Assess the Impact of Operational Activities on the Surrounding Ecosystem.

Plant Native Vegetation Around Production Bases to Create a Favorable Habitat for Wildlife.

Continuously Promote Bio-Based and Biodegradable Materials to Reduce the Consumption of Natural Resources.

Continuously Implement Water Resource Recycling and Adopt Multiple Measures to Control Waste and Pollutant Emissions.

Continuously Develop Low-Carbon and Low-Noise Products to Reduce Disturbance to the Ecosystem.

## Addressing Climate Change

To proactively address climate change and anchor its goal of achieving carbon neutrality in its own operations by 2050, Hisense HA has deeply integrated green and low-carbon concepts into the entire process of corporate operations, product R&D, supply chain management, and social value creation. By strengthening emissions reduction in its own operations, driving synergistic carbon reduction across the value chain, innovating green products and solutions, and cultivating a low-carbon social ethos, the Company comprehensively practices green principles, creates a new paradigm for green and low-carbon living, and continuously enhances its climate resilience to promote sustainable development.

### Carbon Neutrality Action

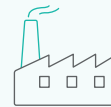
In accordance with its published *Carbon Neutrality White Paper*, Hisense HA has established the goal of achieving carbon neutrality in its own operations no later than 2050. Currently, the Company's subsidiaries SANDEN and Hisense-HITACHI have joined the 'Science Based Targets initiative' (SBTi). Guided by this framework, the company continues to advance its carbon neutrality actions across four key dimensions: low-carbon internal operations, low-carbon value chain, low-carbon products and solutions, and low-carbon social practices.

### • Progress of carbon neutrality actions in 2025



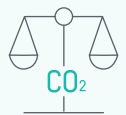
#### In green manufacturing

the Company added two national-level green factories (Ronshen Freezer, Kelon Mould), bringing the cumulative total to 11. Its Ronshen Freezer factory obtained zero carbon factory certification, with 100% of its electricity sourced from renewable energy, achieving a 100% offset of greenhouse gas emissions for the covered period.



#### In carbon management tools

the Company utilizes the CMS Carbon Management Platform to achieve online management and simulation analysis of business modules such as organizational carbon, product carbon, carbon reduction, and carbon assets, providing digital support for supply chain carbon management.



#### In carbon offsetting practices

the Company purchased Green Electricity Certificates and Verified Carbon Units (VCUs) for clean energy use and carbon offsetting.



#### Leveraging its forward-looking strategies and practical achievements in the field of 'carbon peaking and carbon neutrality'

the Company was successfully selected as a '2025 China Industrial Carbon Peaking Pacesetter Enterprise' by the China Federation of Industrial Economics. It was also included in the 'Excellent Corporate Cases of China's Industrial Carbon Peaking' and selected for the 'Outstanding Practices in Sustainable Development' by the China Association for Public Companies.

## • Progress in Greenhouse Gas Emissions

In terms of product carbon footprint calculation, the Company continues to conduct life-cycle carbon footprint assessments for its products in accordance with GB/T 24067-2024 *Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification*. In 2025, the Company completed carbon footprint calculations for several of its products, including refrigerators and freezers. Based on these results, the Company can accurately identify emission reduction potential at each stage, providing data support for subsequent low-carbon design. During the report period, Hisense-HITACHI's CDP rating improved to A-, a leading position in the industry.

The Company continues to advance its internal carbon inventory work, using internal carbon inventory tools to survey and compile its 2025 carbon emissions data.

Greenhouse Gas Emissions (tCO <sub>2</sub> e)		
Categories	Hisense HA (China)	
<b>Total</b>	<b>213,409.83</b>	
Stationary combustion	25,464.00	
Mobile combustion	216.41	
Scope 1 (Direct Emissions)	Fugitive emission-wastewater treatment	2.43
	Fugitive emission-water treatment	13,10.48
	Fugitive emission-HFC use	186,354.51
	Process emissions	62.00
	<b>Total</b>	<b>264,079.98</b>
Scope 2 (Indirect Emissions)	Purchased electricity	245,153.69
	purchased heat or steam	18,926.30
<b>Scope 1+Scope 2</b>	<b>477,489.82</b>	

Greenhouse Gas Emissions (tCO <sub>2</sub> e)	
Categories	Hisense HA (China)
<b>Total</b>	<b>175,580,235.50</b>
Purchased goods and services	2,584,421.30
Capital goods	2,130,173.96
Fuel- and energy-related activities	23,029.23
Upstream transportation and distribution	752,914.02
Waste generated in operations	4,416.84
Business travel	4,851.29
Employee commuting	1,932.32
Upstream leased assets	758.97
Downstream transportation and distribution	10,997,562.41
Processing of sold products	0.00
Use of sold products	158,813,032.78
End-of-life treatment of sold products	82,918.37
Downstream leased assets	184,224.00
Franchises	0.00
Investments	0.00
<b>Scope 1+Scope 2+Scope 3</b>	<b>176,057,725.31</b>

## 2025 key performance indicator

Products Awarded Carbon Footprint Certificates

**10** Models

Products Awarded Carbon Label Certificates

**7** Models

Products Receiving Green and Low-Carbon Product Certification

**22** Models

## Green Products

Driven by technology and centered on users, Hisense HA continuously strengthens its green connection with users and society by providing green, low-carbon, and intelligent products and solutions, thereby promoting the adoption of green living concepts. The Group starts from operational aspects such as transportation, warehousing, and office work, systematically implementing multi-dimensional carbon reduction measures by optimizing its logistics system, implementing energy-saving management, and adopting digital office practices to foster low-carbon development.

In 2025, the Company continued to launch high-efficiency, low-energy-consumption green home appliances, deeply integrating AI technology into product design to achieve a balance between precise energy savings and user comfort. Several products were selected for the national catalog of advanced energy-saving and carbon-reduction technologies, leading the trend of green consumption through technological innovation.

### The Hisense Fresh Air Conditioner CUI CAN U6 featuring StarLight Human Sensing 2.0

In 2025, Hisense Air Conditioning partnered with Shanghai HISilicon to launch the first smart air conditioner supporting StarLight Human Sensing 2.0—the Fresh Air Conditioner CUI CAN U6—at the International Consumer Electronics Show (IFA) in Berlin, Germany. Addressing the shortcomings of traditional air conditioners with fixed airflow and no human presence detection, this product features 'integrated sensing and communication' at its core. Based on Shanghai HISilicon's StarLight SLP solution, it achieves several high-precision human sensing functions, including adjusting airflow to follow or avoid people, providing a gentle breeze when a person is near, and saving energy when they leave. The unit ultimately utilizes an AI-powered wind control algorithm to deliver a customized user-specific airflow, balancing a cool experience with health protection.

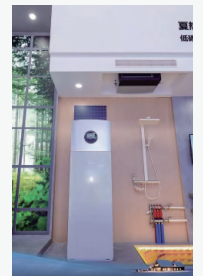
### The 60cm flat-embedded refrigerator becomes the first to receive 'Green Leaf Label' certification

In January 2025, the World Green Design Organization released a new list of products rated for the 'Green Leaf Label', and the Hisense 60cm flat-embedded refrigerator series became the first product in the refrigerator industry to receive this certification. The 'Green Leaf Label' emphasizes a product's green design attributes throughout its entire life cycle. This refrigerator series uses a variable frequency compressor, a high-efficiency heat-dissipating condenser, and CS core material vacuum insulation panels, which reduces the amount of rigid PU foam, decreases the thickness of the foam layer, and increases the product's effective volume. The application of a small-diameter evaporator and an adaptive energy-saving refrigeration control system enables the product to achieve a Class C energy efficiency rating under the new European standard. In terms of noise reduction, a low noise level of 35 dB(A) is achieved through technologies such as sound-absorbing materials, compressor speed optimization, and improved defrosting noise control. The packaging uses corrugated cardboard boxes, which are partially reusable, recyclable, and fully degradable. CAE simulation analysis tools are used to optimize the thickness and density of the packaging materials, achieving thinner and lighter packaging. On the production side, R600a refrigerant and cyclopentane foaming agent are used, avoiding damage to the atmospheric ozone layer and the impact of greenhouse gases. As one of the first demonstration enterprises for green supply chain management designated by the Ministry of Industry and Information Technology, Hisense promotes green manufacturing throughout the entire process from design, production, and logistics to recycling.



### Comprehensive layout of heat pump products

In March 2025, Hisense Central Air-Conditioning appeared at the 15th HPE China Heat Pump Exhibition 2025, showcasing its full range of residential heat pump products at booth E8-T11. Targeting the climate characteristics of different regions, such as severely cold areas, hot-summer and warm-winter areas, and hot-summer and cold-winter areas, the Company provides a wealth of solutions including home heating and cooling, single-heating systems, low-carbon hot water, centralized hot water energy management, comfort and health, and smart health. It delivers a more efficient, smarter, and more energy-saving innovative experience, fully empowering users to enjoy good air quality tailored to their needs.



## • Low-carbon design

During the product research, development, and design phase, Hisense HA integrates green and low-carbon concepts into the entire product development process. The Company focuses on product life-cycle management, combining the Integrated Product Development process with digital simulation technology to advance green design from dimensions such as performance optimization, structural simplification, and material selection. In material selection, it continues to promote the use of non-toxic, harmless, low-density, high-strength environmentally friendly materials, researches the use of refrigerants with low global warming potential like R600a and R134a, and implements dematerialization design to reduce resource consumption and carbon emissions at the source.



### Hisense Central Air-Conditioning launches AI low-carbon matrix, leading the industry to new heights in energy efficiency

In April 2025, Hisense Central Air-Conditioning launched its AI low-carbon matrix, introducing the world's first 10kV positive pressure liquid-floated oil-free variable frequency centrifugal chiller. Through a threefold breakthrough involving aerospace-grade ceramic bearings, adaptive liquid supply technology, and an axial load AI algorithm, this product overcomes challenges related to high-load resistance and vibration control in high-voltage motors, filling a technological gap for 10kV-class oil-free centrifugal chillers. It achieves a Coefficient of Performance (COP) of 7.23, setting a new industry record. Meanwhile, the ECO-B Smart Building and Energy Management System 2.0 was the sole recipient of the 'Gold Award Product' in the 'Control Equipment and Systems' category at the 2025 China Refrigeration Exhibition. This system integrates next-generation information technologies such as the Internet of Things, big data, artificial intelligence, and 5G. It supports concurrent management of 5,000 devices, achieves a building energy consumption prediction accuracy of over 85%, and improves energy efficiency by more than 10%.



### Hisense Hitachi Central Air-Conditioning launches new SET-FREE series, exploring new frontiers in low-carbon technology

In 2025, Hisense Hitachi Central Air-Conditioning held the global launch of its new SET-FREE RIII renewal series and SET-FREE 'Extreme Yu' series at the Refrigeration Exhibition. The SET-FREE RIII series targets the needs of renovating old buildings, significantly reducing retrofitting costs and timeframes. The SET-FREE 'Extreme Yu' series is equipped with a condensation heat recovery system and deep dehumidification technology, capable of creating a high-standard, constant temperature and humidity environment in demanding locations such as laboratories and medical facilities. At the same time, HITACHI showcased its low-carbon product matrix, including the 'Yu Guang' photovoltaic multi-split air conditioner. Through multi-energy collaboration and an AI energy efficiency management system, it provides comprehensively upgraded air solutions for complex scenarios like industrial parks and super-high-rise buildings.

## • Green Warehousing

In 2025, the Company continued to promote green warehousing practices, achieving the following results in its warehousing operations:

### Electronic and paperless handover

Piloted paperless shuttle transport at the Pingdu base, transitioning from paper-based signatures and stamps to electronic signatures. This covered 29,990 shuttle transport orders for the year, saving nearly 150,000 sheets of paper and achieving a carbon reduction of 2.69 tons of CO<sub>2</sub>e.

### Electrification upgrade of warehouse vehicles

The electrification rate of warehouse vehicles increased to 99.6%, with 355 electric clamp trucks and 377 electric forklifts. Only 3 fuel-powered vehicles remain.

### Use of high-bay warehouses

Implemented rack-based storage at the Hefei warehouse, saving approximately 2,700 square meters of storage space.



The optimized warehouse






### Innovative application of automated guided vehicles in warehousing scenarios

In 2025, the Company deployed automated guided vehicles (AGVs) in its warehouses. These AGVs use electric power, replacing traditional fuel-powered forklifts and directly eliminating tailpipe emissions to achieve zero exhaust pollution. Through intelligent algorithms for path planning and speed control, the AGVs operate at a constant speed along optimal routes, reducing unnecessary travel, sudden acceleration, and abrupt stops, which lowers energy consumption by more than 30%. Additionally, their ability to operate 24/7 has increased warehouse throughput and reduced extra energy consumption from lighting and air conditioning caused by inefficient operations.

## • Green Logistics

In 2025, the Company continued to advance its green logistics initiatives, achieving the following results in transportation dispatch, delivery vehicles, and delivery experience:

- 
**Intelligent dispatch to optimize transport distance**  
 Achieved intelligent scheduling for all domestic trunk lines, with 11 base dispatch centers becoming 100% operational online. An AI model calculates and outputs the optimal shipping plans, shortening the transport distance per cubic meter on trunk lines by 2.2% year-on-year and saving RMB 2.5 million annually.
- 
**Cleaner delivery vehicles**  
 Phased out all 63 in-service delivery vehicles that met China III emission standards. The Company added 40 new energy vehicles (NEVs), bringing the total number of NEVs to 170, which effectively reduces the use of fuel-powered vehicles and lowers carbon emissions in transportation.
- 
**Circular use of sea freight containers**  
 Continued to expand the scope of circular use for sea freight containers. While promoting internal circular use, the Company has also implemented circular use programs with other companies to reduce the transport of empty containers.

### Launch of AI intelligent voice recognition to enhance logistics service quality

In 2025, the Company advanced its digital service upgrade. In user communication, an AI intelligent voice recognition function was launched to monitor whether appointment scheduling and rescheduling by third-party logistics providers reflect genuine user requests. This system automatically analyzes 4,882 recordings of appointment changes per month, increasing quality inspection efficiency by 70%, strengthening compliance control in the appointment process, and providing real-time insights into personalized user needs. In order delivery, B2B orders now have full-process visibility from placement to production to delivery. For the consumer experience, the Hisense Mall displays estimated delivery times, appointments are precise to morning or afternoon, and the on-time rate for installation services has improved by 25%.



## Green Office

The Company continues to implement internal policies regarding conservation in lighting, air conditioning, paper, and water. It manages energy consumption through electricity and water metering systems, creating a closed-loop process for investigating and addressing daily energy waste. Building on this foundation, the Company will further advance its green office practices in 2025 in the following areas.

### Refined Temperature Control

The Company has specified that air conditioning for cooling in workshops and offices should not be set below 26°C, while heating in winter should not exceed 16°C; fans are activated based on regional temperature standards (26°C–30°C). All equipment is managed with responsibility cards and must be turned off promptly during production line stoppages, after work hours, or when personnel leave. Additionally, the air conditioning system is equipped with a time- and zone-based control algorithm,

### Intelligent Upgrades to Energy-Saving Equipment

Lighting in public areas, conference rooms, and offices is linked to human-presence sensors, automatically cutting power in unoccupied areas. A one-touch energy-saving mode is promoted for after-work hours and lunch breaks.

### Comprehensive Promotion of Digital Office Practices

An integrated online system for OA, approvals, meetings, and archiving has been established, digitalizing the entire process for internal documents, meeting materials, and announcements. This eliminates non-essential paper printing, while also promoting double-sided printing and a wastepaper recycling and reuse mechanism to reduce paper consumption in daily office activities.

### Refined Water Resource Management

Water-saving faucets and restroom fixtures have been installed in office areas, along with sensor-based water-saving devices, to eliminate continuously running water and improve water resource efficiency.

### Green Commuting Advocacy

The campus is equipped with electric vehicle charging stations and bicycle parking areas for employees, encouraging green commuting and carpooling. New energy vehicles are prioritized for official travel within the campus.

## Building a Low-Carbon Culture

The Company promotes the integration of low-carbon concepts into daily work by improving management mechanisms, organizing specialized training, and conducting themed activities. In 2025, it will continue to offer professional skills training in areas such as carbon management and carbon verification. Employees will be encouraged to participate in external training programs like 'Carbon Emissions Management', 'Energy Management', and 'Carbon Verification Internal Auditor' to enhance their low-carbon knowledge. Concurrently, the Company will foster a culture of full participation through knowledge competitions and themed campaigns tailored to production and operational realities.

### Carbon peaking and carbon neutrality month activity creates a company-wide low-carbon atmosphere

In 2025, the Company organized a carbon peaking and carbon neutrality month activity with the theme 'Green Voyage, New Carbon Journey'. The event covered 8 major platform departments and 6 production bases, attracting over 2,000 employees. During the activity, a total of 15 special events and 5 professional training sessions were held, spanning technical salons, on-site improvement workshops, and green product promotions.

Focusing on technological innovation, process optimization, and management enhancement, the activity identified 136 energy-saving opportunities, resulting in 109 carbon reduction support projects and 20 process optimization plans. At the closing ceremony, heads of various departments signed a carbon peaking and carbon neutrality pledge, setting a challenging target of a 10% reduction in carbon emission intensity by 2026 and incorporating these indicators into the KPI assessment system.



Energy and carbon knowledge training



'Book Swap' and 'Energy and Carbon Knowledge Quiz' Activities

# Ecologically Minded, Co-Creating the Future

Hisense HA upholds the responsibility concept of 'Tech for Good, Business for Good', integrating sustainable development across the entire chain of customer service, supply chain management, and social responsibility practices. It safeguards customer value through enhanced services, reshapes the supply chain ecosystem with responsible procurement, and gives back to society through public welfare initiatives, working with Stakeholders to build a green ecosystem of shared growth and prosperity.

## Enhancing Customer Service

Hisense HA focuses on protecting customer rights and interests by building a service system that integrates online intelligent services with offline standardized services, continuously improving response efficiency across all channels. In marketing, the Company strictly controls promotional content, ensuring product information is truthful and transparent through an improved review mechanism. Furthermore, the Company has established a digital management platform for customer feedback, enabling closed-loop management of the entire complaint handling process and setting an industry benchmark with high-standard service.

### Building Customer Value

The Company focuses on the development of its customer service system, continuously promoting standardized and regulated management to enhance the professional level of its service teams and ensure a consistent, high-quality service experience. Through a scientific and rigorous inspection and evaluation mechanism, the Company assesses the professional skills and service quality of its personnel, promptly identifying and driving improvements. Systematic professional training comprehensively enhances the technical capabilities and business proficiency of service personnel, enabling them to provide efficient, professional, and high-quality support to customers.

#### Service Professionalism

For cases involving multiple repairs, skill-related complaints, and newly hired engineers, the Company implements a random interview mechanism to strictly evaluate the professional capabilities of service engineers, with underperformers being dismissed. The assessment method for service personnel has been optimized, with a tiered management system of 'reminder, warning, dismissal' implemented for those who frequently encounter skill-related issues, thereby reinforcing accountability. Through various formats such as regular training, specialized training, and on-site visit training, the Company comprehensively improves the

#### Service Timeliness

The Company has established service management agencies and spare parts reserve centers in multiple locations across the country. With ample spare parts and technical support, it ensures a prompt response to customer needs. An extensive network of authorized service outlets has been established, forming broad service coverage that effectively guarantees rapid service response and efficient problem resolution.

#### Service Accessibility

The Company collects user feedback through multiple channels and centralizes it in the 'Xinlianxin' customer service system for unified information management. The system automatically routes feedback to the appropriate service center and professional staff based on the nature, type, and regional distribution of the issue. Upon receiving a request, service personnel proactively contact the user to understand the problem in detail and resolve it quickly, ensuring a timely and proper solution.

#### Customer Need Insight and Service Optimization

The Company focuses on creating customer value, regularly collecting customer opinions and suggestions through various channels such as customer questionnaires, Net Promoter Score (NPS) satisfaction surveys, and complaint platforms to accurately grasp core demands. Based on survey results, it continuously advances service improvement plans to enhance customer satisfaction and loyalty.

#### 2025 User Focus Group Symposium

During the reporting period, the Company organized multiple user symposiums to conduct qualitative research on aspects including product usage experience, service touchpoint perception, and brand emotional connection. Upholding the 'customer first' philosophy, this provides qualitative input for the continuous improvement of products and services.

### 2025 key performance indicator

Revenue from Online Services or Sales Platforms	Services or Sales Platforms <sup>1</sup>	Customer Satisfaction Survey Participation Rate
10.46 RMB Billion	25%	100%
Customer Satisfaction Rate	Customer Complaint Rate	Customer Complaint Resolution Rate
98.4%	0.36%	100%
Number of Non-Compliance Incidents Related to the Company's Product and Service Information and Labeling	Number of Non-Compliance Incidents Related to Marketing Communications	
0 Incidents	0 Incidents	

<sup>1</sup>:The calculation scope covers domestic sales data for HVAC, refrigerators, freezers, washing machines, and kitchen appliances.

## Ethical Marketing and Advertising

The Company considers ethical marketing and standardized publicity as fundamental principles for protecting customer rights and practicing business ethics. It consistently adheres to the philosophy of integrity in business, strictly complies with national laws, regulations, and industry standards, and prohibits false advertising and misleading marketing practices. This ensures that product and service information is truthful, objective, and compliant, effectively safeguarding customers' rights to know, choose, and engage in fair transactions.

## Brand Operation Management

The Company views its brand as the core vehicle for building long-term trust with customers. Upholding the social responsibility philosophy of 'Tech for Good, Business for Good', it deeply integrates its ESG Strategy into the entire marketing process.

Centered on its core philosophy of 'founding the business on integrity and forging the brand with quality', the Company has built a comprehensive brand management indicator system. It refines control standards across dimensions such as brand image maintenance, compliant operational management, customer reputation building, and brand responsibility implementation, promoting the coordinated development of brand building and customer relations. Leveraging the innovative strength of its full product range and deep brand cultivation, Ronshen Plastics and KELON Molds were successfully selected for the Ministry of Industry and Information Technology's 2025 list of renowned Chinese consumer brands.

### Multiple Products Honored with Awards at China Refrigeration Expo 2025

In April 2025, Hisense Central Air Conditioning made a significant appearance at the China Refrigeration Expo, showcasing its latest water chillers, multi-split commercial equipment, '2+7' corporate strategy content, and a full range of products including residential central air conditioners, exhibiting alongside HITACHI Central Air Conditioning. Among the showcased products, the Hisense ECO-B Smart Building and Energy Management System 2.0 was honored as a 'Gold Award Product'. The Hisense 10Kv positive pressure liquid-levitated oil-free variable frequency centrifugal chiller, Hisense self-sufficient regenerative heat source dual-wheel dehumidification and purification system, Hisense M3 Photosynthesis series hybrid energy-driven multi-split central air conditioner, and the HITACHI SET-FREE RIII renewal series top-discharge multi-split air conditioner were all recognized as 'Innovative Products'.



## 2025 key performance indicator

Number of Responsible Marketing Training Sessions

**6,400** Sessions

Number of Participants in Responsible Marketing Training

**745** Participants



## Customer Privacy Protection

The Company integrates data security and consumer privacy protection into its daily operations, with relevant requirements clearly stated in the employee handbook. Through measures such as optimizing internal governance, upgrading supply chain management, strengthening employee training, and expanding community engagement, it strictly prevents the leakage of partner privacy and commercial information. In the collection, storage, and use of personal information, the Company ensures its confidentiality, security, and integrity, providing customers with safe and reliable usage guarantees.

Privacy Protection Policy	
Category	Specific Content
Organizational Guarantee	The Company has established a dedicated position responsible for managing privacy affairs, coordinating the formulation, implementation, supervision, and optimization of privacy regulations to ensure the orderly conduct of privacy management work.
Risk Management	The privacy policy system has been incorporated into the Company's risk management framework. Through a collaborative management mechanism, it enables unified assessment, monitoring, and control of privacy risks and operational risks.
Information Collection	Before collecting customer information, the Company clearly discloses the nature and specific purpose of the information to be collected through formal channels such as written documents and privacy statements, and only proceeds with related operations after obtaining explicit consent and authorization from the customer.
Customer Autonomy	Customers have the right to decide on the collection, use, storage, and processing of their personal data and can opt out of non-essential data processing activities at any time. Upon receiving an opt-out request, the Company must terminate the relevant processing within the specified time limit and delete or anonymize the corresponding data.
Customer Rights	Customers have the right to request access to their personal data held by the Company in accordance with the law, and may also make reasonable requests to transfer their data to other service providers. If personal data is found to be incorrect or incomplete, they have the right to request that the Company correct it.
Data Deletion	Customers have the right to request the deletion of their personal data under circumstances that comply with laws and regulations or as agreed upon with the customer.
Data Retention and Disclosure	The Company reasonably determines the retention period for various types of information based on its nature, purpose, and legal requirements, and clearly informs customers of these periods. The conditions, scope, and approval procedures for disclosing customer information to third parties, including private and public institutions, are also clearly defined.
Disciplinary Actions for Violations	The Company maintains a 'zero tolerance' policy for violations of its privacy policy. It has established and enforces corresponding disciplinary measures based on the nature, severity, and consequences of the violation, including but not limited to warnings, fines, job adjustments, demotions, and termination of employment contracts. In cases of severe violations or suspected criminal activity, the matter will be referred to judicial authorities for handling in accordance with the law.
Audit and Supervision	The Company regularly conducts internal audits on privacy policy compliance to review the policy's implementation across various departments and business processes, identify potential issues and risk vulnerabilities, propose corrective recommendations, and oversee their implementation. Concurrently, it periodically commissions qualified and independent third-party organizations to conduct comprehensive audits of its privacy policy compliance.

