

2024 Environmental, Social and Governance Report



Haier

Casarte

Leader

AQUA

FISHER & PAYKEL

GE APPLIANCES

CANDY

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ABOUT THIS REPORT

Background

This report aims to objectively and fairly present the environmental, social and governance (ESG) performance of Haier Smart Home Co., Ltd. and its subsidiaries (hereinafter referred to as "Haier Smart Home", the "Company", "we" or "us") in 2024. It is recommended that the content of corporate governance should be read in conjunction with the section of Corporate Governance Report (H Share) or Corporate Governance (A Share) contained in the *2024 Annual Report of Haier Smart Home Co., Ltd.* (hereinafter referred to as the "2024 Annual Report").

Reporting Scope

This report covers the period from January 1 to December 31, 2024, with some content extending beyond this timeframe. The scope encompasses all of the Company's core businesses: refrigeration, kitchen appliances, household laundry solutions, air and energy solutions, and household water solutions, maintaining consistency with our *2024 Annual Report* and previous ESG reports. We regularly review the reporting scope to ensure it covers the significant impacts of the Company's business portfolio.

Report Preparation Basis

This report has been prepared primarily in accordance with the *Environmental, Social and Governance Reporting Code* (hereinafter referred to as *ESG Reporting Code*) in the Appendix C2 of the *Listing Rules of The Stock Exchange of Hong Kong Limited* (hereinafter referred to as "HKEX"). It also references the *GRI Sustainability Reporting Standards* (GRI Standards) of the Global Reporting Initiative, the amendments of the *Sustainability Accounting Standards* (SASB Standards) of the International Sustainability Standards Board (ISSB¹), *Standardized Operations - No. 1 Guideline on Self-Regulation of Listed Companies* issued by the Shanghai Stock Exchange (hereinafter referred to as the SSE), *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies— Sustainability Report (Trial)* issued by SSE, and the *Guidelines on Preparation of Corporate Social Responsibility Reports of Chinese Enterprises 6.0* (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences (CASS).

Reporting Principles

This report adheres to four key principles: "Materiality", "Quantitative", "Balance", and "Consistency".

Materiality

We conduct materiality assessments in accordance with the *ESG Reporting Code*. Our process includes: i) identifying relevant ESG issues, ii) evaluating the importance of these issues, and iii) Board review and confirmation of the assessment process and results. We report on ESG matters based on the materiality assessment results. For details of our materiality assessment, please refer to the "Double Materiality Assessment" section later in this report.

Quantitative

This report follows the *ESG Reporting Code* and refers to applicable quantitative standards and practices. We measure and disclose applicable key performance indicators using quantitative methods and have established environmental targets that include specific numerical figures and directional statements. Information regarding the measurement standards, methodologies, assumptions and/or calculation tools for key performance indicators in this report, as well as the sources of conversion factors used, are explained in the relevant sections where applicable. Our environmental targets are disclosed in the "Our Goals" section of the "Safeguarding Our Planet Towards a Green, Low-Carbon Future" chapter.

¹ The International Sustainability Standards Board (ISSB) incorporated the Sustainability Accounting Standards Board (SASB) upon its establishment. By the end of 2023, the ISSB completed work to enhance the international applicability of SASB standards, resulting in the publication of the amendment of the SASB Standards.

Balance

This report objectively discloses both positive and negative information, ensuring an unbiased presentation of the Company's ESG performance during the reporting period.

Consistency

This year's report maintains the same preparation approach as in previous years. Any changes that might affect meaningful comparisons with past reports are explained in the corresponding sections.

Data Sources and Reliability Assurance

The textual information and case studies in this report are primarily derived from the Company's statistical data, relevant documents and internal communications. Some data in the report is extracted from the *2024 Annual Report*, whilst other data comes from internal systems or manual records. The Company guarantees that this report contains no false records or misleading statements, and takes responsibility for the truthful-

ness, accuracy and completeness of its contents.

This report is published in Simplified Chinese, Traditional Chinese and English versions. In case of any discrepancy, the Simplified Chinese version shall prevail.

Obtaining and Responding to This Report

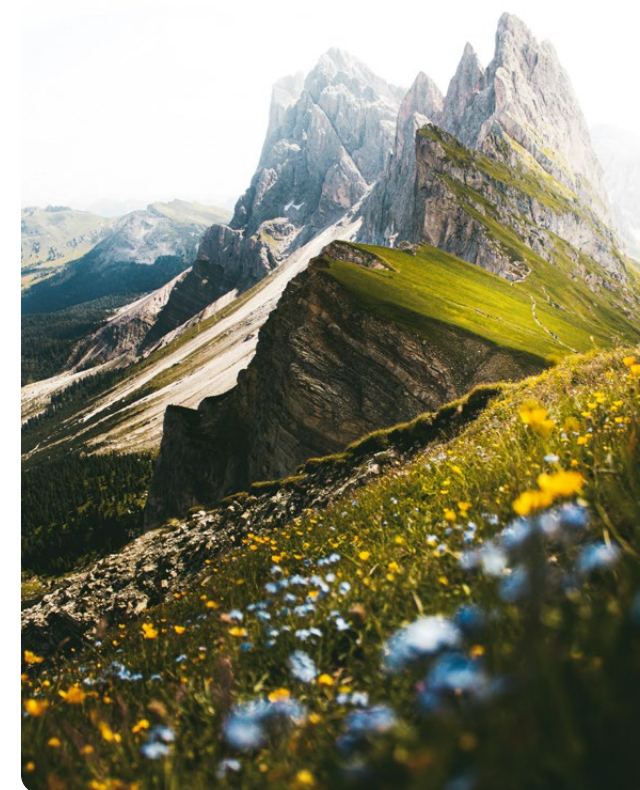
This report is published in both printed and electronic versions. The electronic version can be accessed on the Company's official website (<https://smart-home.haier.com/cn/>), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>).

We value the opinions of our stakeholders and welcome readers to contact us through the following channels.

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LETTER TO SHAREHOLDERS

EMBARCING CHANGES BUILDING MOMENTUM FOR GROWTH

In 2024, Haier Smart Home remained committed to "Creating Better Lives for Global Families" and achieved new heights in revenue and profit through strengthening technological innovation, accelerating digital transformation, and optimizing global strategic footprint while implementing business model transformation to lay down a solid foundation for sustainable growth.

Key Performances in 2024

We delivered record-level revenue and net profit. In 2024, Haier Smart Home's global revenue reached RMB 285.981 billion, representing a year-on-year increase of 4.29%. Net profit attributable to shareholders grew 12.92% to RMB 18.741 billion and operating profit was RMB 20.22 billion, up 15.8% year on year.

We generated net cash flow from operating activities totalled RMB 26.543 billion, 1.4 times our net profit.

We consolidate market leadership in refrigerators, washing machines, and water heaters in China. We have made considerable progress in premium kitchen appliances, with the Casarte Ultra-realm (致境) seamless built-in range hood achieving 400% volume growth in the segment priced above RMB 7,000.

In 2024, we strengthened user engagement by implementing initiatives including digital inventory management and marketing,

driving improvements in both user experience and operational efficiency. As a result, our domestic order response cycle improved by 13%. We actively capitalized on opportunities created by trade-in policy in China, to realized 10% overall revenue growth and over 30% Casarte growth in the fourth quarter.

Global market share continues to rise as emerging markets shift into high gear for strategic expansion and development.

In the U.S., despite sluggish demand and intensifying competition, GE Appliances team focused on product leadership, channel partnerships, supply chain upgrades, and new opportunity expansion, to solidifying our position as the industry leader. Our innovative products including the Apex oven range, next-generation dishwashers with stainless steel tub, and Combo Core heat pump washer-dryer combos—have received widespread acclaim. We upgraded our Roper factory to cover full range of kitchen appliances with industry-leading manufacturing efficiency. GE Appliances' HVAC revenue grew by 70% and RV appliances achieved double-digit growth. The Company has been recognized as the "Smart Appliance Company of the Year" by IoT Breakthrough for eight consecutive years.

2024 marks the 20th anniversary since we first entered India market and it has been a year of tremendous achievement as our revenue grew over 30% to USD 1 billion for the first time, the

growth was attributable to local management team's unwavering commitment to localization strategies. Our high value-added products, including the powerful 5-star energy-efficiency air conditioners and large-capacity front-load washing machines, have performed exceptionally well.