## Secure Operations System

Category	Specific Content
Business Continuity Management	The Company formulates and continuously improves its data security-related business continuity plan, specifying detailed procedures and measures for preventing potential threats, emergency response, and system recovery to ensure that core business operations can continue stably in the event of a data security incident.
Incident Reporting Mechanism	The Company has established a clear and explicit reporting process for employees to report security incidents, vulnerabilities, or suspicious activities, ensuring that employees can provide timely and accurate feedback on information security-related issues. Managers at all levels must respond promptly and handle reported matters appropriately to prevent the expansion of security risks.
Complaint and Reporting Channels	A dedicated email address has been set up for complaints and reports regarding illegal data processing and privacy information leakage.



Sanden Comany's information security management system certification

## 2025 key performance indicator

Number of Customer Privacy Leakage Incidents

0

## Responsible Supply Chain

Hisense HA continues to build an efficient, agile, transparent, and sustainable global supply chain system, integrating responsible management and digital collaboration into key links such as procurement, manufacturing, and logistics to constantly enhance supply chain resilience, collaborative efficiency, and sustainable development capabilities.

### Building a Green Chain

The Company continues to advance the optimization of its global production capacity layout, localization of procurement, and upgrading of supply models. Relying on its cross-category collaborative network, it promotes efficient synergy among R&D, manufacturing, and supply chain operations, thereby continuously enhancing the security, collaboration, and sustainability of its supply chain.

Based on the concept of green and win-win development, the Company promotes carbon reduction across the entire chain through a 'one empowerment, two collaborations, three joint research' approach.

#### Empowerment

Shandong Air-Conditioning empowers energy suppliers by exporting technologies such as air compressor heat recovery and heating furnace retrofitting, helping them reduce energy consumption by 10% to 27.5%.

#### Collaboration

Hisense Hitachi collaborates with 315 green partners, signing 55 green agreements to promote 100% green electricity usage among core suppliers, reducing annual mineral extraction by 48.85 million tons and lowering the carbon emissions of new products by 20%, thereby building a green ecosystem across the entire chain of 'R&D-procurement-product ion-sales-recycling'.

#### Joint Research

Hisense HA and Dow have established a joint laboratory to develop environmentally friendly materials, reducing the Carbon footprint from the source.



### Hold the International Thematic Forum for Global supply chain Partners

In October 2025, the International Thematic Forum for Global supply chain Partners was held. Hisense Home Appliances further deepened comprehensive strategic cooperation in the global supply chain with HBIS, enhancing the resilience of the overseas household appliance steel industry chain and supply chain.



## Standardized Access Principles

The Company has established systematic supplier screening standards and criteria covering environmental, quality, financial, legal, and social responsibility dimensions. During the supplier admission process, key personnel from the Company evaluate suppliers, taking into account their qualifications and sustainability performance, and only grant admission after ensuring they meet the requirements.

Each subsidiary refines specific access requirements based on its own business characteristics and on top of the general standards.

### Hisense Washing-Machine

- Safety and environmental protection agreements are signed within procurement contracts, managing suppliers on dimensions such as environmental standards, waste disposal, and Greenhouse gas emissions. ESG rules are added to the supplier performance evaluation criteria, which also consider corporate scale, development capabilities, risk control, cost and delivery, and social responsibility. Extra credit is given to suppliers that have conducted carbon inventories or followed sustainable development requirements in the past two years.

### Shandong Air-Conditioning

- Threshold clauses for components are optimized to include requirements for environmental assurance and environmental impact assessments for high-pollution industries. The factory audit process now includes reviews of pollution discharge, waste disposal, and green supply chain practices.

### Qingdao Mould

- Partners must sign the *Safety and Environmental Protection Agreement*; they must also meet 17 threshold requirements, including registered capital, quality systems, environmental assurance, and environmental impact assessment reports, and pass component certification tests.

### Shandong Refrigerator

- The threshold for potential suppliers includes an audit of their capabilities in managing hazardous substances and ensuring environmental protection, requiring the provision of REACH and RoHS testing reports and environmental impact assessment certificates: the Company organizes suppliers to sign the new procurement framework contract (which includes the *Safety and Environmental Protection Agreement*); suppliers are required to pass annual factory audits assessing pollutant and waste discharge, green supply chain practices, and other factors; and the Company monitors suppliers' Scope 1, 2, and 3 Greenhouse gas emissions.

### Sanden Company

- Suppliers are required to establish an environmental management system, use environmentally friendly processes and materials, and control the discharge of waste gas, waste water, and solid waste; screening criteria cover dimensions such as basic qualifications, product quality, production capacity, financial status, business reputation, and environmental, social, and governance (ESG) factors.

### Shandong Kitchen & Bath

- Screening criteria are established in accordance with the *Supplier Introduction Threshold Specification*, including industry standing, client base, and environmental assurance capabilities (e.g., environmental impact assessment reports, environmental testing equipment, RoHS/REACH reports, and reports on waste gas, waste water, and solid waste emissions).

## 2025 key performance indicator

Number of new suppliers screened using environmental and social evaluation criteria and signed with the Safety and Environmental Protection Agreement and Social Responsibility Agreement

333

Percentage of the Total Number of Suppliers for the Year

100%

Number of Suppliers Who Have Signed the Supplier Code of Conduct

3,373

Percentage of the Total Number of Suppliers for the Year

100%

## Tiered and Categorized Management

The Company centers its approach on co-creating value within the supply chain, integrating principles of precision and localization into its supplier management and procurement strategies, and has established a standardized evaluation mechanism covering dimensions such as quality, cost, delivery, service, technology, and environmental protection to accurately match supplier capabilities with business needs.

### Shandong Air-Conditioning

In line with its digital transformation, the Company updated its supplier classifications, refined evaluation dimensions by adding ESG criteria as bonus items, and formulated a new checkpoint mechanism for improving supplier performance.

### Qingdao Mould

The Company has established systems for supplier classification, standardizing 27 processes including supplier development, certification, selection, and categorization.

### Shandong Refrigerator

Revised and improved 12 Level 4 processes related to supplier classification, communication, and improvement.

### Shandong Kitchen & Bath

Updated processes for supplier classification, performance, communication, and improvement.

## Geographic Distribution of Hisense HA Suppliers

Category	2023	2024	2025	
Total (Number of Companies)	2,455	3,386	3,373	
By Region	Mainland China	2,151	2,748	2,745
	Overseas	304	638	628
By Tier	Tier 1 Suppliers	/	3,280	3,315
	Non-Tier 1 Critical Suppliers	/	106	58

## Parallel Assessment and Action

The Company embeds supplier assessment and action throughout the entire procurement management process, continuously integrating ESG requirements into its supplier access, evaluation, and exit mechanisms, and leverages digital platforms to strengthen dynamic management of supplier performance. In response to issues identified during assessments, the Company urges suppliers to implement corrective actions and takes appropriate measures against those who fail to meet requirements or implement adequate rectifications, thereby continuously driving efforts to Enhance Quality and Efficiency in supply chain management.

### 2025 key performance indicator

Coverage Rate of Quarterly ESG Performance Assessment Audits for Suppliers

100%

Number of Potential Suppliers Rejected for Not Meeting Access Criteria

49 Suppliers

Number of On-Site Supplier Audits

695 Suppliers

Supplier Audit Rate

20.60%

## Implementing Responsible Sourcing

The Company's supply chain management is centered on responsible sourcing, grounded in optimal cost and maximum efficiency, using supplier ESG performance as a key benchmark for cooperation.

The Company defines baseline standards for supplier conduct across four key dimensions: environmental protection and safety, labor, health and safety, and business ethics. It incorporates ESG requirements into annual procurement contracts and promotes their signing and implementation by suppliers. Through its 'Sunshine Procurement' mechanism, the Company ensures the entire procurement process is transparent and traceable. It regularly reviews the fulfillment of integrity commitments by tier-1 suppliers and conducts on-site audits when necessary. The Company guides tier-1 suppliers to cascade ESG standards down to tier-2 and tier-3 suppliers to achieve shared responsibility and value creation throughout the entire value chain.

During the report period, the Company's procurement and supplier management activities were as follows (in part).

### 2025 key performance indicator

Signing Rate of the Supplier's Code of Conduct for supply chain and Anti-Bribery Agreement by the Company's Suppliers

100%

### Washing & Care Business

Issues Rectified with a Completion Rate Of

25 68%

### Air-Conditioning Business

Supplier Routine Audit Completion Rate Of

97.3%

External Audits Required

56

Issues Identified and Rectified Through Self-Inspections and Special Audits

25

### SANDEN Company

Supplier Integrity Questionnaires Collected

1,140

## Collaborative Protection of Rights and Interests

The Company considers supplier ESG management a core component of responsible sourcing and has established a supplier code of conduct system covering the entire value chain across five key dimensions: labor and human rights, environmental protection, health and safety, business ethics, and product quality and safety. By combining institutional constraints, process controls, and capacity building, the Company encourages suppliers to continuously improve their performance on key issues, ensuring the supply chain operates in a compliant, green, fair, and safe manner to jointly build a sustainable industrial ecosystem.

### Hisense HA sustainable procurement focus areas (partial list)




Labor and Human Rights 	Environmental Protection 	Health and Safety 	Business Ethics 	Product Quality and Safety 
<ul style="list-style-type: none"> <li>• Child Labor and Forced Labor</li> <li>• Anti-Discrimination</li> <li>• Anti-Harassment</li> <li>• Working Hours</li> <li>• Wages and Benefits</li> <li>• Freedom of Association</li> <li>• Responsible Minerals Sourcing</li> <li>• Employee Feedback and Grievances</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of Environmental Systems Such as ISO 14001</li> <li>• Annual Outsourced RoHS/REACH Testing for Finished Products</li> <li>• Environmental Impact Assessment Permits and Reports</li> <li>• Pollution Prevention</li> <li>• Hazardous Substances</li> <li>• Solid Waste</li> <li>• Gaseous Emissions</li> <li>• Water Management</li> <li>• Energy Consumption and Greenhouse Gas Emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of Occupational Safety Systems Such as OHSAS 18001</li> <li>• Emergency Preparedness</li> <li>• Work-Related Injuries and Occupational Diseases</li> <li>• Occupational Hygiene</li> <li>• Equipment Safety</li> <li>• Catering and Accommodation Safety</li> <li>• Health and Safety Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Business Integrity</li> <li>• No Improper Benefits</li> <li>• Information Disclosure</li> <li>• Intellectual Property (IP)</li> <li>• Fair Business, Advertising, and Competition</li> <li>• Identity and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of quality systems such as ISO 9001 and IATF 16949</li> <li>• Complete setup of IQC/IPQC/OQC and full range of essential testing equipment</li> <li>• Components with food-contact materials for refrigerator production shall comply with relevant food-contact material regulations</li> </ul>

## Conflict Mineral Management

The Company is committed to 'zero procurement and use of Conflict Minerals' and resolutely prohibits their procurement and use. It focuses on identifying procurement links associated with Conflict Minerals and continuously expanding the scope of responsible mineral supply chain due diligence to achieve proactive control of risks. Through training, empowerment, and promoting rectification, the Company enhances supplier awareness and capabilities in Conflict Mineral Management, effectively avoiding supply chain disruptions and compliance risks.

The Company regularly conducts specialized training on Conflict Mineral identification for key internal departments such as procurement, strengthening the risk identification, management, and disposal capabilities of procurement personnel and continuously improving the Company's level of Conflict Mineral risk management and control.

## • End-To-End Conflict Mineral Management

Stage	Management Content		
 Access and Information Management	<ul style="list-style-type: none"> <li>Collect supplier information and assess that the tantalum, tin, tungsten, and gold minerals contained in the materials they provide do not involve labor or Human rights issues such as child labor, Forced labor, unreasonable compensation, or discrimination, and do not directly or indirectly benefit armed groups that violate Human rights;</li> </ul>	<ul style="list-style-type: none"> <li>Require suppliers to sign the Corporate Social Responsibility Agreement to ensure the effective communication and observance of the Company's Conflict Mineral Management requirements;</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen supplier awareness through the promotion of Conflict Mineral policies and the signing of responsibility agreements, and encourage suppliers to pass on the conflict-free mineral principles to their upstream and downstream partners.</li> </ul>
 Risk Identification and Assessment	<ul style="list-style-type: none"> <li>Establish procedures for identifying conflict-affected and high-risk areas and supplier assessment processes, and collect supply chain maps from tier-one suppliers at least once a year to identify potential risks in the upstream supply chain;</li> </ul>	<ul style="list-style-type: none"> <li>Advance the enhancement of the supply chain compliance module within the automated supplier evaluation standards system, gradually achieving digital traceability and automated identification throughout the entire raw material process to ensure the effective identification and management of Conflict Mineral risks;</li> </ul>	<ul style="list-style-type: none"> <li>For suppliers identified as involving key materials such as 3TG (i.e., tantalum, tin, tungsten, and gold), require them to provide annual evidence demonstrating that no labor rights violations occurred during the extraction of their raw materials.</li> </ul>
 Supervision, Audit, and Rectification	<ul style="list-style-type: none"> <li>Use social responsibility audit tools such as SMETA (Sedex Members Ethical Trade Audit) to periodically monitor compliance in supply chain links, and conduct timely on-site audits, third-party audits, and other Due diligence on the source and chain of custody of controversial minerals;</li> </ul>	<ul style="list-style-type: none"> <li>For risk points identified during the audit process, assist suppliers with rectification and track their progress, and, where necessary, support suppliers in conducting investigations and audits of their upstream partners;</li> </ul>	<ul style="list-style-type: none"> <li>Upon discovery of the use of Conflict Minerals, take actions such as returning goods, terminating procurement, or switching to a compliant mineral source, depending on the specific circumstances.</li> </ul>

### 2025 key performance indicator

Signing Rate of the Supplier Commitment Letter on Not Using Conflict Minerals

100%

Number of Suppliers Involved in the Supply of 3TG (I.e., Tantalum, Tin, Tungsten, and Gold) Materials

180

Number of Non-Compliance Incidents

0

Supplier Conflict Mineral Audit Coverage Rate

100%

Training Coverage Rate for Procurement Personnel on Content Related to Conflict Mineral Identification Methods

100%

Percentage of Relevant Products Certified Externally, According to the Most Stringent Standards

100%

Number of Controversial Procurement Incidents

0

Supplier Conflict Minerals Reporting Template (CMRT) completed by Sanden Company

113

Percentage of Products with Traceable Raw Material Sources

100%

Signing Rate of the Supplier Corporate Social Responsibility Agreement

100%

Sanden Company Extended Minerals (EMRT) Report

109

Collaborating with Suppliers to Address the Impacts of Raw Materials

0%

## Comprehensively Empowering Partners

The Company continuously integrates sustainable development concepts into its supply chain management. By conducting specialized training, experience sharing, and capacity-building activities, it encourages suppliers to constantly improve their management levels in areas such as quality management, green and low-carbon practices, and compliant operations.

## 2025 key performance indicator

Number of Supplier Empowerment Training Sessions Organized by the Company

62 Sessions

Year-On-Year Growth Rate

210%

Cumulative Number of Participants

1,469 Participants

Year-On-Year Growth Rate

82%

### Fulfill Leading Responsibility, Promote Industry Symbiosis

Hisense HA, as the chairman unit of the Guangdong Household Electrical Appliances Chamber of Commerce, has organized research covering 170 enterprises, arranged more than 30 sessions to connect upstream and downstream procurement demands, and hosted or co-organized 45 industry exchange events to advance sustainable industrial development. In 2025, it assisted 706 enterprises in completing over 100,000 product warehousing procedures and facilitated the implementation of the trade-in policy.



### Deepening supply chain technical collaboration and jointly establishing a joint R&D center

In July 2025, Shandong Kitchen & Bath signed a cooperation agreement with Nidec to jointly establish the "Dishwasher Washing Power Joint Research Center". The two parties will deepen joint R&D on core washing and heat pump technologies, and drive the upgrading of supply chain cooperation from procurement collaboration to technological co-creation.



### Global supply chain Partners Summit

In October 2025, Hisense HA held the 2025 Global supply chain Partner Summit, attended by over 330 supply chain partners from around the world to exchange ideas on the theme 'Intelligent Chain for Global Resilience and Symbiosis'. Concurrently, Shandong Refrigerator hosted a green and low-carbon sub-forum at its supplier conference, reaching several green technology cooperation agreements on aspects such as variable-frequency low-energy consumption technology, ultra-high-efficiency compressors, and low-boiling-point foaming technology for hydrocarbon refrigerants.



### Hosting Core Dealer Conference of Air-source Heat Pumps to Advance Clean Energy Development

In September 2025, the company held the themed conference "Overcoming Mountains, Heading Toward the Light, Forging Ahead at the Tides — Hisense Air-Source Heat Pump Core Dealer Meeting". It showcased the latest technological breakthroughs and product innovations in the air-source heat pump sector, and conducted in-depth exchanges on industry trends and development prospects.

Working closely with extensive dealers, the company actively responds to the national carbon peaking and carbon neutrality strategy. By replacing traditional coal-fired heating with clean energy, it continuously advances technological iteration and market expansion in the domestic water heating sector, leading the industry to new heights.



## Practicing Social Responsibility

Hisense HA continues to focus on issues such as employee development, public welfare, community involvement, and responsible governance, further integrating social responsibility concepts into the entire process of its business operations and management. By constantly improving its system of responsible practices and strengthening value sharing and collaborative building, the Company strives to align its corporate development with social value creation, contributing to a more inclusive, harmonious, and sustainable social environment.

### Responsibility Lights the Future

The Company consistently addresses social issues such as educational equity, rural revitalization, community building, and disaster response, collaborating with various partners to carry out diverse social responsibility initiatives. In educational philanthropy, it focuses on advancing the 'Yuchen Education Assistance' project, with a long-term commitment to supporting education in remote mountainous areas. In rural revitalization, it aids regional sustainable development through initiatives that support agriculture, benefit farmers, and promote ecological restoration. The Company also actively participates in disaster relief, community building, and blood donation drives, continuously giving back to society through tangible actions.

#### Hisense Yuchen Student Aid Public Welfare Initiative

On January 14, 2017, the Yuchen Student Aid Program was launched to fulfill corporate social responsibility and deliver caring educational support for impoverished and left-behind children. Adopting diversified, in-depth and targeted aid measures, the program helps disadvantaged children make up for the lack of global cognition caused by material shortages and insufficient educational resources, while raising public attention and social resonance for poverty alleviation through education. Over the past eight years and more, this public welfare initiative has covered more than 10 provinces and municipalities nationwide, with over 10,000 donated supplies, hundreds of online and offline courses, and more than 250,000 beneficiaries. It has been widely recognized by local schools and governments, delivering remarkable social benefits.



2025 Public Welfare Project Award at the 15th Public Welfare Festival & ESG Impact Annual Conference



2025 Red Top Charity Award

#### Yuchen Student Aid Keeps Forging Ahead, Lighting Up Hope with Actions

In 2025, the Company further advanced the Yuchen Student Aid public welfare initiative. Focusing on the "Caring Laundry Room" project, it donated washing machines and supporting facilities to Sanqingshan School, Kangbei Nursery, Taiyang Village and other locations, effectively solving laundry difficulties for left-behind children. Traditional culture courses were also launched to establish a long-term assistance mechanism. Meanwhile, by holding the "Hisense Cup" University 3D Printing Design Competition and donating teaching equipment to partner colleges, the Company boosted integration of industry and education as well as technology-based student aid. Through the "Caring Football into Campus" program, it delivered sports supplies to Beichuan Primary School, empowering students' growth through sports.



#### Educational assistance initiatives

In the fields of educational assistance and child development, the Company helps children in mountainous areas broaden their horizons and grow healthily through diverse platforms such as reading room construction and public welfare summer camps.

#### "Hisense Blueprint Reading Room" Study Tour Activity

In July 2025, Hisense HA signed a cooperation agreement with the Blueprint Public Welfare Foundation at the opening ceremony of the 35th Blueprint Ocean Public Welfare Study Tour. The Company donated a special fund to establish the 'Hisense Blueprint Reading Room', which is specifically designated for purchasing basic equipment and books for the reading room and covering its subsequent operation and maintenance, thereby creating a high-quality reading space and learning environment for children in mountainous areas.



## 10th anniversary celebration of the 'Reading, Seeing the Sea, and Viewing the World' public welfare summer camp

In August 2025, Hisense Refrigerator held the 10th-anniversary celebration of the 'Reading, Seeing the Sea, and Viewing the World' public welfare summer camp and signed a special cooperation agreement on 'Minor Child Protection' with the Law School of Qingdao University of Science and Technology. The 'Reading, Seeing the Sea, and Viewing the World' public welfare summer camp has covered over 40 schools in more than 10 provinces, including Sichuan, Yunnan, and Guizhou. It has organized nearly 500 outstanding students from mountainous areas to participate in the summer camp in Qingdao. With core modules focused on 'ocean exploration + technology experience + cultural inheritance', the program has built a diversified curriculum system that effectively broadens the cognitive horizons of these students.



## Disaster relief and assistance participation

### Earthquake relief donation campaign

In January 2025, the company donated RMB 362,200 to the earthquake-stricken area, demonstrating its social responsibility and commitment to the spirit of "when disaster strikes, help comes from all sides" through concrete actions

### Aid for Tai Po, Hong Kong

In December 2025, the Company donated HKD 10 million to support disaster relief and reconstruction efforts in Tai Po, Hong Kong.

## Rural Revitalization Practices

Leveraging its industrial advantages, the Company explores diverse paths for rural revitalization through public welfare initiatives that support agriculture, ecological restoration, and brand collaborations with places of origin.

### 'Freshness Discovery Tour' Agricultural Assistance Initiative Selected as a Sustainable Development Practice Achievement

In March 2025, Ronshen Refrigerator, in collaboration with brands from various places of origin, launched the annual 'Freshness Discovery Tour' agricultural assistance initiative. Aiming to 'support agriculture with technology, strengthen it with branding, and increase farmers' income', the initiative leverages core technologies like WILL Natural Preservation. Through brand collaborations, production-sales matchmaking, freshness discovery tours to places of origin, and offline fruit and vegetable exhibitions, it helps enhance the added value and market competitiveness of geographically indicated agricultural products.



During the reporting period, the project case, "'Freshness Discovery Tour' Helps Specialty Agriculture in Places of Origin Generate Income and Enhance Reputation", was selected as a sustainable development practice achievement at the 4th 'Xinhua Credit Golden Orchid Cup'. It has become a benchmark project for public welfare agricultural support officially certified by the Xinhua News Agency, helping to reduce losses and increase the value of agricultural products such as Changping strawberries, Luoping small yellow ginger, Zhongwei selenium-rich sand melons, and Ningxia goji berries.



The 4th "Xinhua Credit Jinlan Cup" Award for Sustainable Development Practice Achievements

### 'Carbon-Green Silk Road' desert oasis co-building initiative

In April 2025, the Carbon-Green Silk Road desert oasis co-building initiative was launched in Dunhuang. The team planted saxaul saplings at Yangguan Forest Farm and signed the co-building commitment for the Carbon-Green Silk Road. Hisense Central Air Conditioning has organized tree-planting activities in Yangguan Forest Farm for four consecutive years. It has long embedded the green development philosophy into product R&D, manufacturing and social responsibility practices. Through ongoing afforestation programs, it contributes to the construction of Dunhuang's ecological barriers and the prevention and control of local desertification.



## • Building warm communities

The Company actively integrates into community development and conveys corporate warmth by sponsoring community sports events and collaborating with communities on festive care activities.

### 🏆 Title Sponsorship of the 5th 'Hisense HA Cup' Employee Football Tournament

In September 2025, Hisense HA sponsored the 5th 'Hisense HA Cup' Football Tournament organized by the Ronggui Federation of Trade Unions. The tournament was open to teams from enterprises and institutions within the jurisdiction, with a total of 15 teams participating. Through its sponsorship, Hisense HA supported the development of local mass sports activities and promoted community sports and inter-organizational exchange.



### 🏠 Partnering with the community to hold the 'Warmth of Laba Festival' worker care event

In January 2026, Hisense HA partnered with the Desheng Community to host the 'Warmth of Laba Festival' event at the Hisense Worker's Station (Desheng Community Charity Canteen). The event was open to frontline workers, outdoor laborers, and community residents, providing hot meals and Laba congee. It also featured fun interactive games and on-site free medical consultations from the medical staff of the Hisense Clinic, conveying corporate care and strengthening community bonds.



## • Blood donation drives

### 🏆 'Hisense Passionate Blood' Blood Donation Charity Drive

In 2025, Hisense HA organized blood donation drives across its various campuses, including Shunde, Pingdu, Huangdao, Shangma, Jiangmen, and Huzhou. A total of 211 people participated, donating 76,600 ml of blood and conveying heartfelt passion through their actions.



## 🏢 Fostering Industry Development

The Company drives product upgrades through technological innovation and actively plays a leading role in standards development, promoting the establishment of industry norms and the improvement of the industrial ecosystem. Leveraging its long-term expertise in technology, products, and scenario applications, the Company continuously transforms its corporate practices into industry experience, contributing to the creation of a more standardized, collaborative, and sustainable industry ecosystem.

### 🏆 Led the formulation of "Technical Requirements for Digital Workshops in Mold Manufacturing"

In December 2025, as the lead unit for standard formulation, Qingdao Mould participated in the national standard development working conference for the Technical Requirements for Digital Workshops in Mould Manufacturing, organized by the China Mould Technology Standardization Committee, thereby strengthening its voice in the industry.



### 🏆 Led the development of Specification for Freshness Evaluation of Raw Meat in Household Refrigerators

In September 2025, the Specification for Freshness Quality Evaluation of Fresh Meat in Household Refrigerators, led by Shandong Refrigerator, was officially approved, establishing the first scientific, complete, and quantifiable evaluation system for the meat preservation capabilities in the refrigerator industry.



Standard certificate for the Specification for Freshness Quality Evaluation of Fresh Meat in Household Refrigerators

## 2025 key performance indicator

Number of newly led or participated standards

# 122

Cumulative number of led or participated standards

# 840

Of which: Number of led or participated international standards

# 4

Number of led or participated national standards

# 258

Number of led or participated industry standards

# 113

Number of led or participated local standards

# 10

Number of led or participated group standards

# 455

# Partners for Good: Win-Win Cooperation

Hisense HA continuously focuses on employee growth, career development, rights protection, and physical and mental well-being. By improving talent development mechanisms and strengthening employee incentives, communication, and collaboration, the Company constantly stimulates organizational vitality and employee potential, promoting mutual growth and shared success for both employees and the enterprise.