The first phase of our eco-park in Egypt commenced operations in May 2024, with production capacity exceeding 200,000 units.

In the HVAC sector, we continue to achieve technological breakthroughs, strengthen R&D capabilities, and implement supply chain integration for both residential air conditioning and smart building businesses, while accelerating international expansion of water heater business.

We have continuously strengthened R&D investments in residential air conditioners, to renovate our product platforms and models while solidifying our modular technology. Our products now lead the industry in both performance and consistency: wall-mounted units achieve APF values exceeding 6.3, while standing units surpass 5.2. Defect rate reduced by 11% year-on-year in 2024. With accelerated product iteration, new products will comprise over 50% of our offerings in 2025, promising strong market performance. We continue to deepen supply chain integration to enhance cost competitiveness, in 2024, our joint compressor factory in Zhengzhou reached a production capacity of 2.24

million units, while a total of 5.3 million units of PCBs were produced in our facilities in Zhengzhou and Chongqing.

Our Smart Building business achieved revenue growth of 15% in 2024, surpassing the RMB 10 billion milestone despite downturn in real estate and public building market. This success was driven by our long-term investment in core technologies and launch of new product platforms. We maintain market leadership in magnetic levitation systems, and our air suspension centrifugal chiller has been recognized for its high energy efficiency and included in the *Green Technology Promotion Catalog (2024 Edition)* jointly issued by eight government departments led by the National Development and Reform Commission.

Our Water Heater and Purifier business is rapidly expanding into overseas markets. In December 2024, we completed the acquisition of Kwikot, a century-old market-leading water heater manufacturer in South Africa. We will enhance its competitiveness through synergies in R&D, procurement, and supply chain operations, to accelerate our global expansion in the water heater and purifier market.

In October 2024, we completed the acquisition of Carrier's commercial refrigeration business. Through this acquisition, we will expand into commercial refrigeration including retail refrigeration and cold storage to locking new growth opportunities. Carrier's commercial refrigeration business has accumulated extensive technical expertise and commercial applications in CO₂ refrigeration. Following the acquisition, both parties are actively promoting synergies in global markets, R&D, and platform capabilities, while implementing organizational restructuring to provide rapid response and customer service, thus establishing a solid foundation for sustainable development.

Innovate marketing approach to deliver brand value in ways that resonate more with consumers, revitalize our brand, and strengthen user connections.

We have systematically enhanced content creation, successfully launched IP series including "Haier Initiative (海廠總動員)", which achieved over 2 million mentions in a single month. Meanwhile, we have increased investment in Leader brand to attract young consumers through distinctive, minimalist designs and upgraded marketing. As a result, Leader's retail sales grew by 26% year-on-year in 2024.

Our technological innovations have received wide recognition from the industry, leading the sector towards smart and sustainable transformation.

In 2024, our Multi-dimensional (temperature, humidity, oxygen, magnetic) Precision Control Technology Innovation and Industrialization for Household Preservation Appliances was honoured with the State Science and Technology Progress Award (Second Class), making it the only home preservation technology to receive this prestigious award in its 40-year history. To date, our Company has accumulated 17 State Science and Technology Progress Awards, making us the most decorated enterprise in the home appliance industry. In 2024, Haier's Hefei Refrigerator Interconnected Factory became the world's first enterprise to receive the Industrie 4.0² Award for its breakthrough in AI technology integration.

We advanced sustainable development strategy by promoting "RenDanHeYi" (人單合一) management philosophy and strengthening commitment to diversity and inclusion.

In 2024, our Company continued to implement sustainable development strategy, inspiring employee innovation and fostering diversity and inclusion. We strengthened sustainable risk manage-

ment to navigate complexity and volatility in global market. At the same time, we established sustainability divisions in every region where we operate, fulfilling local social responsibilities and building direct interactions with all stakeholders.

This year, we launched many energy-efficient and carbon-reducing green products across global markets to earn wide consumer recognition. Through our efficient energy-saving products and digital smart platforms, we provided comprehensive energy solutions for homes and buildings to fulfil Haier Smart Home's commitment to a greener planet. We also catered for the well-being of elderly users by introducing products with improved accessibility such as one-touch smart washing machines and gas stoves with automatic shut-off safety features.

Guided by our "RenDanHeYi" (人單合一) management philosophy, we have created an inclusive workplace that nurtures diverse, cohesive, and high-performing teams. We believe innovation thrives when diverse cultures connect and blend. In 2024, we launched a women's leadership empowerment program and strengthened the cultivation and development of young creators, technology experts, and globalized talents to build reserves for the future. We established a Company-wide Cultural Dialogue Platform where staff can engage in conversations about the work environment, organizational atmosphere, and cultural development, embodying our "employee-centred" principle to achieve more vibrant and diversified development.

In 2024, Haier Smart Home was selected in Forbes' World's Best Employers list for the eighth consecutive year, while GE Appliances received "The Most Innovative Companies of 2024" award. MSCI upgraded our ESG rating to AA level, which serves not only as affirmation but also as encouragement, motivating us to continue the path of sustainable development.

² The Industrie 4.0 Award is one of the most prestigious global industry accolades. Organized and assessed by the internationally renowned management consultancy ROI-EFESO, this award recognizes organizations that have demonstrated exceptional digital transformation achievements in smart factories, smart supply chains, smart services, and smart sustainability.

2025: Accelerating Change to Embrace a New Era

The year 2025 presents an intricate tapestry of challenges and opportunities.

Geopolitical uncertainties and rising tariff barriers are accelerating the fragmentation of global trade systems, triggering cascading effects that are reshaping global supply chains. Meanwhile, the remarkable evolution of AI technology continues to drive transformative changes across industries.

We anticipate a gradual recovery in real estate demand could be brought by interest rate cuts, offering promising prospects in the home appliance sector in the US and Europe. In emerging markets, economic growth, ongoing urbanization, and favourable demographic advantages are creating fertile ground for expansion in the industry.

Originated from China, Haier Smart Home has devoted our energy and expertise to developing the best appliances to satisfy consumers all over the world by implementing global strategy leveraging Chinese engineering excellence. China's sophisticated e-commerce and logistics infrastructures facilitate seamless communication between consumers and businesses, bridging gaps and accelerating product iteration. The robust supply chain and abundant talent pool are vital for Chinese enterprises to maintain substantial investments in innovation and create outstanding experience for users. Furthermore, by leveraging innovative technologies including AI, Chinese companies can enhance operational efficiency while optimizing organizational structures and processes. I am full of anticipations as Haier Smart Home accelerates our global strategy going forward.

Our overseas markets still hold tremendous potential in both revenue scale and profitability. In 2025, we will capitalize on our

global R&D platform to accelerate country-specific product innovation and iteration to address unique local market needs and improve price index. We will enhance our global logistics and marketing platforms as well as deploying end-to-end digitalization by adapting domestic models to local markets to drive operational efficiency. We will leverage localized production and the synergies of 163 global manufacturing facilities to build a well-balanced and resilient global supply chain, mitigating potential geopolitical impacts.

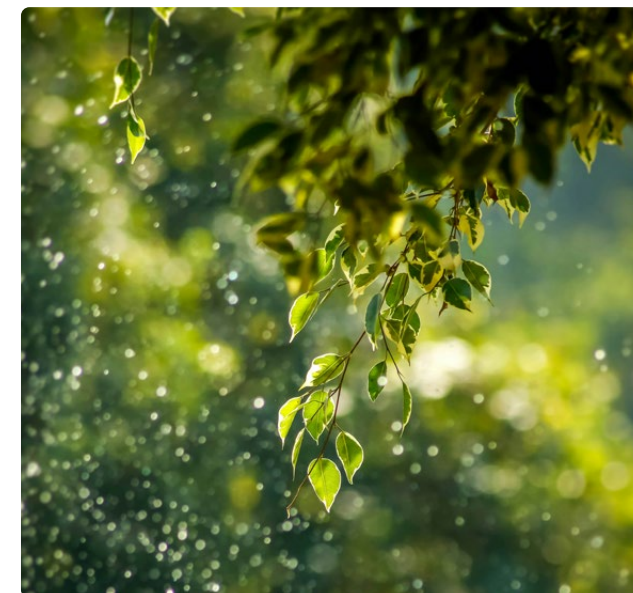
In the domestic market, accelerated digital transformation of marketing and inventory management will enable us to connect with users more directly and swiftly, allowing distributors to operate with lighter assets which in turn will help accelerate product turnover, expand market share, and enhance profitability.

In 2025, Haier Smart Home will fully embrace AI technologies to facilitate the implementation of comprehensive applications powered by advanced large models across our operations. Building on digital foundations, we will expand our AI capabilities. Our AI product series will deliver novel experiences to users with more intelligent, versatile, and personalized natural language interactions. We will leverage AI tools extensively to achieve more efficient development, targeted marketing, and optimized supply chain, while empowering every Haier team member to develop their own smart applications.

Direct yet efficient user communication and brand vitality have become critical in the era of fans economy. Since March 2024, our management team has successively launched social media accounts to share Haier stories, listen to user needs, and collect user suggestions, thereby strengthening emotional bonds. This interactive model has injected new vitality into the Haier brand by involving users in product design and brand creation. In response

to suggestions on social media platforms, we launched the Leader triple-drum washing machine on March 11th, eliminating the need for manual washing and unlocking a "new era for convenience". Its Mickey Mouse-inspired design stands out from traditional appliances and went viral on social media. Within just one week of its release, we have received over 88,000 orders. We will make greater effort in engaging with young consumers, fully leveraging our advantages in R&D, manufacturing, quality, and service, while deepening interactions and connections, to provide not only authentic, high-quality products but also create delightful experiences.

Finally, I would like to express my sincere gratitude to all shareholders for your unwavering support and trust. We are dedicated to overcoming challenges and creating greater value for shareholders, society, and users worldwide.



STATEMENT OF THE BOARD

The Board of Directors is the highest responsible and decision-making body for Haier Smart Home's ESG matters and places high importance on the Company's sustainable development. A dedicated Environmental, Social and Governance Committee has been established under the Board to assist with ESG governance and information disclosure. This committee regularly reports important ESG matters to the Board through routine and special meetings.

The Company conducts regular assessments, prioritization and management of ESG-related matters, including risks to the Company's business and their materiality. The Board is responsible for reviewing assessment results, determining significant ESG risks, identifying ESG issues of strategic importance to the Company's development, and providing recommendations on management measures. Details of risk management and double materiality assessment can be found in the "Corporate Governance Report" (H share) or "Corporate Governance" (A share) sections of the *2024 Annual Report*, as well as in the "Double Materiality Assessment" section of this report.

The Company has established effective ESG strategies and continuously explores ways to enhance ESG performance. The Board regularly reviews these strategies to ensure alignment with the Company's business development strategy. Details of the ESG strategies can be found in the "ESG Strategy Framework" section. The ESG Executive Working Group, comprising senior executives from various departments, regularly reports on internal ESG matters to the ESG Committee, implements the Company's ESG policies, and provides recommendations.

The Company has established multi-dimensional ESG goals linked to business operations, balancing ESG goals with business objectives. The Board has reviewed and discussed these goals and regularly monitors progress. During this reporting year, all ESG work objectives have achieved planned progress.

Throughout the year, the Board has continued to monitor the latest ESG regulatory requirements and trends both domestically and internationally. The Board acknowledges that the *IFRS S1 General Requirements for Disclosure of Sustainability-related*

Financial Information and IFRS S2 Climate-related Disclosures officially came into effect on January 1, 2024. Additionally, HKEX issued the *ESG Reporting Code*, which came into effect on January 1, 2025; the European Union's *Corporate Sustainability Reporting Directive* (CSRD) officially took effect on January 5, 2023, accompanied by 12 *European Sustainability Reporting Standards* (ESRS); and in April 2024, the SSE officially released the *Guidelines No. 14 for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, further standardizing sustainability disclosure requirements for listed companies. To address these regulatory requirements and enhance ESG performance, the Company's Board has actively undertaken preparatory work, including relevant general training, organizing discussions and research, and developing action plans.

This report comprehensively discloses the above environmental, social and governance matters and was reviewed and approved by the Board on March 27, 2025.

ABOUT HAIER SMART HOME

Our Company's predecessor, Qingdao Refrigerator Factory, was founded in 1984, with headquarters located in Qingdao, China. It was officially renamed as Haier Smart Home Co., Ltd in June 2019. As a global ecosystem brand, we specialize in providing smart home solutions to enhance the quality of life of users worldwide. Our main focus is on the R&D, production, and sales of smart home appliance products and scenario-based solutions, including refrigerators, freezers, washing machines, air conditioners, water heaters, kitchen appliances, and small home appliances. With a diverse portfolio of products, brands, and solutions, we aim to create comprehensive smart home experience tailored to the unique needs of our users.

Haier Smart Home was listed on the Shanghai Stock Exchange in 1993 (stock code: 600690.SH) as one of the earliest listed companies in China. The Company was subsequently listed on the Frankfurt Stock Exchange (stock code: 690D.DF) in 2018, and the Hong Kong Stock Exchange (stock code: 06690.HK) in 2020, thereby establishing an "A+D+H" global capital market presence.

The Company owns a global cluster of home appliance brands, including Haier, Casarte, Leader, GE Appliances, Candy, Fisher & Paykel (hereinafter referred to as "FPA") and AQUA. During the reporting period, Haier Smart Home acquired two major brands, CCR and Kwikot. The CCR acquisition supports Haier Smart



Home's large-scale cold chain strategy and expands our commercial refrigeration business portfolio. The acquisition of Kwikot, a century-old South African water heater brand, strengthens Haier Smart Home's position in the water heater sector and accelerates the rapid expansion of our white goods business in the South African market. According to research data from Euromonitor International, a leading global market research firm, Haier has maintained our position as the world's number one major home appliance brand by retail volume for 16 consecutive years as of 2024. Additionally, Haier's refrigerators, washing machines, wine cabinets, and freezers have ranked first globally for 17, 16, 15, and 14 consecutive years, respectively.

CORPORATE STRATEGY

"There are no inherently successful companies; only those that align with the spirit of the times." Haier Smart Home is embracing the wave of the Internet of Things (IoT) era, and aims to become a user-centric digitalized enterprise, achieving leadership as a global IoT smart home ecosystem brand. Since 2019, the Company has entered our sixth strategic phase—Ecosystem Branding, transitioning from being a leader in the global major appliance industry to becoming a global pioneer in high-end brands, scenario brands, and ecosystem brands in the IoT era. Throughout this evolution, we continue to uphold our core principle of "maximizing human potential" across all aspects of

Haier's development. As our premiumization and globalization strategy continue to advance, Haier Smart Home's brand influence has been steadily increasing. We have become a prominent household appliance brand and listed in the World Brand Lab's "World's 500 Most Influential Brands" for 21 consecutive years. From 2020 to 2024, Haier Smart Home has consistently been recognized as the Global 500 and the "World's Most Admired Company" by *Fortune*, showcasing our ongoing leadership in the IoT ecosystem. In this era of "Internet of Everything", Haier's ecosystem brand will bring increasingly better living experiences to users worldwide.

From company philosophy to organizational structure, and from top-level design to implementation, Haier Smart Home regards ESG as a vital component of our corporate strategy. For over a decade, we have consistently published ESG Reports (previously known as "Social Responsibility Report" prior to 2021), remaining at the forefront of ESG practices by strengthening sustainable governance, exploring a green and low-carbon future, fostering diversity and integration, pioneering smart experiences, and driving industry prosperity.



ESG Strategy Framework

Since joining the United Nations Global Compact (UNGC), Haier Smart Home has closely integrated our ESG strategy with the United Nations 2030 Sustainable Development Goals (UN SDGs), committing to uphold the Ten Principles of the Global Compact grounded on United Nations Conventions, and continuously achieving ESG leadership.

In 2024, the Company further enhanced our ESG strategy framework based on our business characteristics and industry context. We continued to implement our five key pillars and future actions, using them as a roadmap to actively engage in sustainable development. Aligned with the core pillars of our ESG strategy, we have updated our ESG targets for the next 1-3 years and are taking proactive steps to facilitate their achievement. Details of the targets and progress can be found in the introductory pages of subsequent sections.



ESG Performance Highlights



Fostering Integrity in Governance through Global Collaboration

Board Governance

Proportion of female directors on the Board: **22.2%**.

Proportion of independent directors on the Board: **44.4%**.

Information Security

Achieved **ISO 27001** and **ISO 27701** information security certifications.

No major information security breaches over the past three years.

Business Ethics

Conducted **398** anti-corruption and anti-fraud training sessions.

Average anti-corruption training hours per employee exceeded **2 hours**.