## Protecting Employee Rights

Hisense HA upholds the corporate spirit of 'Respect for People' and is committed to building a fair, diverse, and inclusive workplace. The Company strictly protects the legitimate rights and interests of its employees, promotes the integration of diverse cultures, ensures gender pay equity, and maintains open channels for collective bargaining through the labor union. Through initiatives such as activities dedicated to the care of female employees, the Company continuously enhances their sense of belonging and happiness, laying a solid foundation for sustainable corporate development.

## Diversity and Inclusion in Employment

The Company is committed to establishing fair and just employment mechanisms, and strictly prohibits all forms of forced or compulsory labor, child labor, and other non-compliant labor practices. The Company has established and maintains labor systems that align with social responsibilities and comply with the law, ensuring that all employees are free from discrimination at all organizational levels during the hiring process. It provides a fair employment environment for all employees, avoids the abuse of disciplinary measures, and protects their legitimate rights and interests.

The Company upholds a talent management philosophy of equality and inclusion, focusing on the needs of specific groups such as foreign nationals, persons with disabilities, women, ethnic minorities, and newly recruited graduates. It enhances employment support, rights protection, facility services, and specialized training to create a diverse, friendly, warm, and respectful workplace. In doing so, the Company earnestly fulfills its social responsibilities and facilitates the mutual growth of its employees and the enterprise.

### Specialized Training

Shandong Air-Conditioning focuses on groups including foreign nationals, persons with disabilities, women, and newly recruited graduates. It covers the costs of employment permits for core overseas talent and reimburses settling-in allowances after one year of service. The company legally employs individuals with disabilities, safeguarding their legitimate rights and interests. It has also established a talent development department to provide specialized training for new campus recruits, fostering an all-encompassing workplace atmosphere of equality and inclusion.



### Employment Support

Qingdao Mould cooperates with competent government authorities, disabled persons' federations and other relevant institutions to jointly promote employment for people with disabilities. During the reporting period, the company employed 7 staff with disabilities.



### Diversity & Inclusion

Shandong Refrigerator places great importance on the integration and development of employees from ethnic minorities. It has created an equal, respectful, and inclusive working environment by setting up a dedicated Halal food counter, respecting their housing preferences, promoting ethnic culture, providing care during important festivals, and upholding principles of fairness and justice in all aspects of recruitment, training, and promotion. These measures foster the integration of diverse cultures and the harmonious development of the enterprise.



## 2025 key performance indicator

Employees

37,759

Social Insurance Coverage Rate

100%

Incidents of Forced Labor, Child Labor, Discrimination, and Harassment

0

Number of Discrimination and Harassment Incidents

0

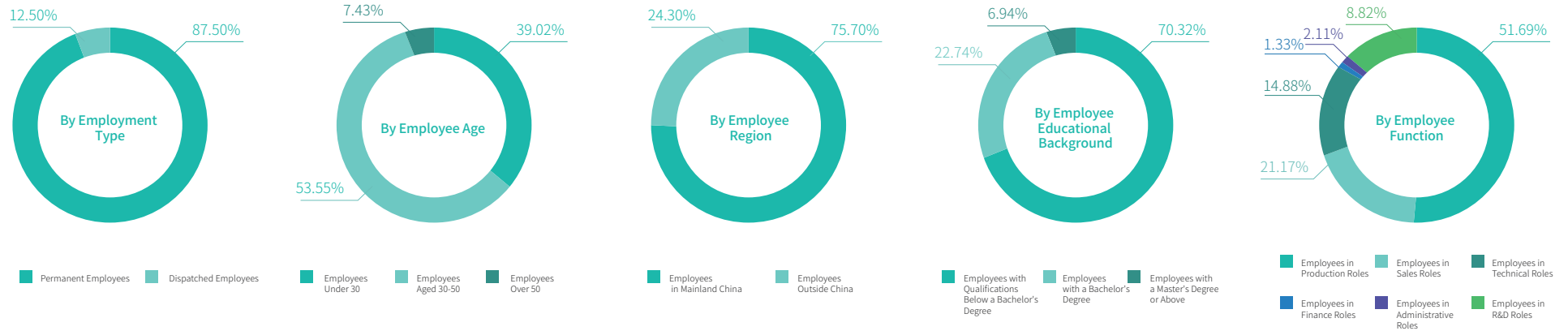
Number of Discrimination and Harassment Incidents Handled

0

Resolution Rate of Discrimination and Harassment Incidents

0%

## • Employee Ratio



## Cultural Integration and Coexistence

The Company places a high value on diversity and inclusion in the workplace, actively promoting respect for individual differences in its operational management and committing to fostering an organizational atmosphere where every individual can utilize their talents and collaborate for mutual progress.

### Overseas Talent Localization Strategy

In its overseas operating regions, the Company implements a localized employee management mechanism, extensively recruiting talent from local communities, fully leveraging local human resource advantages, and focusing on building professional teams with an international perspective and cross-border collaboration capabilities.

### Cross-Cultural Integration Mechanism

The Company organizes regular exchange activities between headquarters and overseas employees to promote information sharing and business synergy across different regions, effectively strengthening team cohesion and driving the deep integration and co-development of diverse cultures.

## Gender Pay Equity

The Company consistently upholds the core principles of equal employment and equal pay for equal work, strictly complies with relevant labor laws and regulations, and is fully committed to creating a workplace environment free from gender discrimination and conducive to fair development.

## Trade Union Collective Bargaining

The Company respects the rights of employees to freedom of assembly and association in accordance with the law and encourages employee participation in democratic management and supervision through equal consultation and the collective contract system. During the report period, the Company's trade union covered 100% of employees. The union has an internal legal team to provide employees with legal consultation, legal aid, and labor dispute mediation support, effectively safeguarding employee rights and interests.





## 2025 key performance indicator



1: Chinese nationality is defined as 'China, Hong Kong (China), and Taiwan (China)'.

## Communication and Grievance Channels

The Company values employee feedback and requests, creating diverse 'online + offline' communication platforms and feedback channels, and establishing a multi-dimensional, multi-level employee communication and grievance mechanism. The Company continues to enhance the HCI (Hisense Continuous Improvement) application to collect employee innovation proposals, suggestions, and policy recommendations.

	<h3>Communication Platforms and Channels</h3> <p>The Company has established online communication platforms such as 'Trust Home', 'Managers' Roundtable', 'Xinhong', and 'WeChat' to listen to and adopt employee suggestions; enables employees to participate in company decision-making through workers' congresses and various committees to break down internal communication barriers; and organizes symposia by various departments, high-level management meetings, and special meetings for workers on safety and protection, as well as meetings about letters to employees' families.</p>		<h3>Supervision and Complaint Channels</h3> <p>The Company has an internal Discipline Inspection Commission and receives employee complaints offline through channels such as 'Youxin', suggestion boxes, and report boxes. The Company's General Manager's Office and the Discipline Inspection Commission have set up dedicated email addresses for employee complaints and have placed complaint boxes in public areas such as cafeterias and dormitories.</p>
	<h3>Grievance Handling Process</h3> <p>Dedicated personnel organize the handling of complaints based on the content of the report, with a closed-loop process completed within one week; confidentiality is maintained for whistleblowers, and rewards are given as appropriate for verified cases; for verified cases, improvements are made through internal announcements or small-scale case sharing, depending on the nature and confidentiality of the incident.</p>		<h3>Performance Communication Mechanism</h3> <p>For employee performance evaluations and assessments, the Company conducts regular interviews to ensure fairness and reasonableness.</p>

## Women's Rights & Care

The Company is dedicated to creating an inclusive and diverse professional ecosystem, systematically protecting the rights and interests of female employees, and cultivating an environment for the growth of female management talent.

### Upholding Fair Rights and Interests

The Company guarantees that female employees enjoy fair opportunities at all career stages, fully implements the marriage and maternity leave system, and prohibits employment discrimination during pregnancy, maternity, and lactation periods. During the report period, the Company conducted a comprehensive pay equity assessment across all positions, and the data showed that the income distribution between different genders was reasonable, with no systemic bias.

### Caring for Physical and Mental Health

The Company provides specialized health check-up services for female employees, does not assign pregnant or lactating employees to high-temperature or high-intensity work, and periodically organizes physical and mental adjustment activities, showing genuine concern for the special needs and well-being of its female employees. The Refrigerator Company has set up a 'Loving Mother's Cabin' to provide a resting place for pregnant and lactating female employees. The Air Conditioning Company has rest rooms and psychological counseling rooms for new mothers, providing care and support for its employees. The Air Conditioning Company has established a combination of online and offline communication channels. Online, it relies on an employee feedback platform, while offline, it widely solicits employee opinions through forums and employee visits. During the report period, the average monthly issue rate on the feedback platform was 0.3%, the issue closure rate reached 82%.



### Fostering female talent

The Company has established a progressive training system for female management talent, broadening career development channels for women through systematic leadership programs and continuously strengthening the organization's diversity and inclusion capabilities.

### Organized International Women's Day activities

In March 2025, Hisense HA organized events to coincide with women-related holidays, including a film screening for all female employees on International Women's Day.



### Organized Mother's Day activities

In May 2025, Hisense HA held a symposium themed 'Love on Mother's Day', presenting holiday gifts to female employees and creating a platform for communication and exchange. The Company organized themed activities such as heartwarming film screenings, greeting card exchanges, and lacquer fan making. Female employees experienced the warmth of family affection while watching films, expressed their feelings through greeting cards, and stimulated their imagination and creativity through handmade crafts, enhancing their practical skills and innovative awareness.



Holiday gift presentations



Mother's Day Symposium



Film screening event



Lacquer Fan Making

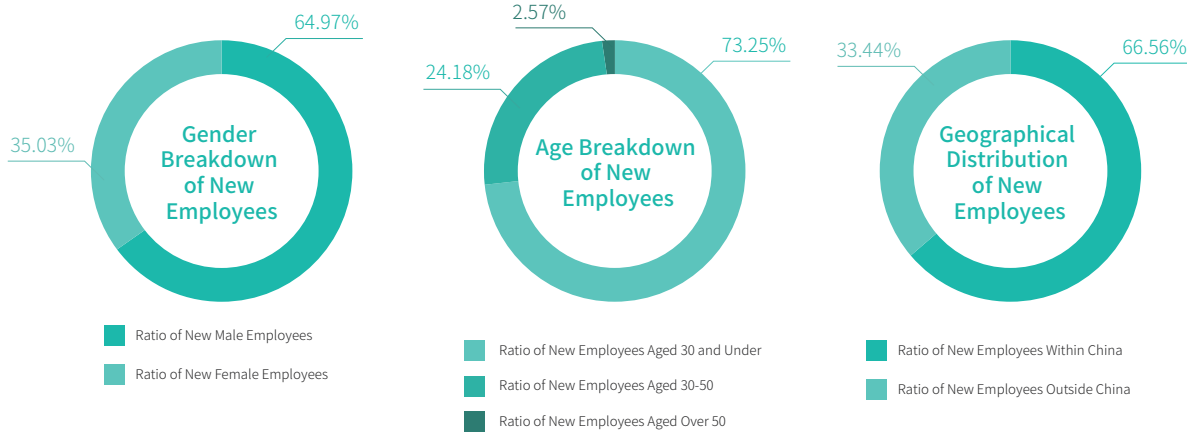
## Attracting a Wide Range of Talent

Hisense HA continuously optimizes its talent strategy and incentive mechanisms, focusing on job requirements, skill structures, and development potential to precisely attract talent and absorb professional and younger individuals. The Company upholds the principles of fairness and openness, building growth platforms for all types of talent and creating a diverse, inclusive, and collaborative development environment to inject sustained momentum into the enterprise's high-quality development.

### Attracting, Recruiting, and Retaining Talent

The Company continuously enhances its recruitment system, adhering to the principles of openness, fairness, and merit in line with its business development and role requirements. We focus on attracting outstanding talent who possess professional capabilities, an innovative spirit, and development potential, thereby providing robust human capital support for the Company's sustained growth.

The Company prioritizes talent stability and team building. By improving career development pathways, optimizing incentive mechanisms, and strengthening employee care, we enhance employees' sense of belonging and identification. The Company monitors talent attrition risks and boosts retention by providing a positive development platform and organizational atmosphere, thereby maintaining the stability and continued vitality of its talent pool.



### 2025 key performance indicator

Employee Engagement Score

4.58

Employee Engagement Survey Participation Rate

100%

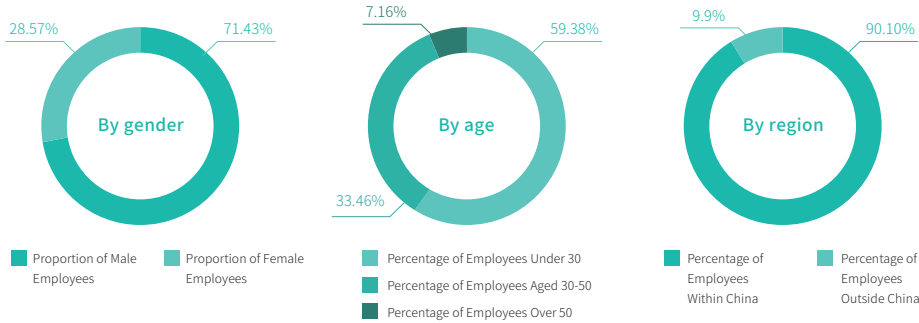
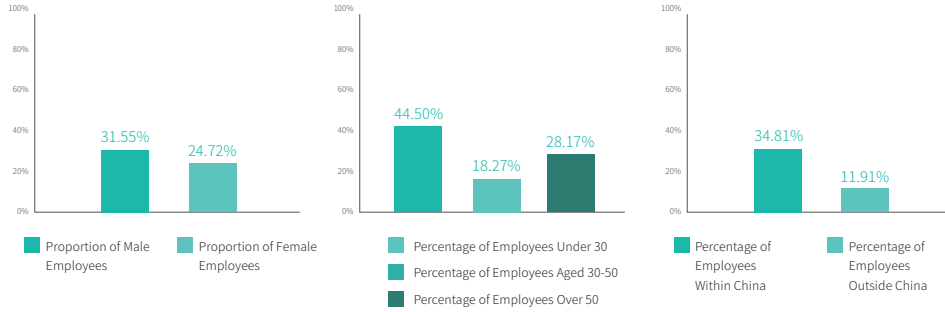
Number of New Employees

8,325

New Employee Ratio

22.05%

2025 Employee Turnover<sup>1</sup>



<sup>1</sup>:During the reporting period, the voluntary employee turnover rate of the Company was 29.24%, covering all front-line production and non-production employees.  
Employee turnover rate = Number of resigned employees in the current period / Total number of employees at the end of the reporting period.

Competitive Compensation and Benefits

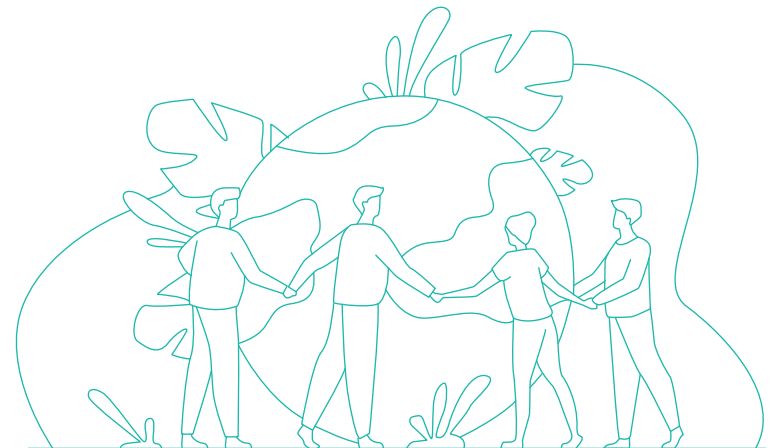
The Company adheres to the principle of distribution according to work and the *Implementation Rules for Salary Management and Distribution*, implements equal pay for equal work and more pay for more work, and applies the principle of distribution according to work, closely linking the amount of work performed by employees with their remuneration to ensure that their compensation aligns with their contributions.



SANDEN (Thailand) Company Wins National Labour & Welfare Award for 9 Consecutive Years

2025 key performance indicator

Employee Compensation Paid	Return on Human Capital Investment	Employee Benefit Coverage Rate
8.77 RMB Billion	54%	100%



## Performance Appraisal Mechanism

The Company conducts regular performance assessments for all employees and ensures they are promptly informed of the results. The Company implements the Personal Business Commitment (PBC) performance management tool, utilizing organizational performance and other assessment metrics to cascade and execute the Company's strategy at all levels, providing all employees with performance-based variable compensation.

### Hisense HA Performance Assessment Mechanism

#### Assessment Frequency

Management: Annual assessment.  
 Management and professional positions: Quarterly and annual assessments.  
 Operational positions: Monthly and annual assessments.



#### Assessment Metrics

Derived from strategic indicators, strategic decomposition, cross-organizational collaboration needs, job responsibilities, and team goals.



#### Appeal Mechanism

The Company conducts regular performance communication and coaching, holds annual performance interviews, and has established a performance appeal process. Employees with objections can provide feedback to the Performance Management Committee, which will investigate, verify, and make corrections.



## Driving Development by Nurturing Talent

The Company continuously improves its long- and medium-term incentive mechanisms and has successfully completed the unlocking of its Phase I and Phase II equity incentives, deeply aligning the interests of core management and key personnel with the Company's long-term development. By granting incentive rights, the Company fully mobilizes the enthusiasm and creativity of its core team, stimulates organizational innovation, enhances its appeal to high-end talent, communicates confidence in steady performance growth to the capital market, and injects new governance momentum into achieving its strategic goals.

During the report period, the Company innovatively launched a 'Digital Rank Advancement' mechanism, establishing a new paradigm for talent development that is performance-oriented and competency-driven.



#### Linking Resource Allocation to Performance

Advancement resources are dynamically allocated based on current operating results, aligning growth in revenue and profit with promotion opportunities to incentivize a symbiotic relationship between employees and the organization.



#### Unlocking Advancement Channels Through Competency Certification

Employees must pass the qualification certification for their target rank to be eligible for promotion quotas, driving the continuous conversion of knowledge and skills into performance value.



#### Fostering Vitality Through Long-Term Alignment

Deeply anchoring personal growth to the Company's long-term value ignites the internal innovation engine, attracts high-end talent, signals steady growth to the capital market, and injects new governance momentum for strategic leaps.

### 2025 key performance indicator

Percentage of Employees Who Regularly Undergo Performance and Career Development Assessments

100%

### 2025 key performance indicator

Scope of Employees Covered by Employee Stock Ownership Plans or Stock Purchase Plans

2.20%

## Caring for Employee Well-Being

The Company has built a care management system covering all employees, offering comprehensive support across multiple dimensions, including welfare benefits, leave policies, and recreational and sports activities, to help employees alleviate stress and enhance their happiness and work motivation. The Company has also established a comprehensive employee service center that regularly organizes employee care activities to genuinely support employee development.



### Universal and Inclusive Benefits for All Employees

The Company provides a diverse range of welfare benefits, including holiday bonuses, housing loan support, rental discounts, and internal purchase discounts on home appliances.



### Personalized Care Programs

The Company formulates differentiated care measures for different employee groups to ensure that all employees feel the warmth and support of the enterprise.

### Hisense HA Employee Welfare System

<p><b>Welfare Items</b></p> <ul style="list-style-type: none"> <li>Provides holiday greetings and gifts to employees on major holidays.</li> <li>Distributes high-temperature subsidies during hot weather in accordance with the standards of the operating location.</li> <li>Organizes employee birthday parties to help employees genuinely feel part of the Hisense HA family.</li> </ul>	<p><b>Rest and Leave</b></p> <ul style="list-style-type: none"> <li>Basic leave: Paid annual leave, marriage leave, maternity leave, paternity leave, parental leave, elder care leave, etc.</li> <li>Special leave: Leave to accompany children for school entrance examinations, Spring Festival reunion leave.</li> </ul>	<p><b>Logistical Support</b></p> <ul style="list-style-type: none"> <li>Improves the living and working environment on campus to enhance the comfort of employees' work and daily lives.</li> <li>Provides caring childcare services for employees' children during the summer vacation to address their holiday care needs.</li> <li>Organizes special chartered vehicles during the Spring Festival travel rush and conducts care activities such as providing New Year's Eve dinner for employees who remain at the factory.</li> </ul>	<p><b>Health Management</b></p> <ul style="list-style-type: none"> <li>Provide in-service employees with at least one free physical examination every year, and follow up on abnormal physical examination results.</li> <li>Deliver effective guidance and assistance for employees' physical and mental health.</li> </ul>
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Uphold the people-oriented culture of respecting employees, convey corporate care through diversified measures, and inject warm momentum into corporate development.

### Unique Medical-Corporate Integration to Support Employee Health Services

In March 2025, Hisense HA held an opening ceremony for the medical-corporate integrated gynecology clinic at its Shunde campus, in partnership with the Shunde Women and Children's Hospital of Guangdong Medical University. A large-scale free clinic event was held concurrently at the site, further upgrading the health management system under the theme of 'Building a Healthy Enterprise, Extending to Healthy Families, and Co-creating a Healthy Society'.



About This Report ceremony for the medical-corporate integrated clinic

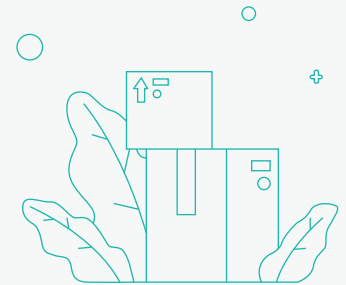


Free clinic event with specialists

### 2025 key performance indicator

Coverage Rate of Employee Benefits (Including Statutory and Non-Statutory)

100%



## Build staff service stations for workers

In June 2025, in line with its industrial reform work plan, Hisense HA upgraded its employee service center into a trade union station. This station is also open to public workers and surrounding enterprises, providing multi-dimensional services that benefit workers, such as Party-building and trade union publicity, creating a platform to further advance the reform of the industrial workforce.



Unveiling ceremony for the workers' station



Support services at the workers' station

## Hold the 4th "Haisen Summer Camp"

In July 2025, driven by its commitment to caring for the growth of the next generation, Hisense HA held the fourth 'Hi-Sense Summer Camp'. This initiative effectively addresses the 'childcare challenge' for young children during the summer vacation, enhances employees' sense of happiness and belonging, and forms a distinctive '3+X' care system.



'Haisen Summer Camp' opening ceremony



Holding the Lecture on Common Infectious Diseases

## Hold sports activities to relieve employee stress

In November 2025, Hisense HA hosted several sporting events, including a basketball tournament, a team badminton tournament, and a shuttlecock kicking competition, with active participation from employees across all departments. These activities aimed to relieve stress, inspire enthusiasm, promote communication, demonstrate a spirit of unity and progress, put the 'work happily, live healthily' philosophy into practice, and enhance the sense of belonging and cohesion.



Badminton tournament



Shuttlecock kicking competition

## 'Ten Miles of Spring Breeze, Happiness with You' Spring Walk

In March 2025, Hisense HA organized a 50-kilometer spring walk, bringing together employees from different departments to walk, communicate, and share experiences.



## Deepening employee care through internal and external collaboration and conveying corporate warmth with diverse initiatives

In September 2025, Hisense HA partnered with Sinopharm Taiji Group to launch the 'A Bottle of Water, A Message of Love' public welfare initiative as part of the 2025 'Labor Heatstroke Prevention Festival' to care for workers. This initiative fully integrated employee care into various areas, including health management, catering services, holiday celebrations, mutual employee assistance, and cultural and sporting activities.



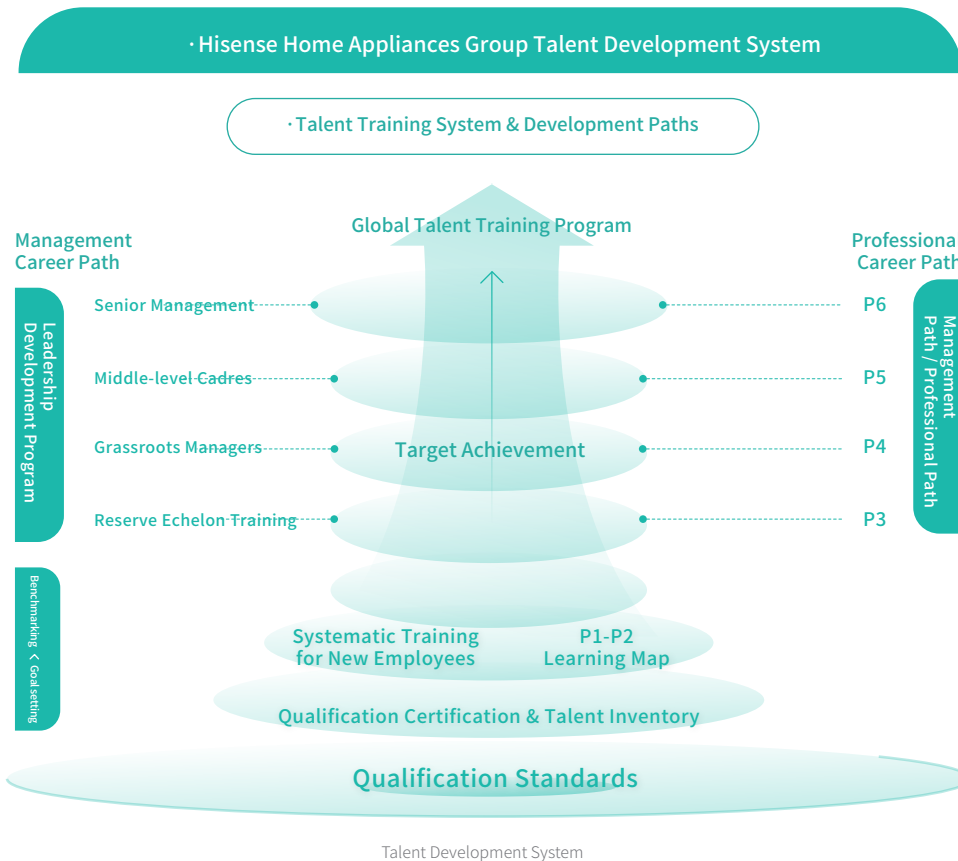
## Employee Growth and Development

Hisense HA has always regarded the career development of its employees as a key driver of sustainable development. The Company has a comprehensive talent development system that uses professional qualification standards as a benchmark to support and facilitate employee growth.

### Building Career Ladders

The Company is deepening the reform of its job and position system. By streamlining job sequences, standardizing nomenclature, and building a standard job repository, it clarifies career development paths for employees, fosters a fair promotion environment, and broadens dual-track growth paths for both management and professional roles. Concurrently, the Company has established a performance-oriented promotion mechanism that links business results with advancement opportunities, providing outstanding contributors with a larger platform for development and achieving a mutual commitment to both personal growth and corporate success.

The Company continuously improves its professional qualification system to guide employee growth. It conducts annual qualification certifications to assess capabilities, identify gaps, and encourage improvement, providing promotion opportunities for those who pass certification and stimulating employees' motivation for development.



Digital and Intelligent Talent Cultivation. The Company has launched a digital talent cultivation and certification system. This system caters to talent both within and outside specialized digital project teams, classifying and certifying digital talent into three categories: application-oriented, management-oriented, and professional-oriented.

### Digital Talent Cultivation System

Application-Oriented	Management-Oriented	Professional-Oriented
<p><b>Junior:</b> Implement digital improvement proposals based on daily job duties to enhance work efficiency.</p> <p><b>Intermediate:</b> Implement digital improvement projects based on key business tasks to generate tangible benefits; sort and optimize sub-business processes based on digital transformation project plans to drive digital implementation.</p> <p><b>Senior:</b> Sort business process architecture based on digital transformation project plans, drive digital implementation, and promote business transformation.</p>	<p><b>Junior:</b> Undertake the list of digital improvement tasks within the managed organization, promote digital improvement proposals, and cultivate employees into digital talent.</p> <p><b>Intermediate:</b> Formulate key digital improvement tasks for the managed organization, promote digital improvement projects, and cultivate employees into digital talent; break down digital transformation project strategies and roadmaps; manage and advance the work of digital transformation projects.</p> <p><b>Senior:</b> Formulate digital transformation strategies and plans, manage and promote change projects, and achieve successful transformation and business improvement.</p>	<p><b>Technical:</b> Provide support in areas such as technology and data based on digital transformation project plans, enabling business concepts to be realized through digitalization.</p> <p><b>Support:</b> Apply professional skills in one's own field to provide support and assurance for digital transformation projects in areas such as HR, finance, internal control, and project management.</p>

### 2025 key performance indicator

Internal Recruitment Ratio for Non-Frontline Personnel at Hisense HA <sup>1</sup> During the Report Period

**16.98%**

<sup>1</sup>: Internal recruitment ratio = Total number of vacant positions filled by the Company's own employees / Total number of vacant positions at the Company during the reporting year.

## Improving the Training System

The Company has built a three-tiered 'Group-Company-Department' training system to empower employee growth at different levels and has established a selection and cultivation mechanism for a globalization reserve talent pool, expanding overseas development channels for its employees.

### Overview of Hisense HA Employee Training

Training Category	Features
Corporate Culture Training	This refers to training for new employees from campus or social recruitment, covering corporate culture, an introduction to corporate human resources, business knowledge of various departments, and an overview of employee development channels. The goal is to provide new employees with an initial understanding of the enterprise and help them integrate quickly.
Professionalism Training	This refers to training designed to enhance employees' personal qualities, moral cultivation, and the development of a positive professional mindset and habits. It includes training in professional ethics, skills, conduct, work style, awareness, and attitude.
General Knowledge and Skills Training	This refers to training organized to enhance the basic knowledge and skills necessary for employees' job roles and to improve the general management capabilities, knowledge, and skill levels of all staff. Examples include training on general skills such as basic operation of OFFICE software, communication techniques, negotiation tactics, and time management, as well as learning sessions for relevant personnel from various departments on the Company's management systems and basic business processes.
Professional Knowledge and Skills Training	This refers to training organized to enhance the professional skills required for employees' job roles, such as training in process quality, professional financial skills, professional human resources skills, and professional sales techniques for sales staff.

### Improvement of Professional Competence and Comprehensive Quality

Qingdao Mould's training initiatives are systematically structured around four key dimensions: core skills and knowledge, industry and market foresight, general capabilities and professionalism, and company culture and systems. This approach comprehensively enhances employees' professional abilities and overall qualities, providing a solid talent foundation for the company's high-quality development.

- Core Skills and Knowledge: Professional job skills, product and solution knowledge, and business process and tool operation;
- Industry and Market Foresight: Interpretation of industry trends and technologies, and methods for market and customer insight;
- General Capabilities and Professionalism: Management and leadership, office and soft skills, and enhancement of professional conduct;
- Company Culture and Systems: Interpretation of corporate culture and strategy, rules, regulations, and compliance, and safety and health training.

### Special Training for "Turnaround Plan" and "Quenching Plan"

To enhance employees' professionalism and professional skills, Shandong Refrigerator has launched specialized training programs such as the 'Turnaround Plan' and the 'Quenching Plan' to promote their all-round growth.

· 领导力驱动组合 ·

领导力DNA

领导力画像

领导力旅程

· 基中层必备领导力 ·

业务

团队

个人

三年目标

研发序列储备人才选拔

输出人才

实践占比 70%

导师占比 20%

课程占比 10%

'Turnaround Plan' rapid improvement training camp for new cadres

High-potential reserve job rotation plan for the R&D sequence

'Quenching Plan' leadership-mentorship program

• Group Level: Focuses on Developing High-Potential Cadres and Tackling Major Projects

• Company Level: Annual Training Plans Are Customized by Each Business Unit

• Department Level: Supplementary Training Is Conducted to Address Capability Gaps

### Training of Skilled Talents

In November 2025, Shandong Kitchen & Bath launched the 'Adjacent Workstation Multi-Skilled Worker Complementation' special skills enhancement initiative, revised the *Management Measures for the Cultivation and Motivation of Multi-Skilled Workers*, and increased job allowances for multi-skilled workers in high-level positions learning skills for lower-level positions. In December, 22 individuals completed training and certification, bringing the cumulative reserve of multi-skilled workers for key positions to 68.



### Digital Talent Development

Hisense Hitachi launched 11 talent development programs, including Digital Talent Cultivation and the Cornerstone Plan, conducting 245 training sessions totaling 2,481.5 course hours, with an average of 70.1 training hours per person and a cumulative 27,196 participants, thereby enhancing employees' professional expertise.

干部培养	新任干部储备	干部能力	新任干部储备培养	干部梯队建设	干部梯队建设	干部梯队建设
员工培养	物建储备人才	物建储备人才	物建储备人才	物建储备人才	物建储备人才	物建储备人才
	品管计划	品管计划	品管计划	品管计划	品管计划	品管计划
	IT人才	IT人才	IT人才	IT人才	IT人才	IT人才
	九思有识精英	九思有识精英	九思有识精英	九思有识精英	九思有识精英	九思有识精英
数字人才	数字人才	数字人才	数字人才	数字人才	数字人才	
物联网人才	物联网人才	物联网人才	物联网人才	物联网人才	物联网人才	物联网人才

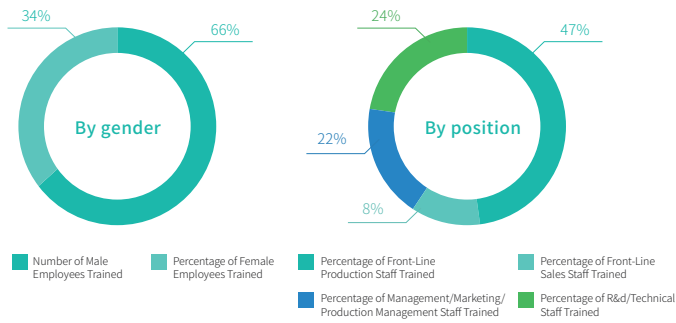
构建具备竞争优势的管理干部与专业人才梯队，持续提升组织能力。

坚持组织文化氛围建设，持续解读与渗透文化，保障组织活力。

## Realizing Talent Value

The Company continually strengthens its investment in talent and the conversion of this into performance, achieving full employee training coverage, solidifying its talent foundation through systematic training, and increasing investment in compensation, which has maintained a stable return on human capital and demonstrates the positive interplay between talent investment and operational effectiveness.

### Number of Employees Trained-33,759Employees



### Total Vocational Training Hours-177.47ten thousand hours



## Strengthening Safety Defenses

Hisense HA adheres to a management philosophy of prioritizing prevention and front-loading risk, continuously improving its occupational health and safety management system and integrating risk management into all aspects of production and operation to provide strong protection for employee safety and production stability.

### Hisense HA's safety performance indicators for the last three years

Indicator	Unit	2023	2024	2025
Number of Work-Related Fatalities	Persons	0	0	0
Workdays Lost Due to Work-Related Injuries	Days	229	741	365
Lost Time Injury Frequency Rate (LTIFR) <sup>1</sup>	/	3.80	0.85	0.40

1: To improve data accuracy, retrospective adjustments have been made to the data for the past three years.

## 2025 key performance indicator

Total Investment in Vocational Training

**0.032** RMB Billion

Percentage of Employees Trained

**100%**

Total Vocational Training Hours

**177.47** ten thousand hours

Average Training Hours per Person

**47** hours

Number of Employees Supported for Academic Qualifications and Credentials

**2,635** Participants

Investment in Employee Academic Qualifications and Credentials Support

**6,129,673** yuan

## Risk Management and Control Practices

The Company promotes risk reduction by focusing on dimensions such as hazard identification, equipment upgrades, and information-based monitoring, and continuously conducts protection, hazard prevention and control, and special inspections through its risk response capabilities.

### Safety Risk Management Measures



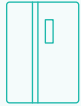
#### Hisense Washing-Machine

A total of 3,240 hazards were identified and are managed by category, achieving an annual risk reduction rate of 10.37% through measures like safety-related technical modifications and hazard inspections. Regular safety protection inspections of machinery and equipment were conducted, with 95 pieces of equipment achieving a 100% pass rate in multiple protection checks. Special equipment is strictly registered, operated by certified personnel, and inspected regularly. In 2025, 18 positions with exposure to hazards were identified, involving chemical substances such as toluene and ethyl acetate, with all testing results being 100% compliant and no instances of exceeding standards. In terms of noise control, with the exception of specific chemical substance positions, all other positions with exposure to hazards have met standards through annual monitoring, and employees are provided with protective equipment and training.



#### Qingdao Mold

The company has increased its investment in intrinsic safety, with a cumulative input of over RMB 8 million used for phasing out old equipment, decommissioning high-risk equipment, and improving the workshop environment. Of this, a special investment of over RMB 4.5 million was made to implement low-voltage retrofits for fire emergency circuits, replace old overhead cranes, and enhance intrinsic safety measures such as safety interlocks, triple protection, fingerprint locks, safety pedals, and anti-collision systems, comprehensively advancing hierarchical risk control and the investigation and governance of hidden dangers.



#### Shandong Refrigerator

By strictly enforcing 'safety red lines' to implement the safety responsibilities of managers at all levels, the company has upgraded the intrinsic safety protection of its equipment and utilized information systems; through the addition of AI cameras on-site, violations have nowhere to hide.



#### Hisense Hitachi

Focusing on the control of high-risk hazards, the workplace environment risk level decreased by 19.08% year-on-year. In terms of electrical safety, the dual-system management for electrical safety was improved, one external safety diagnosis was organized, seven electrical safety training sessions and six special inspections were conducted, and three electrical-specific improvements were advanced, including electrical fire monitoring, renewal of old equipment, and upgrading of the grounding system.

### Retrofit of an Automated Glue-Dispensing Robot for E-Line Pre-Assembly

The pre-assembly process on E-line at the Shandong Refrigerator Pingdu factory originally involved manual application of sealant between the U-shell and the inner liner, which posed risks such as burns from the 120°C adhesive, electric shocks from leaking hand-held equipment, and cuts from sharp edges; an automated glue-dispensing robot has been added to replace manual application, configured with an isolation net, safety light curtain, safety interlock, and AI monitoring to meet triple protection requirements, and after the improvement, one position was eliminated, the occupational health risks of the original post were removed, the risk level was reduced by 12%, and there was no environmental impact.



### 'Triple' safety protection and control for overhead cranes

At the Ronshen Refrigerator Shunde factory, the overhead crane, as a piece of high-risk special equipment, originally relied on manual verification of operating certificates and visual observation, which created loopholes in qualification management and human-machine interaction risks; by adding an anti-skew pulling device, an AI camera, and facial recognition equipment, the system now achieves facial recognition for 'dedicated personnel for dedicated posts', AI perception for 'crane stops when people are near', and automatic shutdown for 'anti-skew pulling' during hoisting, resulting in a 72% reduction in risk with an investment cost of RMB 19,504 and no environmental impact.



### 2025 key performance indicator

Number of Safety Hazards Identified and Rectified

120,958

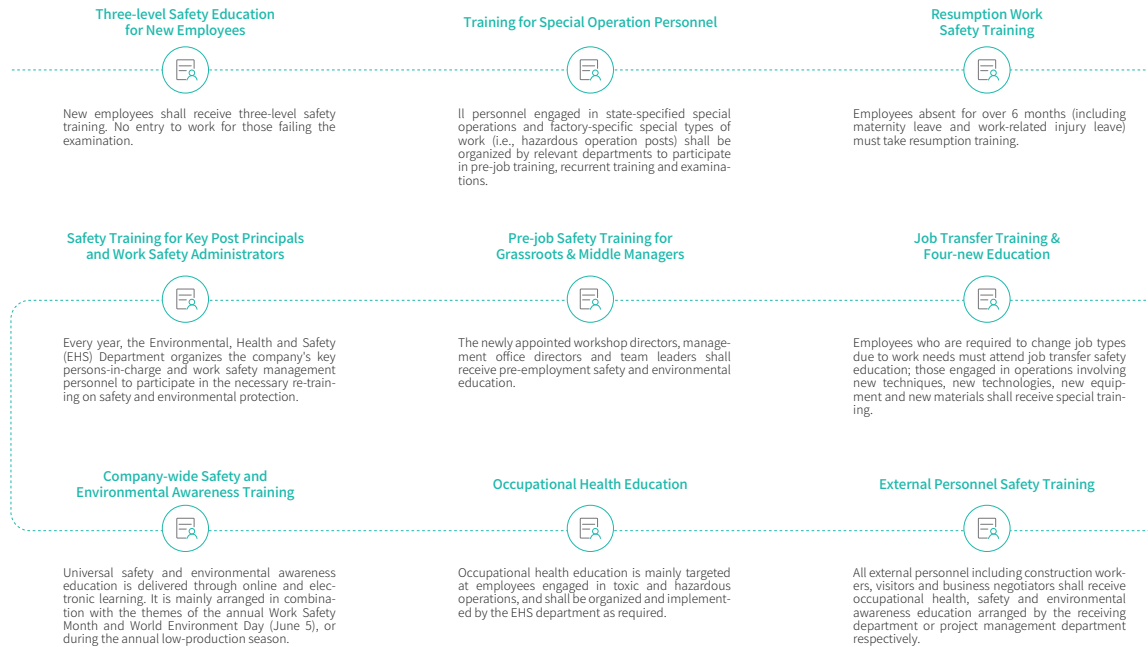
Closure Rate for Safety Hazard Identification and Rectification

100%

## Forging Safety Capabilities

The Company continuously strengthens employee safety awareness and promotes a safety management atmosphere of full participation and continuous improvement through safety training, emergency drills, and the implementation of responsibilities, laying a solid foundation for safe production and stable operation.

### Hisense HA safety education system



### Hisense HA employee occupational health and safety training<sup>1</sup>

Indicator	Unit	2023	2024	2025
Number of Fire Drills	Times	354	378	276
Number of Participants in Fire Drills	Person-Times	46,998	57,011	37,715
Total Number of People Receiving Safety Training	People	56,240	55,670	37,759
Total Average Hours of Safety Training per Employee	Hours/Person	28.10	29.66	41.41

1: In 2024, Hisense HA adjusted the calculation method and scope of its work safety indicators and recalculated the relevant data for 2022 and 2023 accordingly. The safety training mentioned here primarily refers to training with a work safety theme conducted by various business lines.

### National Publicity Week for Occupational Disease Prevention and Control

In April 2025, Shandong Air Conditioning participated in the Occupational Disease Prevention and Control Publicity Week and the Occupational Health Experts Competition (Team Event), themed 'Caring for the Mental Health of Workers'. The Company's situational drama, 'Everything for the Health and Safety of Workers', won the second prize in Guangdong Province and received an excellence award in the competition.



### Carry out a series of activities for Work Safety Month

In June 2025, focusing on the theme 'Identifying Safety Hazards Around Us', Hisense Hitachi launched a series of activities including a kickoff ceremony, a safety consultation day, and a knowledge competition to foster a strong safety culture and ensure employee safety.



## Hold a special forum on work safety management

In August 2025, Shandong Kitchen & Bath held a special symposium on production safety to discuss safety hazards and improvement suggestions in the production process. At the meeting, 13 suggestions for safety improvements were collected; 12 have been implemented and rectified, and the remaining one is in progress.



## Construct a matrix-based training system

Shandong Refrigerator has built a matrix-based safety training system, developing 44 safety training materials for seven types of professional groups and six types of general positions. The materials cover content such as laws and regulations, electrical safety knowledge, and mechanical safety knowledge. This has preliminarily established the matrix-based safety training system, enhancing the effectiveness of safety training for employees at all levels and making the training content more targeted.

## Formulate the 2025 Special Work Plan for Occupational Health, Safety and Environment

The Company formulated the 2025 special work plan for occupational health, safety, and environment. The training content covers 27 special topics, including three-level safety education for new employees, education for job transfers and the 'Four News' (new technologies, new processes, new materials, and new equipment), and return-to-work safety education. The training targets new employees, special operations personnel, safety management personnel, hazardous materials warehouse keepers, and all staff. The training methods combine various forms such as internal lectures, external certification, experiential training, and material distribution to ensure the orderly implementation of safety training throughout the year and comprehensively enhance employees' safety awareness and emergency response capabilities.

## Safeguarding Occupational Health

The Company comprehensively prevents, controls, and eliminates occupational disease hazards in the work environment. Employees in hazardous positions all receive the 'Notification of Occupational Disease Hazards' and undergo a full-process physical examination covering pre-employment, in-service, and post-employment stages. Those unfit for their positions are reassigned. Positions with exposure to noise, dust, and other hazards are equipped with appropriate labor protection supplies. Occupational disease hazard factors in workshops are tested annually, and improvements are made based on the results.

### Key initiatives to improve employee occupational health and safety

#### Hisense Washing Machine

Regarding regular medical examinations, a total of 98 people participated in occupational health check-ups during the reporting period. The physical examination coverage rate for positions exposed to hazards was 100%, and all results showed no occupational health abnormalities.

In terms of updating production safety equipment, various safety improvement projects have been advanced, including those for mechanical protection and the work environment. Examples include the 'integrated three-proof' modification of blasting machines, upgrading the explosion-proof system in charging rooms, and installing AI smart cameras, thereby enhancing the intrinsic safety level of equipment.

#### Shandong Refrigerator

Regarding regular medical examinations, the company strictly implements pre-employment, in-service, and post-employment physicals for positions exposed to hazards. It ensures the notification of occupational hazards and maintains a one-person-one-file management system. In 2025, there were 2,224 occupational health examinations, and all results were normal.

In updating production safety equipment, single-punch equipment was eliminated and a new cleaning line was introduced to reduce noise hazards. Automated loading on the welding line replaced manual labor, reducing the harm from welding fumes. Central air conditioning was added to the workshop to improve airflow to workstations and mitigate high-temperature hazards.

#### Qingdao Mould

Building on the existing foundation, an additional investment of over RMB 4.5 million was made in intrinsic safety. The Company fully advanced risk classification and control, as well as hazard identification and management, while strengthening safety training.

#### Hisense Hitachi

A comprehensive occupational health prevention and control mechanism was established, and the 'Five Ones' of employee care were formulated. Starting with occupational health and wellness services, the company organized and completed physical examinations for

#### Shandong Kitchen & Bath

Systematic work was carried out focusing on enhancing intrinsic safety, leveraging information technology, and innovating processes, achieving significant results.

In safety management, 9 safety and environmental management methods were revised, and 35 management improvement measures were implemented, significantly enhancing the level of on-site basic management. An updated version of the safety information platform was completed, with the AI monitoring system issuing 7,179 warnings throughout the year, enabling digital empowerment of safety management.

In terms of risk reduction, 13 key safety innovation measures were launched, covering areas such as collision avoidance, robotic replacement, and intelligent monitoring. Eight LiDAR units and nine AI monitoring systems were added, cumulatively reducing the risk value by 16.23%.

Regarding safety culture, 62 emergency drills and 8 experiential training sessions were conducted, covering over 500 people and

#### SanDen Company

Focusing on fostering a safety culture, a series of Occupational Health Week activities were held in three locations with over 700 employees participating. SDC in Japan advanced chemical management, held a women's health support seminar, and conducted first-aid training for historical risks. HSAC convened a Safety Committee meeting to define annual safety targets and held a signing ceremony for letters of responsibility.

## Occupational health and safety targets

Target <sup>1</sup>	Achievement Status
Zero Major or More Severe Accidents and Zero Violations with Significant Social Impact	✓
100% Rectification Rate for Major Safety Accident	✓
Recordable Injury Rate per 200,000 Hours Worked: Target of ≤0.1 for Domestic Factories and a 15% Year-On-Year Decrease for Overseas Factories	✓

## 2025 key performance indicator

Hisense HA and its 33 subsidiary companies have obtained GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System certification, achieving certification coverage.

Coverage rate

33

85%

Participation Rate in Occupational Health Examinations for Employees in Hazardous Positions

Pass Rate of Occupational Health Examinations for Employees in Hazardous Positions

100%

100%

Rectification Rate for Occupational Disease Risk Points

100%

Amount Invested in Work-Related Injury Insurance

100%

Work-Related Injury Insurance Coverage Rate

23.73 RMB Million

Amount Invested in Production Safety Liability Insurance

100%

Production Safety Liability Insurance Coverage Rate

9.01 RMB Million



GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System certification certificate

<sup>1</sup>The target only includes the washing machine company, Hisense-Hitachi, Hisense Mould, and Hisense Refrigerator. Among them, the working environment risk level at the washing machine company decreased by 10.37%; the recordable injury rate per 200,000 working hours was 0.02 for Hisense-Hitachi and 0 for the washing machine company.

# 05

## ESG Risks and Opportunities

A robust and effective internal control and risk management system is a crucial guarantee for achieving the Company's strategic goals. Hisense HA continuously strengthens its internal control and risk management by improving mechanisms, refining its organization, optimizing processes, scientifically allocating resources, and systematically advancing internal control and risk management efforts, thereby promoting the continuous improvement and enhancement of its management system and constantly strengthening its operational resilience.

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# Internal Control and Compliance

Hisense HA adheres to the principles of comprehensiveness, materiality, checks and balances, and accountability at different levels. Within the comprehensive risk management framework, it focuses on key areas and high-risk segments, treating the establishment and standardized implementation of internal controls as a key measure to ensure strategic execution, and continuously advances the development of its internal control standards system.

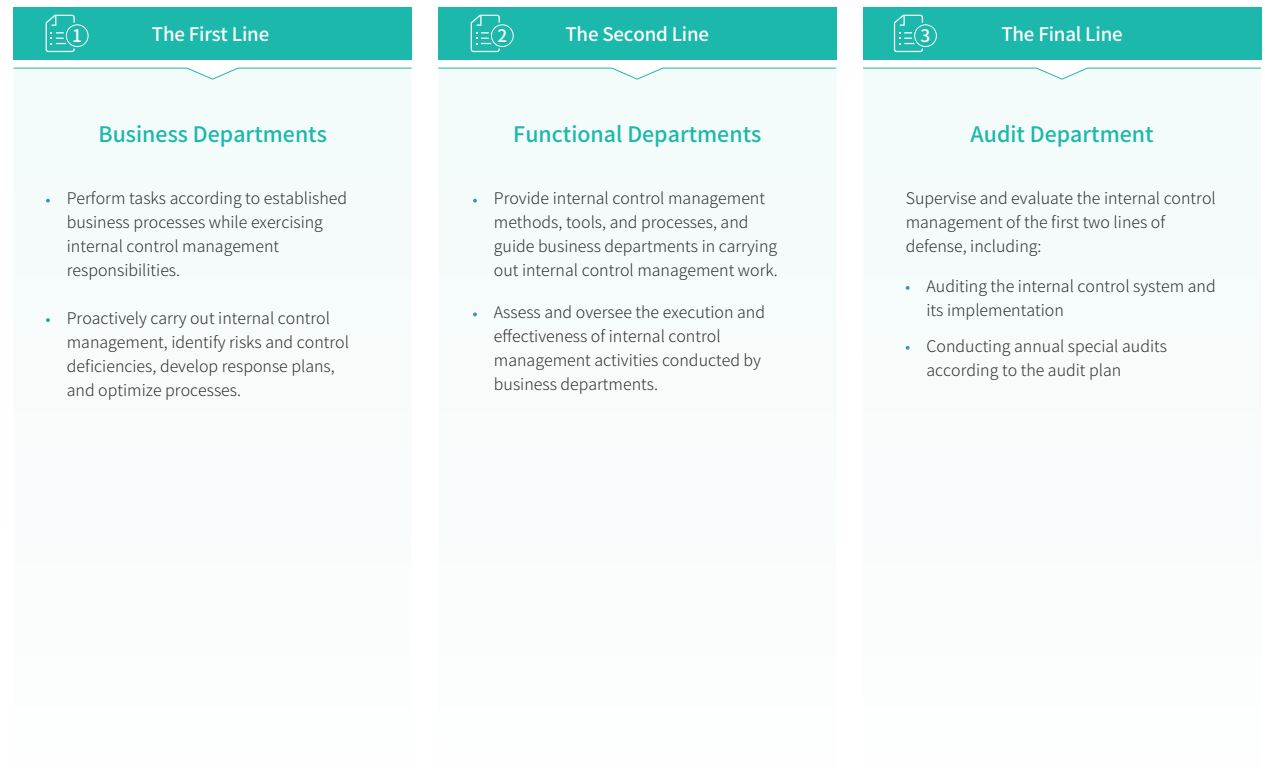
## Strengthening Internal Control Processes

The Company, in accordance with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines and in conjunction with its digital transformation, has deeply integrated internal controls into business processes, achieving 100% coverage of key risks by key control points. It has revised multiple internal control manuals in areas such as manufacturing, logistics, planning and orders, lead-to-cash, and integrated product development, and has launched special internal control enhancement projects in procurement, after-sales, R&D, and quality to optimize operational costs and standardize management.