100% coverage of anti-corruption and anti-fraud awareness training for employees in the China operating region.



Safeguarding Our Planet Towards a Green, Low-Carbon Future

Responding to Climate Change

Conducted carbon audits at **51** domestic complete machine factories.

9 lighthouse factories, **1** "sustainable lighthouse factory", **16** national-level green factories, **12** national-level green supply chain enterprises, and **6** zero-waste factories.

100% of self-owned supply chain factories in the China operating region have received **ISO 14001** environmental management system certification.

Circular Economy

Recycled **7.69 million** units of used home appliances, a **10%** year-on-year increase

Recycling operations covered **31** provinces/autonomous regions/municipalities, **317** prefecture-level cities, and **2,728** districts and counties across China

Haier's green recycling interconnected factory achieved annual carbon emission reduction of approximately **17,000** tons through home appliance recycling



Empowering Collaborative Growth through 'RenDanHeYi'

Employees' Rights

100% labor union coverage.

100% signing rate for *Collective Contracts* and *Special Collective Contracts for Female Workers*.

Zero incidents of illegal employment practices.

Talent Attraction

Employees from more than 50 countries worldwide.

Attracted a total of 1,814 leading talents from society.

Employee Benefits

Non-salary benefits coverage for all employees.

100% resolution rate for employee complaints.

Employee Development

100% coverage of employee training.

Average of 68.55 training hours per employee.

Employee Health and Safety

Conducted 755 emergency drills at industrial parks with a total of 8,398 participants.

Conducted 827 specialized emergency plan drills at factories with over 150,000 participants.

Over 79,000 participants in Safety Production Month activities.

Completed 13,000 medical examinations for workers engaged in hazardous occupations.



Leading with Innovation for Delightful Smart Home Experiences

Product Quality and Safety

All factories and all suppliers in the domestic operating area are certified with ISO 9001 quality management system.

0% product recall rate.

Standardized, specialized, and digitalized lifecycle management using over 160,000 types of measurement instruments.

Quality Service

100% complaint resolution rate and 100% resolution satisfaction rate.

Conducted over 7,300 offline practical service training sessions with over 100,000 service personnel participating.

Intellectual Property Management

Filed over 112,000 patent applications, including over 73,000 invention patents and over 18,000 overseas invention patents.

Received a total of 12 national patent gold awards.

Granted a total of 7,481 patents during the reporting period, including 3,301 invention patents.

Currently hold a total of 52,557 patents, including 21,833 invention patents.



Forging Partnerships to Advance Industries and Improve Society

Supply Chain Management

1,311 suppliers obtained ISO 9001 certification, 794 received ISO 14001 certification, and 322 obtained QC 08000 certification.

100% signing rate of *Supplier Integrity Reminder Letter*.

Conducted conflict minerals surveys with 1,527 suppliers.

Conducted carbon peaking and carbon neutrality surveys with 451 suppliers.

Conducted social responsibility audits with 245 suppliers, representing 93% of total procurement value over four years.

Community Investment

Assisted in building more than 400 Hope Schools

Annual charity donations exceeded RMB 4.83 million

"Smart" Sustainability for Better "Home" Living

Haier Smart Home integrates green sustainability principles into our business operations, continuously driving technological and product innovation to develop low-carbon products that encourage sustainable consumer behaviors. We actively develop green solutions, focusing on smart building services R&D and applications. Following industry trends, we are also expanding into the elderly care sector, creating smart home care models. From individual products to scenario-based solutions and future industry positioning, we continuously enhance product competitiveness and corporate sustainability capabilities, committed to sharing a green, high-quality lifestyle with consumers.

Advancing Innovation in Eco-friendly Products

Decarbonization and zero-carbon technology innovation have become key drivers of sustainable development. While ensuring product quality and enhancing user experience, Haier Smart Home responds to green consumption trends by prioritizing low-carbon environmental protection in our product R&D and innovation.

From product design and development to manufacturing and recycling, we pursue sustainability in four key areas:



Common Modules

Through platform standardization, we achieve core component compatibility, saving resources in R&D and testing. By standardizing molds, we enable the compatibility of similar components, reducing manufacturing quantities, avoiding resource waste, and minimizing environmental pollution from waste disposal. For example, our freezer products innovatively standardized commercial metal liner module interfaces across models, reducing mold quantities and improving automated production line efficiency. For washing machines, integration of cabinet and door seal modules achieved mold standardization, enhancing production efficiency by 15%.



Product Packaging

Guided by green development principles, we continuously optimize packaging materials and design. For example, our freezer packaging has undergone a comprehensive upgrade: replacing traditional EPS foam packaging with recyclable, easily degradable EPP eco-friendly materials; replacing traditional 5-7 ply double-wall corrugated boxes with 3-ply honeycomb-structured cartons, ensuring packaging safety and reliability while reducing paper usage by over 20%. This improvement not only reduces resource consumption and achieves lightweight packaging but also enhances packaging recycling value.



Materials and Processes

We use biodegradable, safe materials and promote waste reuse to reduce chemical raw material consumption. For example, our refrigerators utilize high-fusion PP materials, reducing weight by approximately 15g per kilogram and decreasing raw material waste. Our freezer products have eliminated powder coating processes and switched to fluorine-free, low-carbon environmentally friendly foaming systems, reducing wastewater, dust emissions, and greenhouse gas emissions. Our refrigerator and freezer products use PCR (Post-Consumer Recycled Material³) to replace new materials, promoting plastic recycling and reducing chemical raw material usage.



Efficiency Improvement

Through variable manifold technology, photovoltaic direct drive, and AI smart energy-saving technologies, we achieve product energy conservation and carbon reduction. For example, our first new energy air conditioner in Pakistan adopts a hybrid mode of photovoltaic and utility power, achieving over 86% energy savings compared to products without such energy-saving technologies.

In 2024, we focused on developing smart, low-carbon, scenario-based products, launching outstanding green products across refrigerator, washing machine, air conditioner, and water heater product lines to create environmentally friendly products.

³ Refers to recycled materials processed from used plastics.

Refrigerator Product Line

Italian-style Dual-door Refrigerator

Haier's Italian-style dual-door refrigerator offers Class-A energy efficiency and comprehensive freshness preservation solution, with energy consumption 20% better than the highest European standard (the new European Class-A standard). At the 2024 IFA Berlin, it received the "Super Energy-Efficient Refrigerator" energy efficiency certification from the German Association for Electrical, Electronic & Information Technologies (VDE), becoming the only brand in the industry to receive this recognition.



VDE Product Energy Efficiency Certification



IFA Award Ceremony

Freezer Product Line

Upright Freezer Display Case with Glass Door

Haier launched an upright freezer display case with glass door, equipped with Haier's original "Twin Flow Refrigeration Technology", delivering industry-leading energy efficiency. Using the SD-405 model as an example, while the industry average power consumption is 14.6 kWh per 24 hours, Haier's freezer consumes just 4 kWh per 24 hours in mass production, exceeding China's top energy efficiency standard by 72% and earning CVC's "Outstanding Energy Efficiency Product Certification". This technology has also received technical validation from the China National Light Industry Council, confirming its internationally leading energy-saving performance.



CVC Outstanding Energy Efficiency Certificate



China National Light Industry Council Technical Validation

Washing Machine Product Line

Japan AQUA 10kg Heat Pump Washer-Dryer

Japan's AQUA 10kg heat pump washer-dryer uses heat pump drying technology, saving 30% electricity and 20% water compared to same-capacity electric heating products, while reducing floor space by 22% compared to same-capacity front-loading washing machines. The heat pump front-loading series also features silver ion Air Wash, third-generation Essential Wash technology, and automatic detergent dispensing. The AQUA heat pump front-loading washer-dryer won the 2024 Energy Conservation Grand Prize from Japan's Energy Conservation Center (ECCJ), one of Japan's highest energy efficiency honors. This product is the only washing machine in Japan to receive this prestigious award this year.



AQUA 10kg Heat Pump Washer-Dryer

Air Conditioner Product Line

Smart Breeze Series

This series pioneered AI energy-saving technology, featuring AI smart energy-saving algorithms and cloud-based adaptive technology. The AI smart energy-saving algorithm dynamically adjusts equipment operation rates based on room temperature, sensing and predicting thermal environment needs in real time. It can comprehensively regulate based on region, population, season, and user behavior, achieving over 46% energy savings compared to traditional air conditioners.