At the same time, to ensure the effective implementation of internal controls, the Company has clarified the responsibilities of the board of directors and management, cascaded internal control responsibilities through all levels, and established dedicated positions to conduct internal control compliance checks in areas such as planning and orders, procurement, marketing, quality, and safety and environmental protection. This ensures that issues are promptly identified, reported, and resolved in a closed-loop manner, guaranteeing that internal control processes are strictly followed and well-documented, thereby effectively enhancing the efficacy of internal control execution.

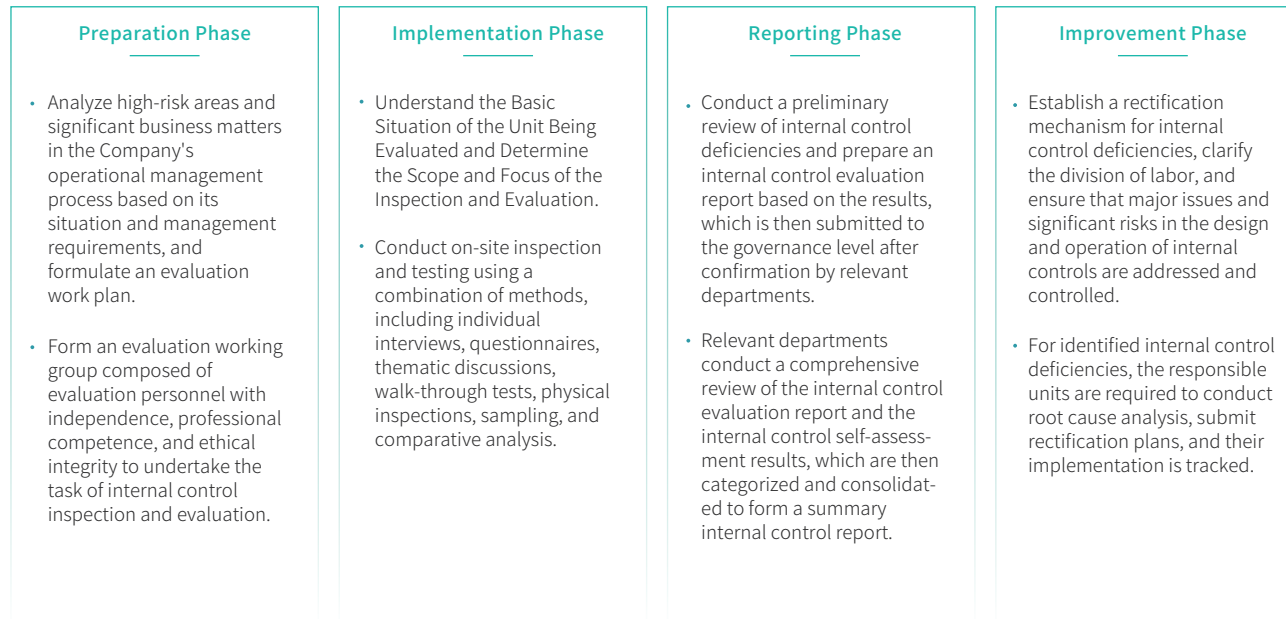
The Company has established an internal control system that integrates scientific decision-making, transparent authority and responsibility, and effective checks and balances, cascading internal control responsibilities to form a three-line defense management structure: business departments of each subsidiary serve as the first line of defense for internal control management, designing and executing the systems, processes, and standards required for their operations based on their scope of authorization, division of responsibilities, and business objectives; functional departments such as the President's Office, Securities Department, Operations and Financial Management Department, Human Resources Department, and Legal Affairs Department collaborate on internal control development and evaluation through continuous risk monitoring and assessment to maintain the effectiveness of the internal control system; and the Audit Department conducts independent supervision of internal controls through monitoring, evaluation, and audit reports.

In conjunction with digital transformation projects, the Company has deeply embedded internal controls into business processes, achieving 100% coverage of key risks by key control points. This effectively enhances the level of risk prevention and control and business support capabilities, laying a solid foundation for sound operations.



By establishing dedicated positions and regularly conducting internal control compliance checks, the Company ensures that issues are promptly identified, reported, and resolved in a closed-loop manner. This effectively guarantees the strict and well-documented execution of internal control processes, continuously enhancing the standardization and reliability of their implementation. In the future, we will continue to optimize our Corporate Governance mechanisms, improve the internal control system, and further enhance our level of standardized operations to build a solid foundation for the Company's High-quality development.

## • Hisense HA Internal Control Evaluation Implementation Procedure



### 2025 key performance indicator

Hisense HA conducted

**25** audits

including annual salary audits, special audits on internal control, production safety, and manufacturing management, as well as audits on non-production material procurement and strategy execution.

## Fostering a Culture of Internal Control and Compliance

### Compliance Risk Assessment Work

The Company strives to foster a practical internal control culture that embeds risk awareness and internal control principles into the mindset of every employee, transforming internal control into their spontaneous behavior. This ensures they are familiar with the responsibilities of their roles, understand and grasp key control points, and can promptly and diligently detect issues and risks to guarantee the sound development of all business activities. The Company currently promotes various activities, such as mandatory compliance and confidentiality training and examinations for all staff, special anti-corruption training for all employees, a themed safety month, and ongoing promotion of the internal control culture. Through regular training and cultural immersion, the Company enhances employees' risk awareness and sense of responsibility, solidifies the foundation for compliant operations, safeguards the healthy and sustainable development of its business, and continuously builds an internal control atmosphere characterized by full participation, a risk-oriented approach, and cultural leadership.

During the reporting period, the Group's Audit Department organized a series of special internal control training sessions targeting key risk areas in marketing operations. These sessions covered general managers of the marketing divisions of various product companies, general managers of branch companies, heads of finance for marketing divisions, and heads of finance for branch companies. Concurrently, the Company conducted audit-related training and invited Kong Qingjiang from the China University of Political Science and Law to provide compliance training for personnel in key positions. Through the analysis of typical cases and the sharing of practical methods, the training strengthened the risk identification and compliance management capabilities of key personnel, promoting the effective implementation of internal control requirements.

### 2025 key performance indicator

Key internal control training sessions conducted, covering all critical and sensitive positions

**4** sessions

# Risk Management

Hisense Group completed the identification of compliance obligations covering 46 key countries for 2025, achieving a 100% identification rate for key countries and establishing a global safety and compliance risk database. Hisense HA produced annual risk control assessment results for its main home appliance business divisions by having them complete risk questionnaires. During the reporting period, the Company systematically identified and assessed key risk points across five major categories: strategic, market, financial, compliance, and operational, with a focus on key areas such as geopolitics, raw material prices, export tariffs, sales forecasting, demand management, and brand marketing. The Company has formulated targeted response measures for each risk, building a full-process prevention and control system that covers risk identification, early warning, response, and closed-loop management by establishing dynamic monitoring mechanisms, optimizing its global footprint, introducing digital forecasting tools, and improving its coordinated marketing system, thereby effectively enhancing operational resilience and risk prevention and control capabilities.

• Comprehensive TOP 7<sup>1</sup> Risk Responses of Each Business Division

Primary Risk Name	Secondary Risk Name	Tertiary Risk Name	Risk Description	Response Measures
Financial Risks	Tax Risks	Export Tariff Management	High tariff pressure resulting from trade friction impacts export operations and increases the uncertainty of import and export costs.	A dedicated research team for tariff policies has been established to dynamically track changes in tariffs in major export countries; we optimize our global production layout to flexibly adjust export bases; we utilize free trade agreements and rules of origin to reasonably reduce tariff costs; and we strengthen supply chain resilience by exploring alternative markets and transportation routes.
Market Risks	Price Risks	Risk of Rising Raw Material Prices	The prices of the Company's main raw materials (such as bulk commodities, panels, chips, and construction materials) are rising due to market conditions, leading to increased production costs.	We have established a price monitoring and early warning mechanism for bulk raw materials and use financial instruments such as futures hedging to lock in costs; we promote supply chain diversification and local procurement to enhance bargaining power; we continue to advance technological innovation and process optimization to reduce material consumption per unit of product; and we have established a strategic inventory buffering mechanism.
Operational Risks	Brand and Marketing Management Risks	Marketing Strategy Risk	Failure to cater to user needs or to adjust product pricing, channel, and promotion strategies in a timely manner according to market conditions results in sales profits not meeting targets.	We have established a market dynamics monitoring mechanism to track consumer trends and competitor activities in real time; we formulate differentiated marketing strategies for precise outreach to different customer groups; we strengthen the effectiveness assessment of marketing activities to achieve rapid iterative optimization; and we have established a coordinated adjustment mechanism for pricing and channels.
Operational Risks	Brand and Marketing Management Risks	User Behavior Prediction Risk	Inadequate analysis and prediction of user behavior, resulting in incorrect targeting or trend identification in marketing campaigns, which lack specificity and fail to arouse consumer interest, leading to inefficient sales.	We have built a user behavior data analysis platform and apply AI algorithms to improve prediction accuracy; we have established a user profiling and tagging system to achieve precision marketing; we enhance the tracking of marketing campaign effectiveness to dynamically adjust strategies; and we regularly conduct user research and update behavioral insights.
Operational Risks	Brand and Marketing Management Risks	Integrated Marketing Risk	Inconsistencies in content, target audiences, and timing across different companies' integrated marketing plans can lead to a waste of marketing resources and an inability to create marketing synergy.	We have established a group-level integrated marketing coordination mechanism to unify marketing strategies and timing; we have built a marketing resource sharing platform to achieve content and channel synergy; we regularly conduct marketing effectiveness assessments to optimize resource allocation; and we have clarified the positioning and collaboration rules for each brand.
Operational Risks	Sales Management Risks	Sales Forecasting Risk	Inaccurate sales forecasts and an imperfect target decomposition, implementation, and assessment mechanism lead to an unreasonable product mix and production scheduling, making it difficult to achieve a virtuous cycle in the enterprise's production and operations.	We have introduced big data analytics and AI forecasting models to improve the accuracy of sales forecasts; we have established a rolling forecast mechanism for dynamic adjustments in production-sales coordination; we have improved the target decomposition and assessment mechanism to strengthen process monitoring and correction; and we have enhanced collaboration among the sales, production, and R&D departments.
Strategic Risks	Political and Economic Environment Risks	Geopolitical Risk	Changes in the international political landscape and potential crises arising from the interplay of geographical and political factors, such as geopolitical conflicts, lead to damage to the Company's economic interests.	We have established a dynamic monitoring mechanism for the global political and economic environment and regularly conduct geopolitical risk assessments; we optimize our overseas market layout to disperse regional concentration risks; we strengthen the diversification of our supply chain layout to enhance risk resistance; and we have formulated emergency response plans to ensure business continuity.

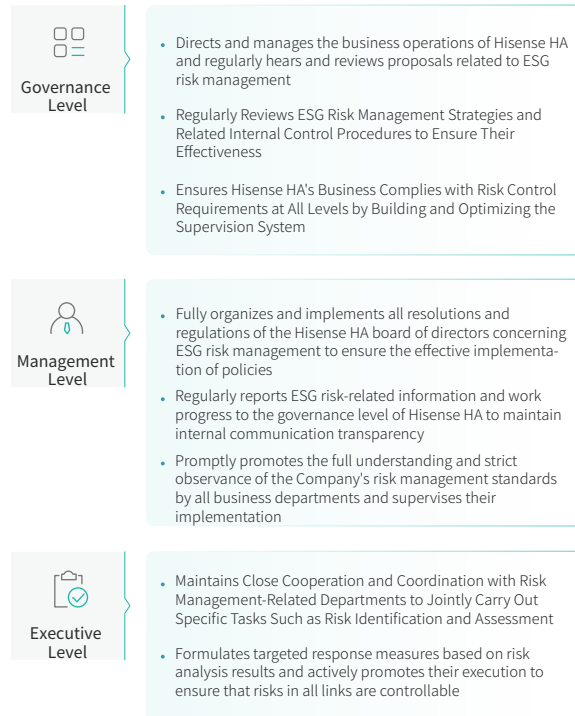
1: Ranked by Likelihood, Frequency, and Severity of Risk.

## ESG Risk Management

Hisense HA fully integrates ESG risk management into the enterprise's existing three-tiered risk management system. Guided by strategic objectives and adhering to the principles of consistency, comprehensiveness, dynamism, and inclusive collaboration, the system methodically identifies and assesses ESG risk events and related risk factors that could affect the achievement of business goals. Through periodic and ad-hoc risk assessments and analyses, the Company dynamically adjusts its response measures, creating a risk management environment that covers the entire company, spans all processes, and involves all employees, thereby continuously enhancing organizational decision-making and operational resilience.

### ESG Risk Governance Structure

The Company has established a three-tiered ESG governance and risk management structure covering the 'governance council, management, and executive levels,' formally defining the supervisory duties and management responsibilities of the board of directors and senior management regarding ESG and sustainable development issues.



### Risk Management Process and Measures



## Special Feature

# Climate Risks and Opportunities

Given the significant uncertainty surrounding the impacts of climate change, Hisense HA, based on a thorough review of its business model and value chain, continuously identifies and assesses the impact pathways and potential financial effects of climate risks and opportunities on its various business segments over the short, medium, and long term, formulating and implementing corresponding solutions and measures to enhance the Company's climate resilience across all time horizons.

In accordance with the framework recommended by the Hong Kong Stock Exchange for addressing climate change and with reference to the Fifth and Sixth Assessment reports published by the Intergovernmental Panel on Climate Change (IPCC), Hisense HA has selected representative concentration pathways (RCPs) scenario data, which focus on simulating the effects of physical climate risks, and combined them with corresponding shared socioeconomic pathways (SSPs) scenarios to conduct scenario analysis and assess the potential physical and transition risks it may face from the current climate state through 2050 under different climate scenarios.

## Physical Risks

### Physical risk scenario selection and assumptions

Scenario Name <sup>1</sup>	RCP4.5 <sup>2</sup> (Medium-Low Emissions Scenario)	RCP8.5 <sup>3</sup> (High Emissions Scenario)
Description	Under this scenario, the world takes strong mitigation actions, reducing greenhouse gas emissions by 2080 to half of current levels, and the Earth's radiative forcing stabilizes at 4.5 W/m <sup>2</sup> by 2100.	This scenario assumes business-as-usual greenhouse gas emissions at the current rate. Under this scenario, the Earth's radiative forcing will exceed 8.5 W/m <sup>2</sup> by 2100.
Estimated temperature rise by the end of the century	2.5-3°C	>4°C
Timeframe	Baseline Year: 2023 <sup>4</sup> 	
Boundary of analysis	Hisense HA's three major production bases/industrial parks in Qingdao, Foshan, and Mexico. <sup>5</sup>	
Internal scenario assumption	Assuming that internal factors such as core business, locations of major production bases/industrial parks, asset scale, and risk response measures remain unchanged, the analysis focuses solely on the specific physical risks faced by the Company's assets under the disaster levels of each scenario.	
Assumptions for data estimation	The analysis uses the asset values of the aforementioned production bases/industrial parks as of 31 December 2025.	

### Physical Risk Scenario Analysis Results

This physical risk scenario analysis covers the top three production bases/industrial parks by asset value, located in Qingdao, Shandong Province; Foshan, Guangdong Province; and Mexico. We have analyzed the asset risk exposure for the baseline, 2030, and 2050 under the RCP4.5 and RCP8.5 scenarios in conjunction with risk level analysis. Based on internal research and the scenario analysis results, we found that most of the Company's assets are not exposed to very high/high risks in the short, medium, or long term under either the RCP4.5 or RCP8.5 scenarios, indicating that the Company's overall physical risk is manageable.



1: Under high-emission scenarios, the likelihood of increased frequency and intensity of extreme weather events is greater; therefore, based on data availability and consistency, selecting the RCP4.5 and RCP8.5 high-emission scenarios allows for a better assessment of the Company's climate resilience.  
 2: The RCP4.5 scenario, developed by the Intergovernmental Panel on Climate Change (IPCC) for its Fifth Assessment report, is one of a set of scenarios that assumes certain emission reduction measures are taken by various entities to achieve relatively stable greenhouse gas concentration levels, thereby preventing global temperature from rising beyond a certain limit.  
 3: The RCP8.5 scenario, one of the scenarios used in the IPCC's Fifth Assessment report, is a 'no-mitigation' or 'high-emission' scenario. It assumes continued growth in future global energy demand with a high dependency on traditional fossil fuels (such as coal, oil, and natural gas), coupled with a lack of effective greenhouse gas reduction measures.  
 4: In accordance with authoritative domestic and international greenhouse gas verification standards, the Company conducted a comprehensive accounting of carbon emissions from its own operations and Value Chain, including 21 factories, for the year 2023, and obtained third-party verification and certification. Considering data availability and consistency, the baseline financial data used in this physical and transition risk analysis is from 2023, while other financial data is cited from the 2025 annual report.  
 5: The physical assets of these three major production bases/industrial parks collectively account for approximately 80% of the Company's total physical assets, making them highly representative.  
 6: The assets analyzed this time include fixed assets, construction in progress and engineering materials, investment properties, intangible assets, and inventories.

## Asset risk exposure to physical risks under RCP4.5 and RCP8.5 scenarios

Risk Category <sup>1</sup>	Scenarios	Qingdao			Foshan			Mexico		
		Baseline	2030	2050	Baseline	2030	2050	Baseline	2030	2050
Chronic Risks	Water shortage	RCP 4.5	Medium Risk	High Risk	High Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
		RCP 8.5	Medium Risk	High Risk	High Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
	Sea level rise	RCP 4.5	-	Low Risk	Low Risk	-	Low Risk	Low Risk	-	Low Risk
		RCP 8.5	-	Low Risk	Low Risk	-	Low Risk	Low Risk	-	Low Risk
	Warming trend	RCP 4.5	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk
		RCP 8.5	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk
	Wetting trend	RCP 4.5	Medium Risk	High Risk	High Risk	Medium Risk	High Risk	High Risk	Medium Risk	High Risk
		RCP 8.5	Medium Risk	High Risk	High Risk	Medium Risk	High Risk	High Risk	Medium Risk	High Risk
Trend in wind speed	RCP 4.5	Medium Risk	Medium Risk	Medium Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
	RCP 8.5	Medium Risk	Medium Risk	Medium Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
Drying trend	RCP 4.5	Medium Risk	Medium Risk	Medium Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
	RCP 8.5	Medium Risk	Medium Risk	Medium Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
Acute Risks	Extreme heat	RCP 4.5	High Risk	Low Risk	High Risk	Low Risk	Low Risk	High Risk	Low Risk	Low Risk
		RCP 8.5	High Risk	Low Risk	High Risk	Low Risk	High Risk	High Risk	Low Risk	Low Risk
	Extreme precipitation	RCP 4.5	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk
		RCP 8.5	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk
	Flash drought	RCP 4.5	High Risk	-	-	Low Risk	-	-	High Risk	-
		RCP 8.5	High Risk	-	-	Low Risk	-	-	High Risk	-
	Tropical cyclone	RCP 4.5	Medium Risk	-	-	High Risk	-	-	Low Risk	-
		RCP 8.5	Medium Risk	-	High Risk	High Risk	-	High Risk	Low Risk	High Risk
River floods	RCP 4.5	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
	RCP 8.5	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	
Coastal floods	RCP 4.5	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	High Risk	Low Risk	Low Risk	
	RCP 8.5	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	High Risk	Low Risk	Low Risk	

1: The chronic and acute risk analysis results of each base:  extremely high risk  high risk  medium risk  low risk  no risk  not analyzed due to data unavailability

## Physical risk impact assessment and response measures

In response to the above assessment and analysis results, the Company is further exploring response measures to monitor and prevent the actual/potential impacts of physical climate risks on its business in real time and to guard against significant risks. For more specific response initiatives, please see the 'ESG Strategy in Action: Smart Manufacturing for Good, Sustainable Development' chapter.

### Hisense HA's climate change physical risk impact assessment and response measures

Risk Type	Potential Risk Description	Impact Period	Value Chain Impact <sup>1</sup>	Potential Financial Impact	Response Measures
<ul style="list-style-type: none"> <li>Extreme Precipitation</li> <li>Tropical Cyclones</li> <li>River and Coastal Flooding</li> <li>Sea Level Rise</li> <li>Tidal Trends</li> <li>Wind Speed Trends</li> </ul>	<ul style="list-style-type: none"> <li>May cause damage to equipment, infrastructure, and office buildings, as well as casualties, leading to production disruptions, reduced production efficiency, and additional costs for repairs and equipment replacement.</li> <li>May lead to damage to transport routes or transportation infrastructure, causing supply chain disruptions or logistical delays.</li> <li>Prolonged air humidity saturation can also cause corrosion and mold on production equipment, inventory, and work-in-progress, as well as electrical system failures.</li> <li>Increased intensity and frequency of disasters such as heavy rain and typhoons may lead to business interruptions at affected operational bases, resulting in sales losses.</li> </ul>	<p>Short Medium Long Term</p>	Production and Operations	<ul style="list-style-type: none"> <li>Asset impairment losses</li> <li>Increased production and operation management costs</li> <li>Increased property and employee insurance expenditures</li> <li>Increased capital expenditures</li> <li>Reduced operating revenue</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve emergency plans, organize regular drills, and stockpile flood and typhoon prevention supplies.</li> <li>Establish an emergency logistics contact mechanism and plan alternative transportation routes.</li> <li>Strengthen monitoring of warehouse environments, install dehumidification equipment, and regularly inspect electrical insulation.</li> <li>Conduct disaster risk assessments for global operational bases and formulate differentiated emergency plans.</li> </ul>
<ul style="list-style-type: none"> <li>Extreme Heat</li> <li>Drought</li> <li>Warming Trends</li> <li>Water Scarcity</li> <li>Aridity Trends</li> </ul>	<ul style="list-style-type: none"> <li>May require the Company to install additional cooling equipment, increasing operating costs.</li> <li>May pose a threat to the occupational health and safety of employees, requiring increased corporate investment in employee safety or affecting operational and production efficiency.</li> <li>High temperatures may lead to power rationing, potentially limiting factory production capacity and requiring adjustments to construction project schedules.</li> <li>Water scarcity and drought may lead to external maintenance costs for water pipes and infrastructure and could also affect the stability of production and operational processes.</li> </ul>	<p>Short Medium Long Term</p>	Production and Operations	<ul style="list-style-type: none"> <li>Increased property and employee insurance expenditures</li> <li>Increased capital expenditures</li> <li>Reduced operating revenue</li> </ul>	<ul style="list-style-type: none"> <li>Formulate high-temperature emergency plans, equip facilities with heatstroke prevention and cooling equipment, and reasonably schedule work times.</li> <li>Promote clean energy sources such as distributed photovoltaics to enhance energy self-sufficiency and reduce the impact of power rationing.</li> <li>Provide employees with heatstroke prevention and cooling supplies, conduct safety training for high-temperature work, and adjust outdoor work schedules.</li> <li>Continuously implement water-saving technical upgrades, promote the use of recycled water, and regularly inspect the water supply network for leaks.</li> <li>Exercise caution when establishing plants in areas with high water scarcity risks and continue to advance water conservation efforts.</li> </ul>

<sup>1</sup>: The affected links in the Value Chain primarily cover: the production and operation link, which includes all stages from product design to delivery; the upstream supply chain link, which includes all stages from raw material procurement to product manufacturing, mainly covering suppliers and pre-warehousing management of raw materials; and the downstream Value Chain link, which involves sales and service after product manufacturing, including distribution, sales, and after-sales service.

## Transition Risks and Opportunities

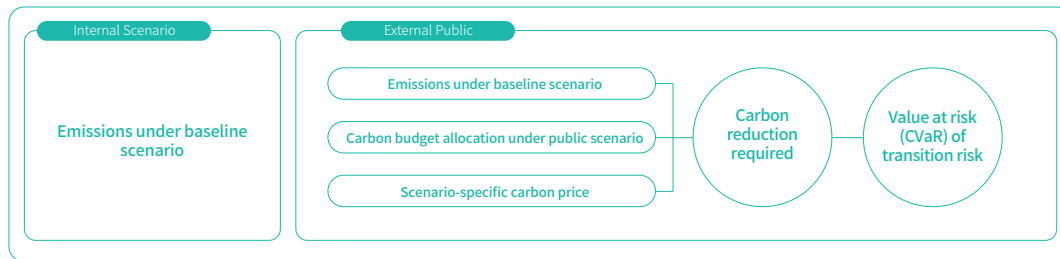
### Transition risk/opportunity scenario selection and assumptions

Scenario <sup>1</sup> Name	SSP1-2.6 (Low Emissions Scenario)	SSP2-4.5 (Medium-High Emissions Scenario)
Description	This scenario assumes that deep emissions reduction strategies are implemented globally, accelerating the energy transition. Under this scenario, carbon dioxide emissions begin to decline in 2020 and reach zero by 2100.	This scenario assumes that countries collectively strive to achieve sustainable development goals, but progress is slow. Under this scenario, carbon dioxide emissions begin to decline around 2045 and reach half of 2050 levels by 2100.
Estimated temperature rise by the end of the century	<2°C	2-3°C
Timeframe	Baseline Year: 2023 <sup>2</sup> 	
Boundary of analysis	Primary business of Hisense HA	
Internal scenario assumption	Assuming that the Company's operational market and primary business remain temporarily unchanged, the carbon neutrality pathway at the operation level will be treated as an internal scenario.	
Assumptions for data estimation	The total greenhouse gas emissions for the baseline year 2023 used in the analysis cover Hisense HA's Scope 1 and Scope 2 emissions.	