Smart Breeze Series 1.5HP Inverter
Wall-mounted Air Conditioner

Air Conditioner Product Line

Solar Air Conditioner

Haier's solar air conditioner uses direct solar panel connection technology, eliminating the need for inverters and reducing energy conversion losses. During daylight hours with sufficient sunlight, the solar panels can generate enough electricity to run the air conditioner stably without consuming additional power, operating completely independent of the urban power grid. The air conditioner features a built-in smart chip that automatically controls the ratio of solar power to utility power, maintaining maximum solar power input with utility power supplementing any deficiency.



Solar Air Conditioner

Water Heater Product Line

Gas Water Heater

Haier's gas water heater adopts innovative 3S Super Level 1 energy efficiency technology, using waste heat recovery principles to reheat water in the condenser from the heat exchanger, saving natural gas and reducing harmful gas emissions. Its thermal efficiency reaches 107.2%, far exceeding national Level 1 energy efficiency standards. Additionally, the unit employs oxygen-rich blue flame combustion technology, with carbon monoxide (CO) emissions just one-third of the national standard.



Gas Water Heater

Range Hood Product Line

Ultra-realm (致境) Pro Series

This series pioneered active smoke capture technology, featuring original smart lifting technology that uses optical smoke sensors and lifting mechanisms to automatically adjust hood airflow and height based on real-time cooking smoke levels. The original smart constant airflow technology senses installation environment and public flue resistance in real time while intelligently matching optimal airflow based on user habits, ensuring appropriate airflow each time. Compared to traditional range hoods, it saves over 30% energy.



Dishwasher Product Line

Drawer Dishwasher

This series features the world's first hydraulic suspension technology, creating a closed-loop AI control system that intelligently manages water levels, power output, and cleaning performance. Through seamless integration of variable-frequency motors and smart sensing technology, it delivers comprehensive cleaning coverage with no missed spots, boosting cleaning index by 12.5% while reducing water consumption by over 20%.



Our overseas subsidiaries including GE Appliances, FPA, and Haier Europe also emphasize low-carbon environmental concepts, developing and applying energy-saving technologies across all product categories and actively investing in personnel, tools, and processes to enhance products' green competitiveness.

GE Appliances promotes low GWP (global warming potential) refrigerants in its air conditioner product line to reduce environmental impact. Its washer-dryer GE Profile UltraFast Combo features ventless heat pump technology, improving drying efficiency by 50% and winning a "CES Innovation Award" at the 2024 Consumer Electronics Show. In 2024, 58 GE Appliances cooking product models received Energy Star certification. In 2024, FPA introduced new class leading energy efficient upright refrigerators in the US and bottom mount refrigerators in Australasia, as well as low-current induction cooktops to make it easier for users to transition from gas fossil fuels. Dishwashers, washing machines, and tumble dryers manufactured by Haier Europe have all received EU Ecolabel certification.



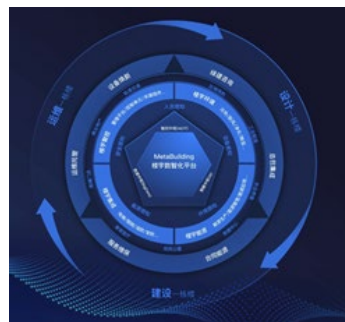
GE Profile UltraFast Combo Washer-Dryer

lifecycles. Our AI-driven "Building Brain" technology creates seamless equipment coordination and data flow, reducing upfront construction costs by 15%, decreasing maintenance staffing requirements by 15%, and cutting energy consumption by 50%. When paired with our energy-efficient products including magnetic levitation and air suspension central air conditioning systems, and multi-energy integration solutions, we significantly improve overall energy utilization while accelerating the green transformation of buildings. For example, a factory in Ningbo implemented Haier's air suspension centrifugal units, achieving national Level 1 energy efficiency ratings for its integrated part load value. This installation reduced electricity costs by 30% and eliminated 1,120 tons of carbon emissions annually.

Advancing Green Solutions

Haier Smart Home is actively committed to supporting the national "Dual-Carbon" strategy, focusing on minimizing carbon emissions throughout the entire building lifecycle. By advancing our smart building solutions, we are leading the industry in building decarbonization and energy efficiency improvements.

The Smart Building industry is powered by smart digital platforms with our "Building Brain"⁴ at its core. It combines high-efficiency HVAC equipment, AI algorithms, and multi-energy integration to deliver smart control and low-carbon maintenance solutions across all environments, scenarios, and building



⁴ Integrates building energy, building environment, and building smart control modules for cross-system collaborative management.

Smart Building Green Practice - Jiaozhou Air Conditioner Factory

Committed to sustainability goals, the Jiaozhou Air Conditioner Factory has implemented green initiatives focusing on renewable energy generation, equipment modernization, and 5G smart energy management. The factory has developed an IoT equipment platform that elevates operations from standalone automation to smart, interconnected manufacturing. With 80% of equipment now interconnected, the factory benefits from real-time production monitoring and coordinated equipment operation. In 2024, the factory saved 8.55 million kWh of electricity and 600,000 cubic meters of natural gas, reducing carbon dioxide emissions by 6,200 tons.

Smart Building Product - Air Source Heat Pump

Haier Smart Building's industry-leading air source heat pump systems deliver exceptional energy efficiency, producing three times more heat output per unit of electricity consumed. These systems maintain consistent performance even in extreme cold, keeping indoor spaces at an average temperature of 22°C. Currently, Haier's heat pump central air conditioning solutions cover diverse scenarios including residential heating, district energy networks, agricultural facilities, and industrial processes. In the coal-to-electricity conversion program alone, Haier's solutions have reached millions of households, eliminating 3.06 million tons of coal consumption per heating season, equivalent to adding 2.52

million square meters of forest cover. The Tangshan Guye district heating project utilizes Haier's air source heat pump units, managing nearly 500 devices via a smart control platform with one-click convenience, achieving over 50% comprehensive energy savings and reducing carbon dioxide emissions by 20,452 tons per heating season, meeting the heating needs of 13,000 residents. Haier Smart Building has ranked first in China's air source heat pump market for four consecutive years.



Industry Recognition

- ◆ Haier's magnetic levitation centrifugal technology has been included in the *2024 Public Institution Green Low-Carbon Technology List* announced by the Energy Conservation Division of the National Government Offices Administration, under the category of new energy and clean energy application technologies.
- ◆ Haier's air suspension technology has been selected for inclusion in the *China's Recommended List for International Top Ten Energy-Saving Technologies and Top Ten Energy-Saving Practices Evaluation*, published by the Energy-Saving and Environmental Resources Division of the National Development and Reform Commission.
- ◆ Haier's smart building solution implemented at the Ningbo HCH Bearing Group factory has been included in the *Green Technology Promotion Catalog (2024 Edition)* issued by the National Development and Reform Commission.
- ◆ Haier Smart Building won the "Top Ten Building Energy Management Brand Award" at the 25th China International Building Intelligence Summit.

Venturing into The Elderly Care Industry

Responding to the national "Smart Elderly Care" initiative, Haier Smart Home focuses on user convenience, innovating in safety, health, and personalization features to pioneer a smart home care model better suited to China's conditions.

The Company continues to explore elderly-friendly appliance development, introducing a series of products that address senior users' needs. Examples include the Care Series washing machines with auto-adjustable display font sizes, one-touch smart washing machines with simplified operations, and "knock-to-wash" washing machines with touch control; anti-dry burning gas stoves with automatic shut-off functionality, and Casarte Galaxy air conditioners that can analyze elderly sleep patterns by connecting with smart pillows. Additionally, the Company has repeatedly participated in and led the development of national and industry standards for elderly-friendly products, promoting standardized development in the elderly care industry.

In the future, Haier will further advance digital transformation in the elderly care sector, enabling seniors to enjoy the convenience and comfort that advanced technology brings to their household living.



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Fostering Integrity in Governance through Global Collaboration

Haier Smart Home consistently upholds our core values of integrity, governance, and transparency. We are committed to ensuring the Company's long-term stability and sustainable operations through high-standard corporate governance, improved internal controls, building an integrity ecosystem, and safeguarding network and information security.

- ◆ **HKEX ESG Indicators addressed:** B6 Product Responsibility, B7 Anti-corruption
- ◆ **A-Share ESG Topics addressed:** Stakeholder communication, Anti-bribery and anti-corruption, Anti-unfair competition, Data security and customer privacy protection
- ◆ **UN SDGs addressed:**



Our Goals

Goals

To continuously increase Board independence and diversity

Business Ethics

To establish an internal control unit that combines professional and technical expertise, as well as an anti-fraud framework that integrates professionalism with audit capabilities

To implement a visualized anti-fraud complaint reporting system with regular review and analysis of complaint reports

To enhance anti-corruption training and expand online training courses and content

Network Information Security

To establish a vulnerability management platform, a security monitoring and incident management platform, and an industrial control information security management platform

To enhance IoT security management system and establish an IoT security testing center

To obtain information security management certifications including ISO 27001

Progress

Independent Directors: 44.4%; Female Directors: 22.2%

Transformed risk control management structure with multi-skilled professionals combining business acumen, technical knowledge, and specialized expertise, elevating our capabilities from conventional fraud prevention to an integrated "Investigation-compliance-litigation" framework

Launched Smart Home Compliance Management Platform V2.0, enabling end-to-end visibility of anti-fraud cases with data collection, analysis, and application on the platform

Maintained a diversified anti-fraud and compliance training system combining "on-site training + online courses + electronic publications"; organized at least 398 on-site training sessions, each no less than 30 minutes, covering all employees in Haier Smart Home's China operations

Completed the vulnerability management platform and security incident management platform setup, perfecting the closed-loop management process for vulnerabilities' full lifecycle; enabled ticket assignment and automated tracking for security vulnerabilities, incidents, baselines, industrial control security, endpoint security, security awareness, and data security, with 100% resolution of vulnerabilities

Enhanced IoT platform management system, deployed product-level IoT certificate platform and provided hundreds of thousands of digital certificates for IoT devices; provided digital certificate services for Haier's core IoT gateways, effectively improving security

The Company passed the annual ISO 27001 information security management certification and version upgrade audit; subsidiary Qingdao Haier Technology Co., Ltd. obtained DMSC data security management capability certification; Haier Smart Home Mall system received Level 3 information security protection certification; Haier Smart Home IoT module passed CCRC Security EAL4+ certification; Haier Smart Home APP, IoT platform, voice, and artificial intelligence systems passed Level 3 network security protection evaluation; Haier Embedded OS obtained ARM PSA L1 IoT security certification



1-3 Year Goals (2025-2027)

Business Ethics

Deeply integrate AI and other technologies with the "risk control-audit-compliance" integrated system to achieve intelligent end-to-end risk control process upgrades

Using the business risk map as a foundation, iterate continuous proactive monitoring with classification and grading of key digital risk scenarios to enable data-driven risk identification, early warning, and response

Continue strengthening compliance awareness training through comprehensive (online + offline), multi-dimensional (internal & external), and multi-channel (online courses, electronic publications, case studies, etc.) approaches covering all Haier Smart Home employees, with no fewer than 500 training sessions in China operations

Network Information and Security

Generative AI security system standards and technical implementation: Establish standardized processes for generative AI security systems, publish bilingual policy requirements, systematize security requirements and processes to provide a foundation for generative AI security risk management

Industrial network security protection: Collect and analyze factory network traffic through industrial flow probes, aggregating data to the situational awareness platform to achieve factory security situation monitoring, analysis, and early warning; establish capabilities for rapid detection and response to malicious events targeting factory networks, enhancing asset security

Haier Europe

Network information security: By 2025, 100% of factories and IoT platforms will undergo annual cybersecurity assessments

Enhancing Corporate Governance

Corporate Governance

The Company has established a well-structured governance framework in accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *the Code of Corporate Governance for Listed Companies*, *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other relevant regulations in its listing jurisdictions. This framework ensures clear division of powers and responsibilities, coordination, and checks and balances, guaranteeing efficient and compliant corporate governance.

Diversity

Haier Smart Home has formulated and strictly implements a Board diversity policy that ensures the selection of Board candidates based on diversity indicators, including but not limited to gender, age, culture, educational background, industry

experience, professional skills, knowledge, length of service, and other relevant factors. The Nomination Committee is responsible for reviewing the effectiveness and implementation of the Board's diversity policy and conducting annual regular diversity assessment.

The Company holds elections for the Board of Directors every three years. The current Board comprises 9 directors: 2 executive directors, 3 non-executive directors, and 4 independent directors. Independent directors represent 44.4% of the Board, with 2 female directors accounting for 22.2%. The Board members possess extensive knowledge and experience in the home appliance industry, IoT, corporate governance, global markets, financial management, and risk control, contributing to optimal decision-making and promoting the Company's sustainable development. Detailed information about the specialized skills of

Board members can be found in the Corporate Governance Report (H-share) or Corporate Governance (A-share) section of the 2024 *Annual Report*. The average tenure of Board members is 3.86 years.



Average Board Tenure

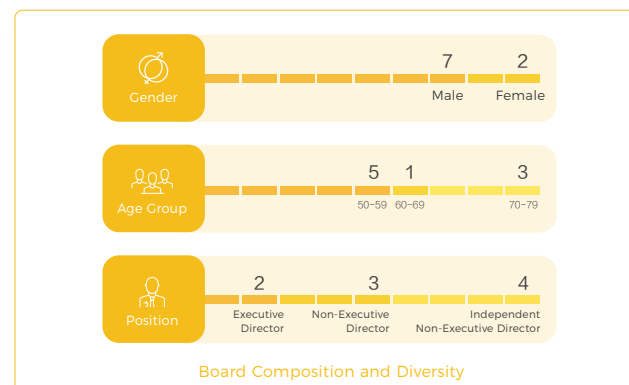
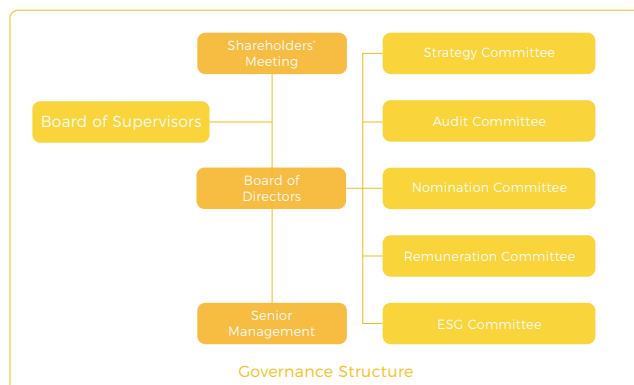
3.86 years

Independence

The Company has 4 independent directors with professional expertise in industry, accounting, and risk management. The Company's *Articles of Association and Independent Director Policy* specify the qualification requirements, independence criteria, nomination, election and replacement procedures, as well as duties and methods of service for independent directors to enhance their independence. The chairs of the Nomination Committee, Remuneration Committee, and Audit Committee are all independent directors. Independent directors constitute more than half of the membership in the Audit Committee, Remuneration Committee, Nomination Committee, and Strategy Committee.

Salary Clawback Mechanisms

The Company has implemented salary clawback mechanisms, bonus return systems, and long-term equity incentives for certain projects. Performance reviews and assessments of management and relevant team members are conducted based on project implementation, motivating management and members to more effectively fulfill their management functions.



ESG Governance

Good ESG governance plays a crucial role in ensuring stable business operations, addressing unexpected crises, and capturing development opportunities. To integrate ESG concepts into corporate strategy and create a green, smart, and win-win IoT ecosystem, the Company has established an ESG governance structure covering global operations, comprising governance, management, and execution levels. The Board of Directors serves as the highest decision-making body. The Board has established an Environmental, Social and Governance Committee (the "ESG Committee") to comprehensively oversee ESG-related matters and fulfill ESG governance responsibilities on behalf of the Board. The

ESG Committee consists of three directors. The Company regularly invites industry experts to conduct training sessions covering ESG trends, best practices, and professional skills to ensure that the Board, management, and relevant personnel have sufficient ESG knowledge and capabilities to meet the Company's strategic, policy implementation, and supervision needs. The ESG Committee holds regular meetings annually to hear management reports on ESG matters, assess the Company's ESG performance, risks and opportunities, formulate ESG vision, goals and strategies, and provide recommendations to the Board, ensuring that ESG impacts, risks, and opportunities are incorpo-

rated into decision-making. During the reporting period, the ESG Committee held 3 meetings to discuss and review the Company's 2023 ESG Report, discuss ESG strategy, ESG goals, and key ESG management projects, and provide recommendations to the Board.