1: Under high-emission scenarios, the likelihood of increased frequency and intensity of extreme weather events is greater; therefore, based on data availability and consistency, selecting the RCP4.5 and RCP8.5 high-emission scenarios.  
 2: Completed third-party verified carbon accounting for 21 factories and value chain (2023) per international standards. Baseline financial data from 2023; other financial data from 2025 annual report.

### Transition Risk/Opportunity Scenario Analysis Methodology

Based on internal emission reduction scenario simulations and combined with professional climate models and datasets, we quantitatively calculated the Company's additional carbon emission reductions and its transition Climate Value-at-Risk (CVaR) as the core indicator for assessing the financial impact of climate risks and opportunities, while simultaneously conducting a comparative analysis between the 'Business as Usual (BAU) scenario'—maintaining current emission rates without adopting additional reduction measures—and the Company's operational-level carbon neutrality pathway to reveal differences in financial performance under various strategic choices.



Transition risk analysis process

### Transition Risk/Opportunity Scenario Analysis Results

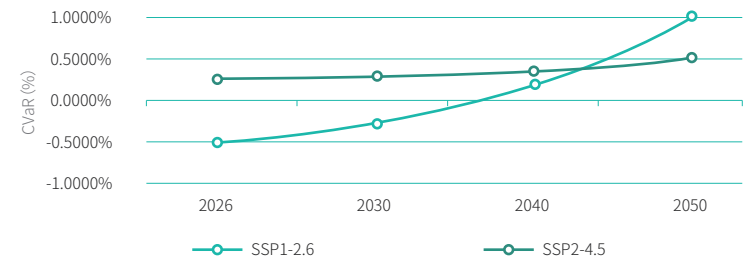
In accordance with the emission reduction targets established in Hisense HA's 2024 Carbon *Neutrality White Paper* and combined with this year's climate scenario analysis data, we compared the transition Climate Value-at-Risk (CVaR) under both the SSP1-2.6 (low-emission scenario) and SSP2-4.5 (medium-to-high-emission scenario) by contrasting two approaches: the Company following its 2050 operational carbon neutrality pathway versus taking no additional reduction measures (no-reduction pathway).

Under the SSP1-2.6 low-emission scenario, if the Company firmly implements the carbon neutrality pathway, the CVaR improves annually from a negative value in 2026, turns positive by 2040, and further increases by 2050, indicating that climate risks are gradually transforming into development opportunities and generating positive financial contributions; conversely, if no reduction actions are taken, the CVaR under the no-reduction pathway will remain in the negative range long-term, and the Company will continue to face financial pressure from the climate transition.

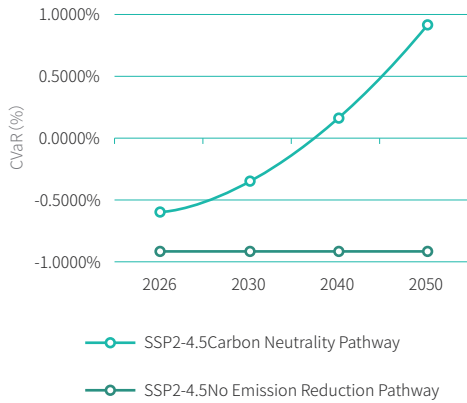
Under the SSP2-4.5 medium-to-high-emission scenario, the CVaR under the carbon neutrality pathway steadily increases from 2026 through 2050, showing that proactive emission reduction can still create considerable financial value even in an environment with relatively lagging reduction policies; whereas the CVaR under the no-reduction pathway remains at a low level long-term, falling far short of the returns demonstrated by the carbon neutrality pathway and missing the opportunity to gain additional rewards through a green transformation.

The above analysis further validates the strategic value of the Company's commitment to its 2050 carbon neutrality pathway, demonstrating that regardless of the direction of global climate policy, proactively advancing emission reductions, enhancing energy efficiency, and optimizing technological processes can effectively transform climate risks into development opportunities and achieve a win-win for both financial performance and sustainable development; conversely, if the status quo is maintained and no additional reduction measures are taken, the Company will be exposed to climate risks long-term and miss out on the long-term value brought by the green transformation.

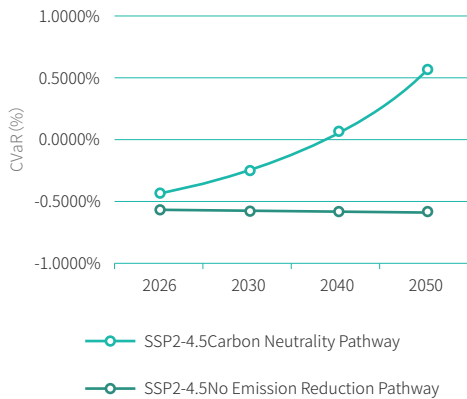
Changes in Climate Value-at-Risk (CVaR) under low-emission and high-emission scenarios from 2026 to 2050



Changes in Climate Value-at-Risk (CVaR) under low-emission scenarios from 2026 to 2050



Changes in Climate Value-at-Risk (CVaR) under medium & high-emission scenarios from 2026 to 2050



## Transition risk/opportunity impact assessment and response measures

Based on the above assessment and analysis, the Company will systematically devise response strategies. On the one hand, it will continuously and dynamically monitor climate transition risks and opportunities, proactively prevent their actual or potential impacts on the business, and effectively build a strong line of risk defense; on the other hand, it will precisely identify key development opportunities to promote the steady expansion and upgrading of its business. For more specific response measures, please refer to the 'ESG Strategic Actions: Intelligent Manufacturing for Good, Sustainable Development' chapter.



## Hisense HA climate change transition risk impact assessment and response measures

Risk Type	Potential Risk Description	Impact Period	Value Chain Impact	Potential Financial Impact	Response Measures
Policy and Legal Regulations	<ul style="list-style-type: none"> <li>Due to the impact of the EU's Net-Zero Industry Act and the Carbon Border Adjustment Mechanism (CBAM), the Company's relevant product exports may face the risk of increased costs</li> <li>Stricter National Climate Standards Increase the Compliance Costs for the Company to Carry Out Corresponding Work</li> <li>The Implementation of a Carbon Pricing Mechanism in China's Carbon Emissions Trading Scheme Increases Business Operating Costs</li> <li>The Implementation of Carbon Tax Policies Will Directly Increase Carbon Emission Costs in Production, Operations, and the supply chain, Affecting Product Competitiveness</li> </ul>	Short, Medium, and Long Term	<ul style="list-style-type: none"> <li>Upstream supply chain</li> <li>Production and Operations</li> <li>Downstream Value Chain</li> </ul>	<ul style="list-style-type: none"> <li>Increased Compliance Costs for Production and Management</li> <li>Increased Non-Operating Expenses</li> </ul>	<ul style="list-style-type: none"> <li>Set science-based carbon targets, accelerate the pace of emission reduction, and lower carbon tax risks</li> <li>Track domestic and international climate policy dynamics and proactively establish compliance capabilities</li> <li>Track Domestic and International Climate Policy Dynamics and Proactively Establish Compliance Capabilities</li> <li>Participate in Pilot Programs Such as Regional Carbon Emissions Trading and Carbon Pricing</li> <li>Prioritize purchasing products from suppliers with low greenhouse gas emissions and a small carbon tax burden, reducing carbon tax risks through green supplier management</li> </ul>
Technology	<ul style="list-style-type: none"> <li>Investments in the Research and Development of Low-Carbon Technologies May Fail</li> <li>Failure to promptly identify and apply low-carbon technologies may cause the product's low-carbon transition to lag behind peers, leading to a reduction in market share or product obsolescence</li> <li>A delayed response to the automotive industry's transition to electrification could lead to a decline in sales of compressors for internal combustion engines and a delayed return on R&amp;D investment</li> </ul>	Short, Medium, and Long Term	<ul style="list-style-type: none"> <li>Production and</li> </ul>	<ul style="list-style-type: none"> <li>Increased R&amp;D Expenditure</li> <li>Asset Impairment Losses</li> <li>Inventory Write-Down Losses</li> <li>Decreased Operating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen R&amp;D Project Management and Establish an Evaluation Mechanism for the Commercialization of Scientific and Technological Achievements</li> <li>Cooperate with Universities and Scientific Research Institutions to Enhance Capabilities in Tackling Key Technological Challenges</li> <li>Strengthen the R&amp;D of electric compressors and thermal management systems to enhance product competitiveness and expand market share through differentiation advantages</li> </ul>
Energy Mix Adjustment	<ul style="list-style-type: none"> <li>To achieve its goal of carbon neutrality at the operational level by 2050, the Company needs to continuously adjust its energy mix and improve energy efficiency, which will increase operating and capital expenditures</li> <li>To increase the proportion of green electricity used by the Company to 30%, 60%, and 100% by 2030, 2040, and 2050, respectively, investment in the construction of green electricity projects and the purchase of green electricity is required</li> </ul>	Short and Medium Term	<ul style="list-style-type: none"> <li>Production and</li> </ul>	<ul style="list-style-type: none"> <li>Asset Impairment Losses</li> <li>Increased Capital Expenditure</li> <li>Decreased Operating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Promote the Use of New Energy or New Energy Equipment and Promptly Optimize or Phase Out Outdated Equipment and Processes</li> <li>Improve energy management systems and advance work on factory energy audits, energy management system certification, and green factory certification</li> <li>Building a Smart Energy Management Platform to Implement Refined Energy Use Control</li> <li>Continuously Optimizing the Energy Structure and Increasing the Proportion of Clean Energy Used</li> </ul>
Market	<ul style="list-style-type: none"> <li>Potential inability to Effectively Meet Customer Demand for Green and Low-Carbon Products</li> </ul>	Short- and Medium-Term	<ul style="list-style-type: none"> <li>Downstream Value</li> </ul>	<ul style="list-style-type: none"> <li>Decreased Operating Revenue</li> <li>Increased R&amp;D Expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening Green Product R&amp;D to Enhance Product Energy Efficiency and Environmental Friendliness</li> <li>Actively Participating in Product Carbon Footprint Accounting to Improve the Transparency of Green Product Attributes</li> </ul>

## Hisense HA climate change transition opportunity impact assessment and response measures

Opportunity Type	Potential Opportunity Description	Impact Period	Value Chain Impact	Potential Financial Impact	Response Measures
Circular Economy	<ul style="list-style-type: none"> <li>Regulations such as the Circular Economy Promotion Law and the Regulations on the Management of Waste Electrical and Electronic Product Recycling and Disposal guide the green development of the home appliance industry, providing new development opportunities and expanding business boundaries, while also establishing an environmentally friendly and responsible brand image.</li> </ul>	Short- and Medium-Term	<ul style="list-style-type: none"> <li>Upstream supply chain</li> <li>Production and Operations</li> <li>Downstream Value Chain</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Improving Online and Offline Recycling Networks and Promoting Trade-In Policy Activities</li> <li>Strengthening Dismantling and Resource Utilization Capabilities to Achieve Material Recycling</li> </ul>
Low-Carbon Processes and Technology	<ul style="list-style-type: none"> <li>Customers may have increased demand for green, low-carbon products, prompting the Company to increase investment in energy-saving technological transformations to seize new business opportunities.</li> <li>The Accelerated Replacement of Refrigerants with Environmentally Friendly Alternatives is Driving Demand Growth for Products Using low-GWP Refrigerants.</li> </ul>	Medium- and Long-Term	<ul style="list-style-type: none"> <li>Production and Operations</li> <li>Downstream Value Chain</li> </ul>	<ul style="list-style-type: none"> <li>Increased R&amp;D Costs</li> <li>Increased Operating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Continuously developing high-efficiency, energy-saving technologies and launching more green products</li> <li>promoting the use of environmentally friendly refrigerants</li> <li>actively practicing low-carbon, clean production</li> </ul>
Physical Opportunities	<ul style="list-style-type: none"> <li>Global warming is leading to an increase in high-temperature weather, driving demand for air conditioner installations in traditionally non-standard areas such as industrial machinery.</li> </ul>	Short- and Medium-Term	<ul style="list-style-type: none"> <li>Downstream Value Chain</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the Application Scenarios for Air Conditioning Products in Fields Such as Industrial and Agricultural Machinery to Seize Market Opportunities.</li> </ul>

# ESG Indicators and Targets

Topic	Energy and Water Resource Management			
<b>Our 2030 Targets</b>	We are committed to continuously reducing water consumption per RMB 10,000 of output value through technological innovation and management optimization, achieving efficient water resource utilization and compliant wastewater discharge, reaching water conservation and sustainable development goals for water resource management, and maintaining 100% compliance in wastewater discharge management.			
<b>Corresponding SDGs</b>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div>  <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p> </div> <div>  <p>6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all</p> </div> <div>  <p>14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> </div> <div>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p> </div> </div>			
<b>2025 Targets</b>	Promote a cleaner energy structure and gradually increase the proportion of green energy used; strengthen the construction of water recycling systems, increase the total amount of recycled water, and ensure compliant discharge.			
<b>Progress on 2025 Targets</b>	The Ronshen Plastics and Shunde Sheet Metal factories achieved a 100% green electricity usage rate. Recycled water volume increased to 1,172,707 tons, with the proportion of recycled water increasing year-on-year. Wastewater discharge was 100% compliant.			
Indicator	Unit	2023	2024	2025
Total Water Withdrawal <sup>1</sup>	10,000 Tons	/	394.4	336.06
Water Withdrawal Intensity	Tons/Million in Revenue	/	42.5	38.22
Freshwater Consumption	10,000 Tons	338.7	353.7	218.78
Water Consumption Intensity	Tons/Million in Revenue	39.5	38.2	24.88
Recycled Water Consumption <sup>2</sup>	10,000 Tons	/	40.65	117.27
Recycled Water Consumption Ratio	%	/	10.30	34.90

Indicator	Unit	2023	2024	2025
Alternative Water Source Consumption <sup>3</sup>	Tons	/	/	103
Total Wastewater Discharge	10,000 Cubic Meters	196.30	217.20	251.55
Wastewater Discharge Intensity	Cubic Meters/Million in Revenue	22.90	23.40	28.61
Industrial Wastewater Discharge	10,000 Cubic Meters	/	78.70	76.30
Domestic Wastewater Discharge	10,000 Cubic Meters	/	138.50	175.25
Total Energy Consumption <sup>4</sup>	MWh	833,397.50	861,753.40	769,205.78
Total Energy Consumption	Tons of Standard Coal	/	/	94,514.00
Total Energy Consumption per Unit of Revenue	MWh/million in Revenue	9.7	9.3	8.75
Total Direct Energy Consumption	MWh	204,637.50	197,402.50	180,730.21
Total Direct Energy Consumption	Tons of Standard Coal	/	/	22,193.90
Gasoline Consumption	Tons	3.20	35.30	14.18
Diesel Consumption	Tons	1,140.00	790.60	646.51
Natural Gas Consumption	Ten Thousand Standard Cubic Meters	1,730.70	1,646.10	1,497.37
Liquefied Petroleum Gas Consumption	Tons	264.00	671.00	767.65
Direct Energy Consumption Intensity	MWh/million in Revenue	/	/	2.06
Total Indirect Energy Consumption	MWh	628,760.00	664,351.00	588,475.57
Total Indirect Energy Consumption	Tons of Standard Coal	/	/	72,320.10
Purchased Electricity Consumption	MWh	628,760.00	600,608.10	531,735.57
Purchased Steam Consumption	MWh	/	63,742.90	56,740.00
Indirect Energy Consumption Intensity	MWh/million in Revenue	/	/	6.69
Total Renewable Energy Consumption	MWh	/	/	128,680
Self-Generated Photovoltaic Power	MWh	47,660	46,164	56,740
Purchased Hydropower	MWh	/	/	11,120
Directly Purchased Green Power	MWh	/	/	60,820

Indicator	Unit	2023	2024	2025
Percentage of Renewable Energy Generation in the Company's Total Electricity Consumption	%	12	21.5	27.32
Total Installed Photovoltaic Capacity	MW	48.6	76.53	86.08
Percentage of Qualified Products with Energy Efficiency Certification (Mark) (Calculated by Revenue)	%	/	/	100

1 Water Withdrawal = Fresh Water Consumption + Recycled Water Consumption + Alternative Water Source Consumption.

2 Recycled water refers to the amount of water reused after the Company treats wastewater or sewage through various measures within a specified period.

3 Alternative water sources refer to the use of sources such as reclaimed water and rainwater, which is water derived from municipal sewage after deep purification at treatment facilities (including water from sewage treatment plants that has undergone advanced treatment after secondary treatment, and water from large buildings and residential communities for washing).

4 Comprehensive energy consumption includes the converted comprehensive energy consumption of electricity, gasoline, diesel, natural gas, and other energy sources; the conversion factors are sourced from GB/T 2589-2020 *General Principles for Calculation of Comprehensive Energy Consumption*.

## Topic Emissions and Waste Management

**Our 2030 Goals** Actively promote the compliant disposal of waste and the comprehensive utilization of resources, committed to achieving a year-on-year reduction in the amount of hazardous waste generated per RMB 10,000 of output value while increasing the waste resource utilization rate, maintaining 100% control of environmental control points, and ensuring a 100% compliance rate for wastewater, waste gas, and waste emissions.

**Corresponding SDGs**  Ensure sustainable consumption and production patterns

**2025 Target** Implement full life-cycle waste management and achieve zero violations in pollutant emissions.

**Progress Towards 2025 Target** 0 incidents of pollutant emissions exceeding standards or in violation of regulations; 100% compliance rate for waste gas and wastewater emissions throughout the year.

Indicator	Unit	2023	2024	2025
Percentage of companies certified with ISO 14001 and other environmental management system certifications among all companies	%	/	97	90
Number of companies certified to ISO 14001 and other environmental management systems	Items	35	34	35
Percentage of Factories with Eco-Label Certification	%	/	/	100
Number of Factories Designated as National-Level "Green Factories"	Number	7	9	11


Indicator	Unit	2023	2024	2025
Number of Factories Designated as National-Level "Companies with Green Supply Chain Management"	Number	2	4	4
Number of Factories Designated as National-Level "Demonstration Businesses for Green Design in Industrial Products"	Number	5	5	5
Number of Factories Certified for Zero Waste to Landfill Management Systems	Number	/	1	1
Number of Factories Designated as Waste-Free Factories	Number	/	2	5
Number of Factories Designated as Zero Carbon Factories	Number	1	2	2
Number of Training Sessions on Environmental Protection and Pollution Prevention	Sessions	54	42	38
Number of Employees Trained in Environmental Protection and Pollution Prevention	Persons	14,119	8,597	18,055
Total Hours of Training in Environmental Protection and Pollution Prevention	Hours	88.50	20,968.00	15,646.00
Total Investment in Pollution Prevention and Environmental Protection	RMB 10,000	1,306.65	1,082.60	1,322.45
Number of Major Administrative Penalties or Criminal Prosecutions for Environmental Incidents from Relevant Ecological and Environmental Departments	Times	0	0	0
Total Fines for Major Administrative Penalties or Criminal Prosecutions for Environmental Incidents from Relevant Ecological and Environmental Departments	RMB 10,000	0	0	0
Total Waste	Tons	44,642.40	48,868.80	75,999.66
Total Waste Produced per Unit of Revenue	Tons/RMB Million	0.50	0.50	0.9
Total Hazardous Waste	Tons	780.20	1,160.40	1,220.54
Total Hazardous Waste Produced per Unit of Revenue	Tons/RMB Million	0.009	0.013	0.014
Total Non-Hazardous Waste	Tons	43,862.30	47,704.40	74,779.12

Indicator	Unit	2023	2024	2025
Total Non-Hazardous Waste Produced per Unit of Revenue	Tons/RMB Million	0.51	0.51	0.85
Total Volume of Injection Molding Scrap Recycled and Reused by the Company Within a Specific Period	Tons	8,053.46	5,811.97	16,717.86
Total Hazardous Waste Landfilled	Tons	/	25.32	0.00
Total Non-Hazardous Waste Landfilled	Tons	/	434.95	253.00
Quantity of Hazardous Waste Incinerated with Energy Recovery	Tons	/	263.58	185.08
Quantity of Hazardous Waste Incinerated Without Energy Recovery	Tons	/	341.81	60.97
Quantity of Non-Hazardous Waste Incinerated with Energy Recovery	Tons	/	/	42,876.20
Quantity of Non-Hazardous Waste Incinerated without Energy Recovery	Tons	/	/	312.00
Quantity of Hazardous Waste Disposed of by Third-Party Units	Tons	/	533.73	974.49
Non-Hazardous Waste Disposed of or Recycled by Third-Party Units	Tons	/	41,457.48	31,337.92
Quantity of General (Non-Hazardous) Waste Recycled	Tons	/	5,811.97	2,117.86
Quantity of General (Non-Hazardous) Waste Reused	Tons	/	/	2,117.86
Recycling rate of General (Non-Hazardous) Waste	%	/	/	100.00

Topic	Green Management Throughout the Product Life Cycle			
<b>Our 2030 Goals</b>	We aim to promote the R&D of green products through continuous innovation, enabling more products to meet higher environmental standards; vigorously promote recyclable packaging and continuously increase its recycling rate; and actively participate in home appliance recycling programs to achieve a cumulative total of 10 million recycled products by the end of 2030.			
<b>Corresponding SDGs</b>	 Ensure sustainable consumption and production patterns			
<b>2025 Target</b>	Actively explore pathways for waste resource utilization, reduce waste generation, and promote the efficient recycling of resources.			
<b>Progress Towards 2025 Target</b>	Recycled 1.3 million units of used home appliances throughout the year			
Indicator	Unit	2023	2024	2025
Number of Used Home Appliances Recycled by the Company Throughout the Year	10,000 Units	43.5	120	130
Number of incidents of e-waste handling and recycling by the Company with a significant negative impact on comprehensive resource utilization, environmental protection, occupational safety, and human health.	Incidents	0	0	0
Total Packaging Materials Used	10,000 Tons	17.1	19.5	8.30
Total Packaging Material Intensity	Tons/Million in Revenue	2	2.1	0.94
Consumption of Non-Renewable Raw Materials	10,000 Tons	/	54	20.63
Consumption of Non-Renewable Packaging Materials	10,000 Tons	/	3.1	0.16
Non-Renewable Packaging Material Intensity	Tons/Million in Revenue	/	0.3	0.02
Consumption of Renewable Raw Materials	10,000 Tons	/	127.3	31.16
Consumption of Renewable Packaging Materials	10,000 Tons	/	16.4	8.14
Renewable Packaging Material Intensity	Tons/Million in Revenue	/	1.8	0.93

## Topic Addressing Climate Change

**Our 2030 Goals** To systematically achieve carbon reduction and the green transformation of our energy structure, we have established a clear plan with short-, medium-, and long-term phases for our carbon reduction and renewable energy targets, aiming to achieve carbon neutrality in our own operations no later than 2050 by upgrading existing production equipment, adopting energy-saving cooling and heating systems, reducing direct energy consumption in production processes, and increasing the procurement of green electricity such as solar and wind power.

**Corresponding SDGs**  Take urgent action to combat climate change and its impacts

**2025 Target** Achieve carbon neutrality in our own operations by 2050.

**Progress Towards 2025 Target** SANDEN and Hisense Hitachi, two of our subsidiaries, have joined the SBTi.

Indicator	Unit	2023	2024	2025
Total Greenhouse Gas Emissions (Scope 1 + Scope 2) <sup>1</sup>	Tons CO <sub>2</sub> e	555,232.00	527,101.00	477,489.82
Greenhouse Gas Emissions Intensity (Scope 1 + Scope 2)	Tons CO <sub>2</sub> e/million in Revenue	6.5	5.7	5.43
Total Greenhouse Gas Emissions (Scope 1 + Scope 2 + Scope 3)	Tons CO <sub>2</sub> e	/	/	176,057,725.31
Greenhouse Gas Emissions Intensity (Scope 1 + Scope 2 + Scope 3)	Tons CO <sub>2</sub> e/million in Revenue	/	/	2,002.28
Direct Emissions (Scope 1) <sup>2</sup>	Tons CO <sub>2</sub> e	276,621.00	241,480.00	213,409.83
Indirect Emissions (Scope 2) <sup>3</sup>	Tons CO <sub>2</sub> e	278,611.00	285,620.00	264,079.98
Indirect Emissions (Scope 3) <sup>4</sup>	Tons CO <sub>2</sub> e	/	/	175,580,235.50

1 The Company's 2023 carbon inventory was verified by a third party, while the inventories for 2024 and 2025 were self-assessed based on the same methodology.

2 Scope 1 greenhouse gas emissions refer to the emissions generated from the consumption of diesel, gasoline, natural gas, and liquefied petroleum gas by vehicles owned by Hisense HA and its subsidiaries. The emission calculation factors are based on the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions issued by the National Development and Reform Commission.

3 Scope 2 greenhouse gas emissions refer to the emissions generated from the consumption of purchased electricity and steam by Hisense HA and its subsidiaries. The emission calculation factors are based on the latest average grid emission factors jointly released (at the time) by the Ministry of Ecology and Environment and the National Bureau of Statistics, which were 0.5306 tCO<sub>2</sub>/MWh for 2025, 0.5366 tCO<sub>2</sub>/MWh for 2024, and 0.5568 tCO<sub>2</sub>/MWh for 2023.