The ESG Committee has established an ESG Executive Office and working groups responsible for the Company's specific ESG work. For detailed information about the ESG Committee, please refer to the *Implementation Rules of the Board's Environmental, Social and Governance Committee of Haier Smart Home Co., Ltd.*



Further Enhancement of ESG Executive Working Group

In 2024, to strengthen ESG management practices, Haier Smart Home further consolidated its organizational structure based on the global three-tier ESG governance framework (Board ESG Committee, ESG Global Executive Office, and Global ESG Executive Working Group). Sub-teams were added under the ESG Executive Working Group, including Environmental Management Chain Group, Sustainable Risk Management Chain Group, Corporate Governance Chain Group, and Supply Chain Management Chain Group, providing organizational support for more solid advancement of global ESG management.

For overseas operations, the ESG management structure now spans across all international regions, building upon the existing frameworks of GE Appliances, FPA, Candy, and Indian sustainable development management. ESG management structures have been established in all overseas regions to advance ESG initiatives according to applicable laws and regulations, including setting ESG goals, directions and plans, monitoring and reviewing ESG commitments, preparing annual ESG reports, and promoting sustainable development culture and best practices sharing within teams.

Incentive Mechanisms

Haier Smart Home incorporates key ESG indicators such as training completion rates, trade-in effectiveness, anti-fraud investigations, quality losses, quality certifications, and safety production into the monthly performance evaluations of relevant management personnel to drive the achievement of ESG goals. Additionally, we link ESG indicators to some senior executives' compensation and cascade core indicators to team members and key projects to integrate ESG work with Company operations. For example, in resource regeneration, executives take on recycling,



dismantling, and regeneration targets, with monthly evaluations of results linked to their compensation.

ESG Capability Assessment

Haier Smart Home partnered with a third-party professional organization to conduct a capability assessment focusing on fourteen key ESG topics across four dimensions: management methods/policies and processes, practices/products and projects, indicators and performance, and ESG skills. The Company

developed online survey questionnaires based on the nature of the home appliance business and brand positioning, and analyzed the company's ESG capabilities at the corporate level through benchmarking against excellent domestic and international peers and executive interviews. The assessment covered Haier Smart Home's domestic and international operations. Based on the ESG capability assessment results, we have optimized our ESG governance system and management capabilities to comprehensively enhance ESG management.

Double Materiality Assessment

This year, with reference to the Shanghai Stock Exchange *Guidelines No. 14 for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (hereinafter referred to as the "Guidelines") and other domestic and international sustainability disclosure guidelines, Haier Smart Home conducted our first "double materiality" analysis of sustainability topics—examining both impact materiality and financial materiality. This analysis aims to clarify the Company's sustainability work priorities and information disclosure content.

Haier Smart Home's Double Materiality Assessment Process and Methods

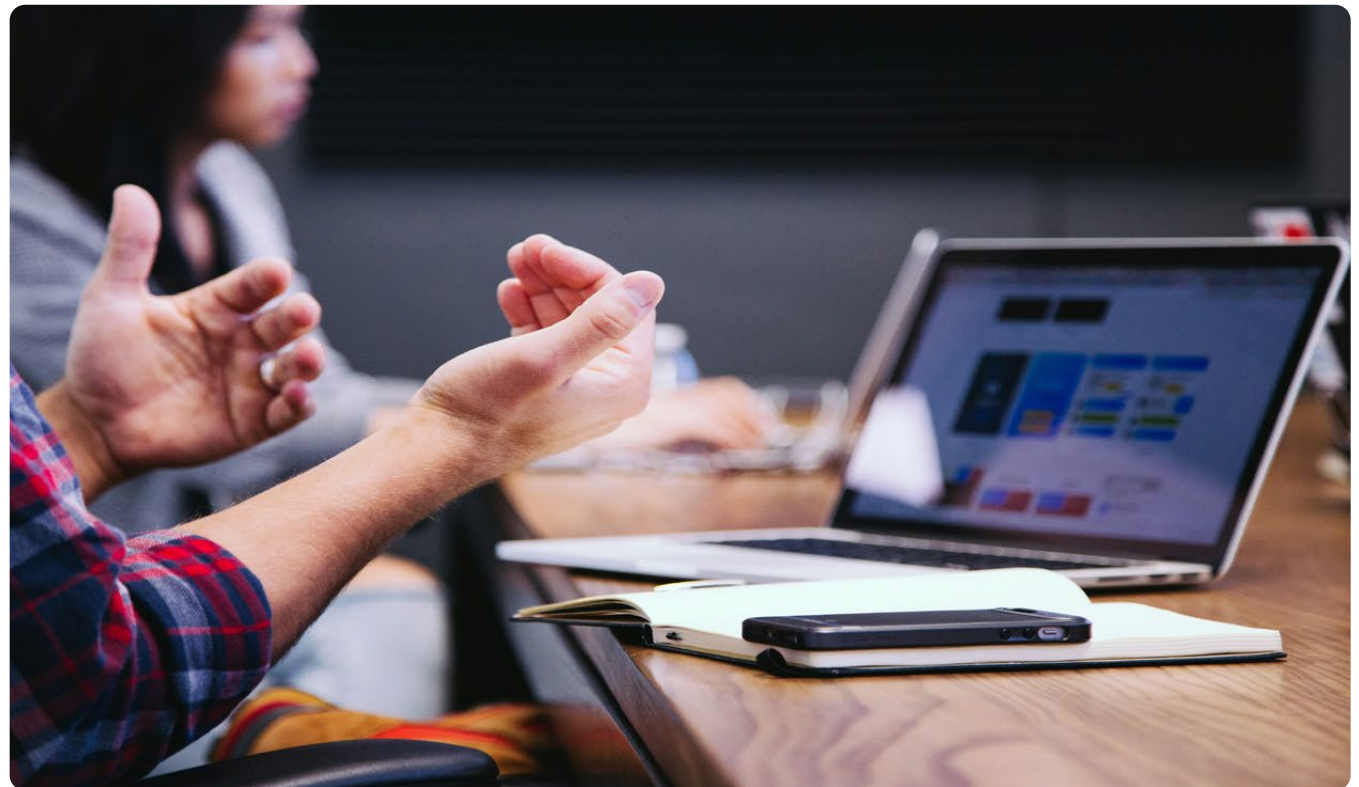
Our main analysis process includes:

1. Understanding the context of company activities and business relationships: Based on the Company's sustainability foundation, we further clarified the impact of company operations on stakeholders and the impact of external environmental changes on the company's operations and value chain through interviews, desk research, and discussions with internal and external experts.
2. Establishing a topic list: Taking full account of Haier Smart Home's future development plans, based on the requirements of the *Guidelines*, combined with other sustainability disclosure standards applicable to Haier Smart Home, industry standards and peer analysis, we sorted out 20 sustainability topics relevant to the company, and identified the main impacts, risks and opportunities involved in each topic through internal and external interviews and information analysis.
3. Assessment and confirmation of topic materiality: Stakeholders

were invited to score the identified impacts, risks and opportunities through on-site interviews and questionnaire surveys. The scoring results were discussed with the Company's internal sustainability experts, financial experts, relevant business sector experts, and external experts to form Haier Smart Home's sustainability topic "double materiality" analysis matrix.

Changes in Sustainability Topics:

This year, the Company integrated and organized previous sustainability topics based on the *Guidelines* topic settings, and conducted topic materiality assessment based on the *Guidelines* topics. Among them, ecosystem and biodiversity protection and stakeholder communication are two newly added topics this year.