4 Scope 3 accounting is based on the Greenhouse Gas Protocol (GHG Protocol) and includes 15 categories.

## Topic Intellectual Property Protection

**Our 2030 Goals** The Company is establishing a comprehensive intellectual property management system to promote the conversion of its independent innovation achievements into IP assets, ensuring that innovations are protected, innovators are rewarded, and returns on innovation are maximized. By mastering a portfolio of core proprietary IP, the Company integrates IP management into all aspects of production and operations, driving adjustments to its industrial structure and strategic upgrades. Through technological innovation, we aim to file a cumulative total of 30,000 new patent applications over ten years.

**Corresponding SDGs**  Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

**2025 Target** Continuously strengthen IP risk monitoring in core markets, establish an infringement early warning system, achieve multinational deployment through PCT international patent applications, and constantly expand the scope of protection.

**Progress Towards 2025 Target** Completed risk assessments for key R&D projects and new products. Guangdong Refrigerator and Guangdong Kitchen & Bath were recognized as National Intellectual Property Demonstration Enterprises. A total of 2,404 new patents were granted during the year.

Indicator	Unit	2023	2024	2025
Total Number of Patent Applications During the Reporting Period	Number	3,543	3,603	3,314
Number of Patents Granted During the Reporting Period	Number	2,266	2,396	2,404
Number of Valid Patents During the Reporting Period	Number	10,268	12,664	15,021
Total Number of Invention Patent Applications During the Reporting Period	Number	1,450	1,474	1,403
Total Number of Invention Patents Granted During the Reporting Period	Number	715	705	711
Number of Valid Invention Patents During the Reporting Period	Number	2,643	3,347	4,010
Number of Invention Patents Applied to Main Business Operations	Number	715	705	711

## Topic Job Creation and Equal Employment

**Our 2030 Goals** To conscientiously fulfill our responsibility to respect and protect human rights, uphold a zero-tolerance attitude toward all forms of forced and compulsory labor, actively implement measures for the abolition of child labor, treat every employee with equality and fairness, and commit to providing more employment opportunities for society, thereby promoting sustainable development and social progress through practical action.

**Corresponding SDGs**



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

**2025 Target** Zero Employment Violations


**Progress Towards 2025 Target** No Employment Violations Occurred

Indicator	Unit	2023	2024	2025
Employment Violations	Cases	0	0	0
Total Number of Employees	Persons	56,240	55,670	37,759
Union Site Coverage Rate	%	/	/	100
Union Employee	%	/	/	100
Collective Agreement Coverage Rate	%	/	/	100
Labor Contract Signing Rate	%	/	/	100

## Topic Risk Control, Compliance Operations, and Corporate Governance

**Our 2030 Goals** Systematically identify, assess, and respond to all types of potential risks, covering multiple aspects such as risk identification, risk assessment, risk response strategies, continuous improvement mechanisms, and the cultivation of a risk culture, to ensure the stability and sustainable development of corporate operations.

**Corresponding SDGs**



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

**2025 Target** Integrate ESG risk management into the existing risk management system to achieve integrated and coordinated control of conventional operational risks, emerging uncertain risks, and specific ESG risks; strictly fulfill information disclosure obligations to prevent any form of criticism or penalty from regulatory authorities due to non-standard, inaccurate, or untimely disclosure; achieve a 100% attendance rate for independent directors at board of directors meetings; and improve the diversified structure of the board of directors.

**Progress Towards 2025 Target** The annual risk control assessment effectively identified and responded to emerging risks. Under the three-tiered ESG governance and risk management framework, scenario analysis methods were continuously used to identify and address climate-related risks and opportunities; there were 0 incidents of criticism or penalties from regulatory authorities for information disclosure violations; the actual attendance rate for all members of the board of directors at board meetings reached 100%, with no absences; and the number of female directors increased to 2, raising their representation to 22.22%.

Indicator	Unit	2023	2024	2025
Number of Internal Control Training Sessions	Times	/	15	4
Participation Rate of Employees in Key and Sensitive Positions	%	/	100	100
Frequency of Company Risk Reviews	Times/Year	/	/	25

## Topic Product R&D and Innovation

**Our 2030 Goals** Uphold the Group's "technology-driven enterprise" strategy, continue to increase R&D investment, and actively explore paths and methods for organically integrating the green and low-carbon strategy with the enterprise's "new quality productive forces". We will use technological innovation as the core driving force to continuously optimize R&D processes, enhance R&D efficiency, and ensure breakthrough progress in the research, development, and application of green and low-carbon technologies. We are committed to achieving the goal of investing a cumulative RMB 30 billion in R&D since 2020.

**Corresponding SDGs**

-  Ensure access to affordable, reliable, sustainable and modern energy for all
-  Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
-  Take urgent action to combat climate change and its impacts

**2025 Target** Maintain continuous and stable growth in R&D investment to ensure a high long-term compound annual growth rate and constantly enhance technological innovation capabilities; continuously optimize the patent reward and incentive mechanism to effectively stimulate employees' enthusiasm for innovation.

**Progress Towards 2025 Target** The compound annual growth rate of R&D investment over the past 7 years was 19.18%, and the amount of patent rewards and incentives increased by 6.37% year-on-year.

Indicator	Unit	2023	2024	2025
R&D Investment	RMB 100 Million	27.80	34.50	34.42
R&D Investment and Its Percentage of Main Business Revenue	%	3.25	3.72	3.91
Number of R&D Personnel	Persons	3,317	3,563	3,323
Percentage of R&D Personnel to Total Employees	%	5.90	6.40	8.80
Number of Patent Application Promotional Training Sessions	Sessions	/	/	40
Number of Employee Attendances at Patent Application Promotional Training	Person-Times	/	/	1,423

## Topic Sustainable Procurement, Conflict Minerals

**Our 2030 Goals** Establish a complete supply chain full-lifecycle management process, prioritize responsible supply chain development, and commit to achieving the goal of "zero procurement and use of Conflict Minerals".

**Corresponding SDGs**  Ensure sustainable consumption and production patterns

**2025 Target** Improve the green supply chain management system, requiring new suppliers to undergo environmental and social assessments and sign dual agreements on safety, environmental protection, and social responsibility, progressively achieving full coverage; ensure a 100% signing rate for the Supplier Code of Conduct; continuously promote supply chain carbon reduction to lower product carbon emissions; commit to "zero procurement and use of Conflict Minerals" and continually expand the scope of responsible mineral supply chain due diligence to achieve proactive supply chain risk management.

**Progress Towards 2025 Target** 333 new suppliers were screened using environmental and social evaluation criteria and signed the Safety and Environmental Protection Agreement and the Social Responsibility Agreement; the percentage of suppliers who signed the Supplier Code of Conduct reached 100% of the total number of suppliers for the year; Hisense Hitachi collaborated with 315 partners, signing 55 green agreements, achieving 100% green electricity usage among core suppliers, and reducing new product carbon emissions by 20%; the signing rate for the supplier Commitment to Not Use Conflict Minerals was 100%; supplier Conflict Minerals audit coverage was 100%, with 0 violations; the percentage of products with traceable raw material sources was 100%; the percentage of relevant products certified externally using the strictest standards was 100%.

Indicator	Unit	2023	2024	2025
Domestic suppliers	Number	2,151	2,113	2,745
Overseas suppliers	Number	304	487	628
Total number of tier-one suppliers	Number	/	3,280	3,315
Number of suppliers implementing supplier hiring practices	Number	2,455	3,386	3,373
New suppliers screened using environmental criteria	Number	206	440	333
New suppliers screened using social criteria	Number	193	440	333
Number of suppliers providing 3TG (tantalum, tin, tungsten and gold) materials	Number	/	/	180
Percentage of suppliers signing the Conflict-Free Minerals Statement	%	/	/	100

## Topic Product Quality and Safety

**Our 2030 Goals** To build business based quality planning and process operation capabilities, fully implement quality delivery mechanisms, build digital quality control platform, create culture of quality for all employees, control quality risks at the source, and ensure that every product meets the highest standards, and ensure that the defective rate of products continues to decline while striving to achieve "zero recall".

**Corresponding SDGs**  Ensure sustainable consumption and production patterns

**2025 Target** The internal failure rate has continued to improve; Maintained zero product recalls

**Progress Towards 2025 Target** Zero product recall incidents.

Indicator	Unit	2023	2024	2025
Total number of products sold by the Company	Ten thousand units/sets	/	/	5,568
Number of product recall incidents	Cases	0	0	0
Number of non-compliance incidents involving health and safety impacts of products and services	Cases	0	0	0
Economic losses incurred due to product safety-related legal proceedings	RMB	0	0	0

## Topic Customer Experience and Satisfaction

**Our 2030 Goals** To create a globally leading benchmark for customer experience and satisfaction, with excellent service as our core competitiveness, we continuously enhance customer value, adhere to customer-centric approach, integrate customer experience into every aspect of development, and create high-quality living experiences that exceed expectations for global users through intelligent and personalized services.

**Corresponding SDGs**  Ensure sustainable consumption and production patterns

**2025 Target** Continuously improve the mechanism for customer feedback collection and response, accurately identify core customer demands, drive closed-loop service optimization, and achieve steady growth in customer satisfaction and loyalty.

**Progress Towards 2025 Target** The customer satisfaction score increased year-on-year to 98.4%; The customer complaint rate remained below 0.5%

Indicator	Unit	2023	2024	2025
Customer satisfaction survey participation rate	%	100	100	100
Customer satisfaction score	%	98.00	98.30	98.40
Customer complaint rate	%	<0.5	<0.5	<0.5
Customer complaint resolution rate	%	100	100	100

## Topic Employee Rights Protection and Compensation and Benefits

**Our 2030 Goals** To safeguard the legitimate rights and interests of employees in terms of labor compensation, working hours, rest and vacation, labor safety, etc., establish a fair and reasonable salary system covering direct compensation such as basic salary and performance bonuses, as well as welfare projects such as paid leave and regular check-ups, meet the needs of employees at different levels, respect and care for employees. We are committed to improve the employee engagement score to 4.5.

**Corresponding SDGs**



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

**2025 Target** Safeguard employees' legitimate rights and interests, improve the compensation and welfare system, and enhance employees' sense of gain and belonging.

**Progress Towards 2025 Target** Social insurance coverage rate and employee welfare coverage rate: 100%; Percentage of employees covered by employee stock ownership plans (ESOP) or stock purchase plans: 2.20%

Indicator	Unit	2023	2024	2025
Employee welfare (including statutory and non-statutory) coverage rate	%	/	100	100
Performance-based variable pay coverage rate	%	100	100	100
Employee engagement score	Points	4.39	4.44	4.58
Percentage of employees covered by employee stock ownership plans (ESOP) or stock purchase plans	%	/	/	2.20
Number of internal promotions	Persons	/	/	3,113
Internal promotion rate	%	/	/	9.64
Total employee compensation paid	RMB 100 million	/	/	87.68
Human capital return rate	%	/	/	54
Number of incidents involving forced labor, child labor, discrimination and harassment	Cases	/	/	0
Number of illegal employment incidents	Cases	/	/	0
Social insurance coverage rate	%	/	/	100
Work-related injury insurance coverage rate	%	/	/	100

## Topic Employee Safety and Health

**Our 2030 Goals** To strictly implement occupational health, safety, and environmental (HSE) related regulations, continuously carry out hazard identification and risk prevention, ensure effective control of safety risks, promote a low level of work loss hours throughout the year, and effectively protect the health rights and interests of employees. We aim to establish four factories with advanced safety and environmental management systems and one outstanding factory, and strive to achieve zero safety accidents.

**Corresponding SDGs**



Ensure healthy lives and promote well-being for all at all ages

**2025 Target** Zero major and above-level accidents, and zero non-compliance incidents with significant social impact 100%; rectification rate for major safety hazards; Recordable Injury Rate (RIR) per 200,000 working hours: target ≤0.1 for domestic factories; 15% year-on-year reduction for overseas factories


**Progress Towards 2025 Target** All established occupational health and safety objectives have been achieved

Indicator	Unit	2023	2024	2025
Number of work-related fatalities	Persons	0	0	0
Number of workdays lost due to work-related injuries	Days	229	741	365
Lost Time Injury Frequency Rate (LTIFR)	LTIFR	3.80	0.85	0.40
Number of contractor work-related fatalities	Persons	/	/	0
Contractor Lost Time Injury Frequency Rate - Shandong Air-Conditioning	LTIFR	/	/	0.054
Contractor Lost Time Injury Frequency Rate - SANDEN Company	LTIFR	/	/	0.00022
Investment in work-related injury insurance	RMB 10,000	/	/	2,372.55
Work-related injury insurance coverage rate	%	/	/	100
Investment in work safety liability insurance	RMB 10,000	/	/	901.08
Work safety liability insurance coverage rate	%	/	/	100
Investment in work safety liability insurance	RMB 10,000	/	/	901
Number of safety hazards identified and rectified	Items	/	/	120,958
Closure rate of safety hazard identification and rectification	%	/	/	100
Participation rate of occupational health examinations for employees in hazardous positions	%	/	/	100
Pass rate of occupational health examinations for employees in hazardous positions	%	/	/	100

Indicator	Unit	2023	2024	2025
Total number of employees receiving safety training	Persons	56,240	55,670	37,759
Total employee safety training hours	Hours	/	/	1,563,555
Average safety training hours per employee	Hours/Person	28.1	29.66	41.41
Number of fire drill sessions	Sessions	354	378	276
Total number of fire drill participations	Person-Times	46,998	57,011	37,715
Rectification rate of occupational disease risk points	%	/	/	100

Indicator	Unit	2023	2024	2025
Percentage of employees receiving regular performance and career development reviews	%	100	100	100
Total investment in vocational training	RMB	/	/	0.32
Number of employee training sessions	Sessions	/	/	2,443

## Topic Employee Development and Training

<b>Our 2030 Goals</b>	To systematically plan and implement training programs, achieve 100% employee training coverage, build a high-quality and adaptable talent team to meet job demands and employee career development, adapt to market and technological changes, and achieve employee growth and business development.
<b>Corresponding SDGs</b>	 Ensure inclusive and equitable quality education and promote lifelong learning opportunities
<b>2025 Target</b>	Refine the employee training system, develop customized annual training programs, facilitate career advancement, and drive mutual growth between employees and the Company.
<b>Progress Towards 2025 Target</b>	Establish a tiered and categorized training curriculum system covering new employees, professional and technical personnel, and management staff; Total investment in vocational training: RMB 32 million; Number of employee training sessions: 2,443; Total employee training hours: 1.7747 million hours; Employee training coverage rate: 100%


Indicator	Unit	2023	2024	2025
Employee satisfaction survey participation rate	%	/	/	100
Percentage of employees receiving regular performance and career development reviews	%	/	/	100
Investment in employee education and qualification support	RMB	/	/	6,129,673
Number of employees receiving education and qualification support	Persons	/	/	2,635
Percentage of employees trained (Note: If the indicator is the actual number, it is Number of employees trained)	%	/	/	100
Employee training participation rate	%	100	100	100

## Topic Business Ethics

<b>Our 2030 Goals</b>	Committed to realizing 100% coverage of business ethics training for employees, enhancing the level of business ethics management and ensuring effective control over negative incidents related to business ethics by actively conducting integrity checks.
<b>Corresponding SDGs</b>	 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
<b>2025 Target</b>	No major business ethics violations, including any form of corruption, bribery, extortion, fraud, money laundering or insider trading, occurred during the reporting period.
<b>Progress Towards 2025 Target</b>	No major violations of laws and regulations related to business ethics occurred

Indicator	Unit	2023	2024	2025
Number of specialized business ethics training sessions	Sessions	4	19	17
Number of directors participating in business ethics training	Persons	/	/	9
Number of management personnel participating in business ethics training	Persons	/	/	4
Number of employees participating in business ethics training	Persons	/	/	37,755
Business ethics training coverage rate (including suppliers and part-time employees)	%	100	100	100
Number of suppliers participating in business ethics training	Persons	/	/	692
Number of anti-corruption and bribery reporting incidents	Cases	/	/	1
Investigation and rectification rate of received anti-corruption and bribery reporting incidents	%	/	/	100

Indicator	Unit	2023	2024	2025
Number of regular and irregular integrity compliance inspections conducted by the Company	Times	12	12	41
Number of concluded corruption-related litigation cases	Cases	0	0	0
Fines, penalties or settlement costs related to corruption	RMB 10,000	0	0	0
Fines, penalties or settlement costs related to unfair competition	RMB 10,000	0	0	0

Topic	Information Security Management, Customer Privacy Protection
<b>Our 2030 Goals</b>	Build a globally leading information security and privacy protection system, maintain zero major information security incidents, ensure the safety and compliance of user data throughout its entire lifecycle, and become an industry benchmark for privacy protection.
<b>Corresponding SDGs</b>	 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
<b>2025 Target</b>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
<b>Progress Towards 2025 Target</b>	0 major information security incidents occurred; 0 customer privacy leakage incidents occurred

Indicator	Unit	2023	2024	2025
Number of information/data security and privacy protection trainings	Times	/	/	10
Number of participants in information/data security and privacy protection trainings	Persons	/	/	12,428
Participation rate of information/data security and privacy protection trainings	%	/	/	100
Closure rate of information/data security incidents	%	/	/	100
Average training hours per person on information security topics	Hours/Person	/	/	0.5
Number of information/data security incidents occurred	Times	/	/	0
Response time for information/data security incidents	Hours	/	/	0
Number of customer privacy leakage incidents occurred	Times	/	/	0

# Conclusion

## Legal Regulations and Major Internal Policies

Topic	Legal Compliance	Internal Policies and Management Measures
Corporate Governance	Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Shares on Shenzhen Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Administrative Measures for Independent Directors of Listed Companies, Rules for the General Meetings of Shareholders of Listed Companies, Guidelines on the Management of Investor Relations for Listed Companies	Articles of Association, Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors, Rules of Procedure for the Supervisory Board, Working System for Independent Non-Executive Directors, Management Measures for Related Party Transactions, Investor Relations Management System
Compliance Operations	Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange Self-Regulatory Guidance for Listed Companies No. 1 — Standardized Operation of Main Board Listed Companies	Management Measures for Related Party Transactions
Risk Control	Basic Standard for Enterprise Internal Control	Hisense HA Group Risk Management System, Internal Control Manual of Hisense Home
Business Ethics	Anti-Money Laundering Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Anti-Monopoly Law of the People's Republic of China, Interim Provisions on Banning Commercial Bribery	Hisense Group Code of Integrity, Code of Conduct for Employee Business Interactions, Code of Conduct for Partner Business Interactions, Management Measures for Reporting Violations of Rules and Discipline, Integrity Pledge, Anti-Commercial Bribery Pledge
Energy and Water Resource Management	Energy Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Renewable Energy Law of the People's Republic of China, Requirements for Energy Management Systems	The Company's Energy Management Measures, Energy Conservation Management Measures, Management Measures for the Assessment of Energy Conservation Target Responsibility, Carbon Inventory Management and Control Procedures, Hisense Logistics Green Development Implementation Path (Trial), Management Measures for Water, Electricity, and Heating, Management Measures for Office Energy Use, Notice on Carrying Out Energy Conservation and Consumption Reduction Work in Office and Living Areas
Green Management of the Product Life Cycle	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, Circular Economy Promotion Law of the People's Republic of China, Notice of the General Office of the State Council on Regulating Excessive Packaging of Commodities, Regulations on the Administration of the Recovery and Disposal of Waste Electrical and Electronic Products, Administrative Measures for the Licensing of Qualification for the Disposal of Waste Electrical and Electronic Products, Notice on Encouraging Home Appliance Manufacturers to Implement Extended Producer Responsibility Initiatives	Hisense HA Green Manufacturing Standards, Hisense Product Green and Eco-friendly Design Standards, Control Procedures for Green Product Development and Design, General Technical Requirements for Green and Low-Carbon Electrical and Electronic Products, Guidelines for the Construction of a Green and Low-Carbon Standard System, Hisense Electric Solid Waste Disposal Management Regulations, Hisense Logistics Green Development Implementation Path (Trial)
Emissions and Waste Management	Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Noise Pollution, Integrated Emission Standard of Air Pollutants, Regulations on the Safe Management of Hazardous Chemicals, Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes, Water Quality Standard for Wastewater Discharged into Urban Sewers, Integrated Wastewater Discharge Standard	Management Procedures for the Prevention and Control of Air Pollution, Control and Management System for Solid Waste, Waste Control and Management Standards, Management Measures for Environmentally Safe Operations of Classified Collection, Transportation, and Storage of Hazardous Waste, Management Measures for Job Responsibilities in Hazardous Waste Management, Wastewater Management System, Management System for the Prevention and Control of Water Pollution, Pollutant Discharge Permit Management System, Management Procedures for the Prevention and Control of Water Pollution, Management Procedures for the Prevention and Control of Noise Pollution

Topic	Legal Compliance	Internal Policies and Management Measures
<p><b>Responding to Climate Change</b></p>	<p><i>UNFCCC, Paris Agreement, Guidelines for the Construction of a Standard System for Carbon Peaking and Carbon Neutrality, Action Plan for Energy Conservation and Carbon Reduction for 2024–2025, Opinions on Accelerating the Establishment of a Product Carbon Footprint Management System, Working Guidelines for the Preparation of Product Carbon Footprint Accounting Standards, Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification</i></p>	<p><i>Hisense Green Development Outline, Hisense Green and Low-Carbon Requirements, General Requirements for Hisense's Green and Low-Carbon Management System, Low-Carbon Management and Control Procedures, Control and Management Standards for Refrigerants, General Rules for Accounting of Greenhouse Gas Emissions at the Organizational Level, General Rules for Accounting of Product Carbon Footprints, Emergency Response Plan for Sudden Environmental Incidents</i></p>
<p><b>Product Quality and Safety</b></p>	<p><i>Product Quality Law of the People's Republic of China, REACH Regulation (EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals), RoHS Directive (EU Directive on the Restriction of Hazardous Substances)</i></p>	<p><i>Management Standards for the Product Quality and Safety Responsibility System, Quality Manual, Emergency Management Standards for Quality Operations, Management Measures for Product Recalls and Returns</i></p>
<p><b>Product R&amp;D and Innovation</b></p>	<p><i>Standardization Law of the People's Republic of China, Law of the People's Republic of China on Scientific and Technological Progress, Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements, National Medium- and Long-Term Program for Science and Technology Development (2021–2035)</i></p>	<p><i>Management Measures for Innovation Proposals, Management Measures for R&amp;D Innovation Achievements</i></p>
<p><b>Intellectual Property Protection</b></p>	<p><i>Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, Patent Law of the People's Republic of China</i></p>	<p><i>Management Measures for Intellectual Property</i></p>
<p><b>Job Creation and Equal Employment</b></p>	<p><i>Labor Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Women's Rights and Interests</i></p>	<p><i>Human Rights Policy Statement of Hisense Home Appliances Group Co., Ltd., Management Standards for Female Employees</i></p>
<p><b>Employee Rights Protection, Remuneration, and Benefits</b></p>	<p><i>Labor Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China</i></p>	<p><i>Human Rights Policy Statement of Hisense Home Appliances Group Co., Ltd., Employee Code of Conduct</i></p>
<p><b>Employee Development and Training</b></p>	<p><i>Labor Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Women's Rights and Interests, Vocational Education Law of the People's Republic of China</i></p>	<p><i>Employee Performance Management Procedures, Implementing Rules for Remuneration Management and Distribution, Management Measures for Professional Qualification Certification, Training Management Procedures, Management Measures for Training Implementation, Management Measures for Annual Training Plan Implementation, Management Measures for Internal Trainers</i></p>
<p><b>Employee Safety and Health</b></p>	<p><i>Work Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Regulations on Work-Related Injury Insurance</i></p>	<p><i>Management System for Safety and Health Aspects of Construction Projects, Management System for Work-Related Injuries, Occupational Health, Environmental, and Fire Accidents, Management Measures for Hazardous Operations, Fire Safety Management Measures, Approval System for Hazardous Operations, Reward System for Reporting Work Safety Issues, Occupational Safety and Health Management Measures, Management Measures for Publicity, Education, and Training on the Prevention and Control of Occupational Diseases</i></p>
<p><b>Customer Experience and Satisfaction</b></p>	<p><i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i></p>	<p><i>Service Quality Management Measures, After-Sales Spare Parts Management Measures</i></p>

Topic	Legal Compliance	Internal Policies and Management Measures
Information Security Management and Customer Privacy Protection	Personal Information Protection Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Administrative Measures for the Graded Protection of Information Security	Hisense Group App Governance Management Measures, Hisense Group Personal Information Protection Management Measures, Hisense Group Management Standards for External Cooperation Involving Personal Information, Hisense Group Requirements for Full Life Cycle Management of Personal Information Protection, Hisense HA Data Security Classification and Grading Control Standards, Hisense HA Data Security Risk Assessment Guidelines, Hisense HA Compilation of Information Security Procedures, SANDEN Global IT Security Standards
Sustainable Procurement	Bidding Law of the People's Republic of China	Management Measures for Potential Suppliers, Management Measures for Supplier Selection and Certification, Management Measures for Supplier Audits, Supplier Entry Thresholds, Supplier Audit and Evaluation Criteria, Supplier Code of Conduct, Corporate Social Responsibility Agreement, Safety and Environmental Protection Agreement, Anti-Commercial Bribery Pledge, On-site Personnel Management Agreement
Conflict Minerals	U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, EU Conflict Minerals Regulation	Declaration of Non-Use of Conflict Minerals

## Hong Kong Stock Exchange Index

Mandatory Disclosure Requirements	Relevant Section
Governance Structure	Leading Sustainable Development
Reporting Principles	About This Report
Reporting Scope	About This Report

Environment			
Aspect	KPI Number	Aspect, General Disclosure, and Key Performance Indicators	Relevant Section
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ESG Management Approach Laws, Regulations, and Key Internal Policies
A1: Emissions	A1.1	The types of emissions and respective emissions data.	Pollution Prevention and Circular Economy, ESG Indicators and Targets
A1: Emissions	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Indicators and Targets

Environment			
Aspect	KPI Number	Aspect, General Disclosure, and Key Performance Indicators	Relevant Section
A1: Emissions	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Indicators and Targets
A1: Emissions	A1.5	Description of emission target(s) set and steps taken to achieve them.	Pollution Prevention and Circular Economy, ESG Indicators and Targets
A1: Emissions	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Pollution Prevention and Circular Economy, ESG Indicators and Targets
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ESG Management Approach, Laws, Regulations, and Key Internal Policies
A2: Use of Resources	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Indicators and Targets
A2: Use of Resources	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Indicators and Targets
A2: Use of Resources	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Water Resources, ESG Indicators and Targets
A2: Use of Resources	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Energy and Water Resources, ESG Indicators and Targets
A2: Use of Resources	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Addressing Climate Change, ESG Indicators and Targets
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	ESG Management Approach, Laws and Regulations and Key Internal Policies
A3: The Environment and Natural Resources	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Biodiversity
Social			
Aspect	KPI Number	Aspect, General Disclosure, and Key Performance Indicators	Relevant Section
B1: Employment	General Disclosure	Information on: (a) the policies and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Laws and Regulations and Key Internal Policies, Protecting Employee Rights and Interests, Attracting and Retaining Talent
B1: Employment	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Protecting Employee Rights and Interests
B1: Employment	B1.2	Employee turnover rate by gender, age group and geographical region.	Attracting and Retaining Talent

Social			
Aspect	KPI Number	Aspect, General Disclosure, and Key Performance Indicators	Relevant Section
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	ESG Management Approach, Building a Strong Safety Defense, Laws and Regulations and Key Internal Policies
B2: Health and Safety	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Indicators and Targets, Building a Strong Safety Defense
B2: Health and Safety	B2.2	Lost days due to work injury.	ESG Indicators and Targets, Building a Strong Safety Defense
B2: Health and Safety	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Building a Strong Safety Defense
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Growth and Development
B3: Development and Training	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Employee Growth and Development
B3: Development and Training	B3.2	The average training hours completed per employee by gender and employee category.	Employee Growth and Development
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Laws and Regulations and Major Internal Policies, ESG Management Approach, Safeguarding Employee Rights and Interests
B4: Labor Standards	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguarding Employee Rights and Interests
B4: Labor Standards	B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding Employee Rights and Interests
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Laws and Regulations and Major Internal Policies, ESG Management Approach, Responsible Supply Chain
B5: Supply Chain Management	B5.1	Number of suppliers by geographical region	Responsible Supply Chain, ESG Indicators and Targets
B5: Supply Chain Management	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Supply Chain, ESG Indicators and Targets
B5: Supply Chain Management	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain
B5: Supply Chain Management	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Laws and Regulations and Major Internal Policies, ESG Management Approach, Achieving Quality Breakthroughs
B6: Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Achieving Quality Breakthroughs, ESG Indicators and Targets
B6: Product Responsibility	B6.2	Number of products and service related complaints received and how they are dealt with.	Improving Customer Service
B6: Product Responsibility	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Inspiring Innovative Momentum

Social			
Aspect	KPI Number	Aspect, General Disclosure, and Key Performance Indicators	Relevant Section
B6: Product Responsibility	B6.4	Description of quality assurance process and recall procedures.	Achieving Quality Breakthroughs
B6: Product Responsibility	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Enhancing Customer Service
B7: Anti-Corruption	General Disclosure	Information on: (a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Laws and Regulations and Major Internal Policies, ESG Management Approach
B7: Anti-Corruption	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Indicators and Targets
B7: Anti-Corruption	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
B7: Anti-Corruption	B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics, ESG Indicators and Targets
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	ESG Management Approach
B8: Community Investment	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Fulfilling Social Responsibilities
B8: Community Investment	B8.2	Resources contributed (e.g. money or time) to the focus area.	Fulfillment of Social Responsibilities, ESG Indicators and Targets

## Hong Kong Stock Exchange Climate-Related Disclosures

Dimension	Disclosure Content		Relevant Section
Governance	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		Excellent ESG Governance
Strategy	Climate-Related Risks and Opportunities	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate Risks and Opportunities
	Business Model and Value Chain	21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Risks and Opportunities
	Strategy and Decision-Making	22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	Climate Risks and Opportunities
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).		Climate Risks and Opportunities, ESG Indicators and Targets
	Financial Position, Financial Performance and Cash flows—Current Financial Impacts	24. An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Climate Risks and Opportunities
	Financial Position, Financial Performance and Cash flows—Anticipated Financial Impacts	25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate Risks and Opportunities
	Climate Resilience	26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	Addressing Climate Change, Climate Risks and Opportunities

## Hong Kong Stock Exchange Climate-Related Disclosures

Dimension	Disclosure Content		Relevant Section
Risk Management	<p>27. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>		Climate Risks and Opportunities
Metrics and Targets	Greenhouse Gas Emissions	<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.</p>	ESG Metrics and Targets
		<p>29. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	Addressing Climate Change, ESG Metrics and Targets
	Climate-Related Transition Risks	<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	The Company is progressively improving its management of relevant topics. Due to resource constraints and the need for further professional capability optimization, it is temporarily unable to disclose the quantitative financial performance impacted by climate-related transition risks.
	Climate-Related Physical Risks	<p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	The Company is progressively improving its management of relevant topics. Due to resource constraints and the need for further professional capability optimization, it is temporarily unable to disclose the quantitative financial performance impacted by climate-related transition risks.
Climate-Related Opportunities	<p>32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	The Company is progressively improving its management of relevant topics. Due to resource constraints and the need for further professional capability optimization, it is temporarily unable to disclose the quantitative financial performance impacted by climate-related transition risks.	

## Hong Kong Stock Exchange Climate-Related Disclosures

Dimension	Disclosure Content	Relevant Section	
Metrics and Targets	Capital Deployment	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Company is progressively improving its management of relevant topics. Due to resource constraints and the need for further professional capability optimization, it is temporarily unable to disclose the quantitative financial performance impacted by climate-related transition risks.
	Internal Carbon Pricing	34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Company Has Not Yet Formally Established and Implemented Internal Carbon Pricing.
	Remuneration	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Remuneration Incentive Mechanism
	Industry-Based Metrics	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Addressing Climate Change
	Climate-Related Targets	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Addressing Climate Change, ESG Metrics and Targets
		38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Addressing Climate Change, ESG Metrics and Targets
		39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Addressing Climate Change, ESG Metrics and Targets
		40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits.	Addressing Climate Change, ESG Metrics and Targets
	Applicability of Cross-Industry Metrics and Industry-Based Metrics	41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Addressing Climate Change, ESG Metrics and Targets

## Shenzhen Stock Exchange Indicators Index

Topic	Disclosure Requirement	Relevant Section
Addressing Climate Change	Article 20 A disclosing entity shall actively pursue green and low-carbon growth and support the building of a Beautiful China through such means as improving the processes, upgrading the production equipment, optimizing the energy mix, raising energy efficiency in production activities, developing and offering green products and services, and improving and strengthening	Addressing Climate Change, Energy Management
	Article 21 Aside from disclosing climate response governance; strategies; impacts, risks, and opportunities management; indicators; and targets in accordance with Chapter II of these Guidelines, a disclosing entity shall also provide information on its climate response as required by this Section.	Excellent ESG Governance, Addressing Climate Change, Climate Risks and Opportunities, ESG Metrics and Targets
	Article 22 A disclosing entity shall, in the context of the climate risks and opportunities it has identified, assess the extent to which its strategies, business models, and other aspects are adapted to climate change.	Addressing Climate Change, Climate Risks, and Opportunities
	Article 23 A disclosing entity shall disclose its transition plans, actions, and progress in responding to climate risks and opportunities.	Climate Risks and Opportunities
	Article 24 A disclosing entity shall calculate and disclose its total GHG emissions in the reporting period, and convert various GHG emissions into metric tons of carbon dioxide equivalent. The disclosing entity shall disclose Scope 1 and Scope 2 emissions and, if able, Scope 3 emissions as encouraged. Any disclosing entity that uses carbon credits shall disclose the source and amount of the carbon credits it uses. Any disclosing entity that participates in carbon emissions trading shall disclose whether it has completed settlement and whether it has been ordered to take corrective actions or is formally investigated by a government agency within the reporting period. The Exchange encourages those disclosing entities that are able to engage a third party to audit or provide assurance on the GHG emissions data and other relevant figures.	ESG Indicators and Targets
	Article 25 To enhance the transparency and comparability of GHG emissions data, the Exchange encourages the disclosing entity to provide GHG emissions details at each scope level.	ESG Indicators and Targets
	Article 26 A disclosing entity shall disclose the standards, methods, assumptions, or calculation tools used for GHG emissions accounting and state how emissions data are consolidated (such as by shareholding percentage, financial control, and operational control). If there is a change to the accounting standards, methods, or assumptions in the reporting period, the disclosing entity shall state the reasons and specific impacts of these changes.	ESG Indicators and Targets
Article 27 A disclosing entity shall disclose its GHG emissions reduction practices, including its participation in the various emissions reduction initiatives, emissions reduction targets and measures (e.g., management strategies, funding, development of technologies), and the outcomes. The disclosing entity shall disclose, for each scope level, the amount of GHG emissions directly reduced by such emissions reduction measures as redesigning production procedures, updating equipment, improving manufacturing processes, and switching fuels, and convert the data into metric tons of carbon dioxide equivalent. Emissions reductions may be disclosed by each measure used to achieve the reduction. The disclosing entity shall disclose its registration and trading activities in relation to the national projects for voluntary GHG emissions reduction and the China Certified Emission Reduction (CCER), as well as its registration and trading of any other emissions reduction initiatives and emissions savings.	Addressing Climate Change, ESG Indicators and Targets	

Topic	Disclosure Requirement	Relevant Section
Addressing Climate	Article 28 Any disclosing entity that discloses new technologies, products, and services that contribute to decarbonization, carbon neutrality, and the related R&D progress shall provide an objective and prudent account of the specifics of the technologies or services developed based on the relevant processes and technologies, the R&D investment and progress in the relevant businesses, approvals or certifications it has obtained, mass production capacity it has established, and its existing orders, among other information. The disclosing entity is encouraged to describe the impacts thereof on its current period's and future financial positions and operational outcomes, as well as the possible uncertainties and risks.	Addressing Climate Change
Pollutant Emissions	Article 30 If a disclosing entity or one of its significant subsidiaries is listed on the registry of enterprises legally obligated to release environmental information.	Pollution Prevention and Circular Economy
Waste Treatment	Article 31 If the wastes produced by a disclosing entity's production and operational activities have a material impact on the environment, the disclosing entity shall disclose the essential details of the wastes produced in the reporting period.	Pollution Prevention and Circular Economy, ESG Indicators and Targets
Ecosystem and Biodiversity Conservation	Article 32 If a disclosing entity's production and operational activities have a material impact on the ecosystem or biodiversity, the disclosing entity shall disclose the following information in relation to the reporting period.	Biodiversity
Environmental Compliance Management	Article 33 A disclosing entity shall disclose the following environmental information in accordance with the actual situations in the reporting period.	Fostering an Eco-Environmental Culture, Pollution Prevention and Circular Economy
Energy Use	Article 35 A disclosing entity shall disclose the details of its energy use in the reporting period.	Energy and Water Resources, ESG Indicators and Targets
Water Resource Use	Article 36 A disclosing entity shall disclose the specifics of its use of water resources in the reporting period.	Energy and Water Resources, ESG Indicators and Targets
Circular Economy	Article 37 A disclosing entity shall disclose the specifics of the circular economy activities conducted within the reporting period.	Addressing Climate Change, ESG Indicators and Targets
Rural Revitalization	Article 39 A disclosing entity shall disclose its contributions to rural revitalization in the reporting period.	Fulfilling Social Responsibility
Social Contributions	Article 40 A disclosing entity shall provide an overview of its contributions to the public and society in the reporting period, including but not limited to details on any charitable and volunteer activities organized, the amount of funding, the number of personnel and amount of time allocated, the outcomes, and the impact on its brand and businesses.	Fulfilling Social Responsibility
Innovation-Driven	Article 42 Provided that national security and state secrets are not involved and commercial secrets are protected, the Exchange encourages disclosing entities to voluntarily disclose the details on its promotion of technological innovation, commercialization and application of scientific and technological progress, and improvement of its technological edge in the reporting period.	Stimulating Innovation Momentum and Driving Product Innovation
Technological Ethics	Article 43 Any disclosing entity engaged in such activities as scientific research and technology development in a sci-tech ethically sensitive domain such as life sciences and artificial intelligence shall provide an overview of its compliance with the ethics of science and technology in the reporting period.	The Company's operations and production do not involve activities in technologically and ethically sensitive fields such as life sciences or artificial intelligence; therefore, this item is not applicable.
Supply Chain Security	Article 45 A disclosing entity shall disclose its efforts to enhance supply chain risk management and ensure the security and stability of the supply chain in the reporting period.	Responsible Supply Chain
Equal Treatment of Small and Medium-Sized Enterprises	Article 46: If the disclosing entity's balance of accounts payable (including notes payable) at the end of the reporting period exceeds 50% of its Total assets, it should disclose the amount of overdue payments at the end of the reporting period and the proposed solutions.	At the end of the reporting period, the Company's balance of accounts payable (including notes payable) did not exceed RMB 30 billion or 50% of its Total assets; therefore, this item is not applicable.

Topic	Disclosure Requirement	Relevant Section
Product and Service Safety and Quality	Article 47 A disclosing entity shall provide an overview of the safety and quality management of its products and services in the reporting period.	Achieving Quality Breakthroughs
Data Security and Customer Privacy Protection	Article 48 A disclosing entity shall provide an overview of its data security and customer privacy programs in the reporting period.	Information Security Management and Enhancing Customer Service
Employees	Article 50 The disclosing entity shall, in accordance with the law, protect the legitimate rights and interests of its employees, provide healthy and safe working conditions, pay employee salaries and social insurance contributions in a timely manner, enhance employee training, and establish a reasonable and effective employee grievance system.	Protecting Employee Rights, Attracting Talent, and Supporting Employee Growth
Due Diligence	Article 52 The Exchange encourages disclosing entities to, in line with its realities, disclose information on the due diligence it has conducted during the reporting period in relation to identifying and responding to the negative sustainability-related impacts or risks, including but not limited to the organization or personnel carrying out the due diligence, the scope of due diligence, the procedures for identifying such negative impacts or risks, and the details on its response to the relevant negative impacts and risks.	Strengthening Internal Control Procedures
Stakeholder Communication	Article 53 The disclosing entity shall disclose specific details of its communication with stakeholders, including investors, during the reporting period. This includes but is not limited to the establishment and implementation of a stakeholder communication system, and the channels and processes for receiving and responding to stakeholder feedback, including communication methods, frequency, and content.	Stakeholder Communication
Anti-Commercial Bribery	Article 55 A disclosing entity shall disclose the specifics of its anti-commercial bribery and anti-corruption efforts in the reporting period.	Business Ethics
Anti-Unfair Competition	Article 56 A disclosing entity shall disclose the specifics of its efforts to combat unfair competition in the reporting period.	Business Ethics

## GRI Content Index

Topic Standard	Disclosure	Relevant Section	
GRI 2: General Disclosures 2021	2-1	Organizational Details	About This Report
	2-2	Entities Included in the Organization's Sustainability Reporting	About This Report
	2-3	Reporting Period, Frequency, and Contact Point	About This Report
	2-4	Restatements of Information	ESG Risk Management
	2-6	Activities, Value Chain, and Other Business Relationships	About Hisense HA
	2-7	Employees	Protecting Employee Rights and Interests
	2-8	Workers Who Are Not Employees	Protecting Employee Rights and Interests
	2-9	Governance Structure and Composition	Strengthening Corporate Governance
	2-10	Nomination and Selection of the Highest Governance Body	Strengthening Corporate Governance
	2-11	Chair of the Highest Governance Body	Strengthening Corporate Governance
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	Strengthening Corporate Governance
	2-13	Delegation of Responsibility for Managing Impacts	Strengthening Corporate Governance and Leading Sustainable Development
	2-14	Role of the Highest Governance Body in Sustainability Reporting	Leading Sustainable Development
	2-15	Conflicts of Interest	Fair Operating Practices
	2-16	Communication of Critical Concerns	Stakeholder Communication
	2-17	Collective Knowledge of the Highest Governance Body	Strengthening Corporate Governance
	2-18	Performance Evaluation of the Highest Governance Body	Strengthening Corporate Governance
	2-19	Remuneration Policies	Strengthening Corporate Governance
	2-20	Process for Determining Remuneration	Strengthening Corporate Governance
	2-22	Statement on Sustainable Development Strategy	Letter to Stakeholders
	2-23	Policy Commitments	Laws, Regulations, and Key Internal Policies
	2-24	Integrating Policy Commitments	ESG Management Approach, Laws, Regulations, and Key Internal Policies
	2-25	Procedures for Remediating Negative Impacts	See Relevant Sections of the Report
	2-26	Mechanisms for Seeking Advice and Raising Concerns	Stakeholder Communication
	2-27	Compliance with Laws and Regulations	Laws, Regulations, and Key Internal Policies
	2-28	Memberships of Associations	Fulfilling Social Responsibilities
	2-29	Approaches to Stakeholder Engagement	Stakeholder Communication
	2-30	Collective Bargaining Agreements	Protecting Employee Rights and Interests

Topic Standard	Disclosure		Relevant Section
GRI 3: Material Topics 2021	3-1	Process for Determining Material Topics	Material Topic Management
	3-2	List of Material Topics	Material Topic Management
	3-3	Management of Material Topics	Material Topic Management
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	About Hisense HA
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	Climate Risks and Opportunities
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	Talent Attraction and Recruitment
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure Investments and Services Supported	Fulfilling Social Responsibility
	203-2	Significant Indirect Economic Impacts	Inside Hisense HA
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	Responsible Supply Chain
GRI 205: Anti-Corruption 2016	205-2	Communication and Training About Anti-Corruption Policies and Procedures	Business Ethics
	205-3	Confirmed Incidents of Corruption and Actions Taken	Business Ethics
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Antitrust Practices	Business Ethics
GRI 207: Tax 2019	207-1	Approach to Tax	Fair Operating Practices
	207-2	Tax Governance, Control, and Risk Management	Fair Operating Practices
	207-3	Stakeholder Engagement and Management of Concerns Related to Tax	Stakeholder Communication, Fair Operating Practices
GRI 301: Materials 2016	301-1	Materials Used by Weight or Volume	ESG Indicators and Targets
	301-2	Recycled Input Materials Used	Addressing Climate Change
	301-3	Reclaimed Products and Their Packaging Materials	Addressing Climate Change
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	ESG Indicators and Targets
	302-3	Energy Intensity	ESG Indicators and Targets
	302-4	Reduction of Energy Consumption	Addressing Climate Change, ESG Indicators and Targets
	302-5	Reduction in Energy Requirements of Products and Services	Product Innovation and R&D
GRI 303: Water and Effluents 2018	303-1	Interaction of the Organization with Water as a Shared Resource	Energy and Water Resources
	303-2	Management of Water Discharge-Related Impacts	Pollution Prevention and Circular Economy
	303-3	Water Withdrawal	ESG Indicators and Targets
	303-4	Water Discharge	ESG Indicators and Targets
	303-5	Water Consumption	ESG Indicators and Targets
GRI 305: Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas Emissions	ESG Indicators and Targets

Topic Standard	Disclosure		Relevant Section
GRI 305: Emissions 2016	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	ESG Indicators and Targets
	305-4	Greenhouse Gas Emissions Intensity	ESG Indicators and Targets
	305-5	Reduction of Greenhouse Gas Emissions	Addressing Climate Change
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	Pollution Prevention and Circular Economy
GRI 306: Waste 2020	306-1	Waste Generation and Significant Waste-Related Impacts	Pollution Prevention and Circular Economy
	306-2	Management of Significant Waste-Related Impacts	Pollution Prevention and Circular Economy
	306-3	Waste Generated	ESG Indicators and Targets
	306-4	Waste Diverted from Disposal	Pollution Prevention and Circular Economy
	306-5	Waste Directed to Disposal	Pollution Prevention and Circular Economy
GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers That Were Screened Using Environmental Criteria	Responsible Supply Chain
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	Responsible Supply Chain
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	Talent Attraction and Recruitment
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	Talent Attraction and Recruitment
	401-3	Parental Leave	Talent Attraction and Recruitment
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	Building a Strong Safety Defense
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Building a Strong Safety Defense
	403-3	Occupational Health Services	Building a Strong Safety Defense
	403-4	Occupational Health and Safety Matters: Worker Participation, Consultation, and Communication	Building a Strong Safety Defense
	403-5	Occupational Health and Safety Training for Workers	Building a Strong Safety Defense
	403-6	Promotion of Worker Health	Building a Strong Safety Defense
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked with Business Relationships	Building a Strong Safety Defense
	403-8	Workers Covered by the Occupational Health and Safety Management System	Building a Strong Safety Defense
	403-9	Work-Related Injuries	Building a Strong Safety Defense
	403-10	Work-Related Ill Health	Building a Strong Safety Defense
GRI 404: Training and Education 2016	404-1	Average Hours of Training per Year per Employee	Employee Growth and Challenges
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	Employee Growth and Challenges
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	Attracting Talent
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	Protecting Employee Rights and Interests

Topic Standard	Disclosure		Relevant Section
Non-Discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	Protecting Employee Rights and Interests
GRI413:local	413-1	Operating sites with local community engagement, impact assessment and development plans	Practice social responsibility
	413-2	Operating sites with actual or potential significant adverse impacts on local communities	Practice social responsibility
GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers Screened Using Social Evaluation Criteria	Responsible Supply Chain
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	Responsible Supply Chain
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	Achieving Quality Breakthroughs
	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Achieving Quality Breakthroughs
GRI 417: Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	Enhancing Customer Service
	417-2	Incidents of Non-Compliance Concerning Product and Service Information and Labeling	Enhancing Customer Service
	417-3	Incidents of Non-Compliance Concerning Marketing Communications	Enhancing Customer Service
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Enhancing Customer Service

## SASB Standards Index

Category	Topic Number	Disclosure Item	Accounting Metric	Relevant Chapter
<b>Sustainability Disclosure Topics and Accounting Metrics</b>				
Product Safety	CG-AM-250a.1	(1) number of product recall events and; (2) total number of products recalled	Unit of Quantity	Achieving Quality Breakthroughs
	CG-AM-250a.2	Discussion of the identification and management of risks related to the use of products	n/a	Achieving Quality Breakthroughs
	CG-AM-250a.3	Financial losses from legal litigation related to product safety	Reporting Currency	Achieving Quality Breakthroughs
Environmental Impact of the Product Life Cycle	CG-AM-410a.1	Percentage of eligible products certified for energy efficiency, calculated by revenue	Percentage of Revenue	Disclosure Omitted Due to Business Confidentiality Restrictions
	CG-AM-410a.2	Percentage of eligible products that meet eco-friendly product life cycle standards, calculated by revenue	Percentage of Revenue	Disclosure Omitted Due to Business Confidentiality Restrictions
	CG-AM-410a.3	Description of efforts to manage the impacts of products at the end of their life cycle	n/a	Addressing Climate Change
<b>Activity Indicators</b>				
Annual Output	CG-AM-000.A	/	Unit of Quantity	-

## UN SDGs Index

SDGs	Relevant Chapters
SDG 3: Good Health and Well-Being	Ecological Goodness: Co-Creating the Future; Partners for Good: A Win-Win Partnership
SDG 4: Quality Education	Ecological Goodness: Co-Creating the Future; Partners for Good: A Win-Win Partnership
SDG 5: Gender Equality	Partners for Good: A Win-Win Partnership
SDG 7: Affordable and Clean Energy	Technology for Good: A Technology-Driven Enterprise
SDG 8: Decent Work and Economic Growth	Partners for Good: A Win-Win Partnership
SDG 9: Industry, Innovation and Infrastructure	Technology for Good: A Technology-Driven Enterprise; Ecological Goodness: Co-Creating the Future
SDG 11: Sustainable Cities and Communities	Ecological Goodness: Co-Creating the Future
SDG 12: Responsible Consumption and Production	Technology for Good: A Technology-Driven Enterprise; Ecological Goodness: Co-Creating the Future
SDG 13: Climate Change	Technology for Good: A Technology-Driven Enterprise; Ecological Goodness: Co-Creating the Future
SDG 15: Life on Land	Ecological Goodness: Co-Creating the Future
SDG 16: Peace, Justice and Strong Institutions	Ecological Goodness: Co-Creating the Future; Internal Control and Compliance
SDG 17: Partnerships for the Goals	Ecological Goodness: Co-Creating the Future; ESG Risk Management

## Reader Feedback

Thank you for reading the *Hisense HA 2025 Environmental, Social and Governance Report*. To provide you and other Stakeholders with more valuable information and to help Hisense HA enhance its ESG management capabilities and performance, the Company sincerely welcomes your comments and suggestions on the report. Please provide your feedback to the Company via email at [hxjdzqb@hisense.com](mailto:hxjdzqb@hisense.com).

1. Which of the following Stakeholder categories do you belong to?

- Consumer       Government and Regulatory Bodies       Employee
- Shareholder / Investor       Partner (Supplier, Distributor)       Media
- Community       Non-Profit Organization / Industry Association       Other \_\_\_\_\_

2. Do you believe this report fully reflects Hisense HA's performance in environmental, social and governance aspects?

- Yes       Fair       No

3. Do you believe this report comprehensively responds to the expectations and requirements of Hisense HA's Stakeholders?

- Yes       Fair       No

4. Do you believe the quantitative information disclosed in this report is objective, authentic, and effective?

- Yes       Average       否

5. Do you find the written descriptions in this report to be clear, logical, and easy to understand?

- Yes       Average       No

6. Do you believe the layout and design of this report aid your understanding of the information presented?

- Yes       Average       No

7. Content You Wished to See but Was Not Disclosed in This Report:

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8. What other opinions or suggestions do you have for Hisense HA's ESG management and ESG reporting?

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