— Haier Smart Home 2023 Sustainability Topics and Corresponding *Guidelines* Topics

Environment		Social		Sustainability-Related Governance	
Haier Smart Home 2023 Topics	SSE <i>Guidelines</i> Topics	Haier Smart Home 2023 Topics	SSE <i>Guidelines</i> Topics	Haier Smart Home 2023 Topics	SSE <i>Guidelines</i> Topics
<ul style="list-style-type: none"> Green Products Carbon Emissions Climate Change Response 	<ul style="list-style-type: none"> Climate Change Response 	<ul style="list-style-type: none"> Community Investment 	<ul style="list-style-type: none"> Rural Revitalization 	<ul style="list-style-type: none"> Risk Management 	<ul style="list-style-type: none"> Due Diligence
<ul style="list-style-type: none"> Water Resource Use 	<ul style="list-style-type: none"> Pollutant Emissions 	<ul style="list-style-type: none"> Community Investment 	<ul style="list-style-type: none"> Social Contribution 	<ul style="list-style-type: none"> Business Ethics 	<ul style="list-style-type: none"> Anti-Commercial Bribery and Anti-Corruption
<ul style="list-style-type: none"> Electronic Waste Recycling and Utilization 	<ul style="list-style-type: none"> Waste Treatment 	<ul style="list-style-type: none"> Product Technology and Innovation Intellectual Property Management 	<ul style="list-style-type: none"> Innovation Driven 	<ul style="list-style-type: none"> Business Ethics 	<ul style="list-style-type: none"> Anti-Unfair Competition
<ul style="list-style-type: none"> Electronic Waste Recycling and Utilization Water Resource Use 	<ul style="list-style-type: none"> Environmental Compliance Management 	<ul style="list-style-type: none"> Product Technology and Innovation 	<ul style="list-style-type: none"> Technology Ethics 		<ul style="list-style-type: none"> Stakeholder Communication*
<ul style="list-style-type: none"> Energy Use 	<ul style="list-style-type: none"> Energy Utilization 	<ul style="list-style-type: none"> Supply Chain Management Conflict Minerals 	<ul style="list-style-type: none"> Supply Chain Security 		
<ul style="list-style-type: none"> Water Resource Use 	<ul style="list-style-type: none"> Water Resource Utilization 	<ul style="list-style-type: none"> Supply Chain Management 	<ul style="list-style-type: none"> Equal Treatment of Small and Medium Enterprises 		
<ul style="list-style-type: none"> Green Products Circular Economy 	<ul style="list-style-type: none"> Circular Economy 	<ul style="list-style-type: none"> Product Quality and Safety Quality Service 	<ul style="list-style-type: none"> Product and Service Safety and Quality 		
	<ul style="list-style-type: none"> Ecosystem and Biodiversity Protection* 	<ul style="list-style-type: none"> Information Security and Privacy Protection 	<ul style="list-style-type: none"> Data Security and Customer Privacy Protection 		
		<ul style="list-style-type: none"> Employee Rights Talent Attraction Employee Health and Safety Employee Development Diversity, Inclusion and Equal Opportunity 	<ul style="list-style-type: none"> Employees 		

Impact Materiality Assessment Method:

We took the following steps to assess the impact materiality of each topic:

- Identified the positive and negative impacts of company operations on various stakeholders across the value chain in terms of sustainability;
- Determined the thresholds and assessment methods for impact materiality based on the company's internal risk assessment standards;
- Evaluated the scale, scope, irremediability (for negative impacts only), and likelihood of impacts, taking into full account legal and regulatory requirements, scientific research findings, the company's historical operations, industry characteristics, and other factors;
- Summarized the assessment results, discussed and analyzed them with internal and external experts, prioritized topics according to impact levels, and determined topics with impact materiality.

Financial Materiality Assessment Method:

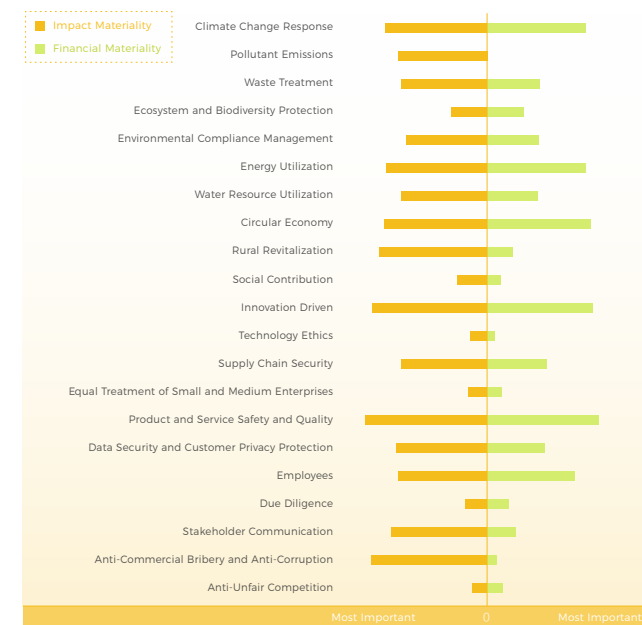
We took the following steps to assess the financial materiality of each topic:

- Reviewed external environmental changes related to the company's sustainability, fully considered the company's dependence on and influence over relevant resources and relationships, and identified the main sustainability risks and opportunities facing the company;

- Determined profit as the reference indicator for financial impact analysis based on the company's internal risk assessment standards and recommendations from financial experts;
- Worked with internal and external experts to identify, analyze, and determine the main financial impact pathways, extent, and likelihood of each risk and opportunity, and assessed their financial impact;
- Summarized the assessment results, prioritized topics according to impact levels, and determined topics with financial materiality.

**Double Materiality Assessment Results:**

Through the above steps, Haier Smart Home identified the following material topics and materiality matrix. Among them, **Innovation Driven, Product and Service Safety and Quality, Energy Utilization, Climate Change Response, and Circular Economy have both impact materiality and financial materiality.** The Company's strategies and responses to these topics will be detailed in this report.



Material Topics	Main impacts, risks and opportunities	Affected stakeholders	Value chain impact range	Time frame ⁵	Haier Smart Home's response
Product and Service Safety and Quality	Positive impact : Thoroughly implementing full-chain quality management concepts to provide high-quality products to global customers, ensuring consumer health and safety, and promoting the popularization of technology	Users, distributors, regulatory bodies and government departments, shareholders and investors, media, NGOs and the public	Own operations, downstream	Short-term, medium-term, long-term	Haier Smart Home adheres to the concept of "RenDanHeYi, Quality for All", continuously promotes high-quality culture, maintains high product quality, and will continue to ensure product quality as the core of company operations.
	Financial risk : Product quality issues may lead to compensation, litigation, fines, and in severe cases, product recalls, damaging brand reputation and significantly affecting sales volume	Users, distributors, regulatory bodies and government departments, shareholders and investors, media, NGOs and the public	Own operations, downstream	Short-term, medium-term, long-term	For more details, please see the "Leading with Innovation for Delightful Smart Home Experiences - Quality-Focused Excellence" section.
Circular Economy	Positive impact : Conducting appliance recycling and selling regenerated materials reduces resource consumption and waste, bringing positive environmental impact	Users, distributors, regulatory bodies and government departments, shareholders and investors, media	Own operations, downstream	Short-term, medium-term, long-term	Haier Smart Home actively recycles used home appliances, with recycled materials not only used in our own appliance products but also widely applied in various industries domestically and internationally.
	Financial opportunity : The Company holds a leading position in using recycled materials for production, giving it an advantage in developing this market and potentially bringing more market share and revenue in the future	Users, distributors, regulatory bodies and government departments, shareholders and investors, media	Own operations, downstream	Short-term, medium-term, long-term	For more details, please see the "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Green Practices Throughout the Product Lifecycle" section.
Innovation Driven	Positive impact : Thoroughly researching user habits and considering regional and user characteristics by incorporating ergonomics in product development, making products closer to consumer needs and improving technology accessibility	Employees, users, distributors, media, shareholders and investors	Own operations, downstream	Short-term, medium-term, long-term	Haier Smart Home's product lines have launched R&D of functions related to aging care, disability assistance, and child protection, with certain progress.
	Financial opportunity : The application of ergonomics can enhance user experience, which as a key attribute of home appliance products, can bring larger markets, sales, and revenue	Employees, users, distributors, media, shareholders and investors	Own operations, downstream	Short-term, medium-term, long-term	For more details, please see the "Special Feature: 'Smart' Sustainability for Better 'Home' Living" and "Leading with Innovation for Delightful Smart Home Experiences - Technology Innovation Driving Product Upgrades" sections.

⁵ Taking into account our core business planning, the society's carbon reduction targets and timelines, climate-related disclosure standards, and management recommendations, we have established the following time horizons: short-term (up to 1 year after the reporting period), medium-term (1-5 years after the reporting period), and long-term (beyond 5 years after the reporting period). This framework allows for reasonable assessment of climate impacts on our business development across different timeframes.

Material Topics	Main impacts, risks and opportunities	Affected stakeholders	Value chain impact range	Time frame	Haier Smart Home's response
Energy Utilization	Positive impact : Accelerating the R&D, production, and sales of energy-efficient, environmentally friendly products promotes society's transition toward low-carbon, clean development	Media, shareholders and investors, NGOs and the public	Own operations, downstream	Short-term, medium-term, long-term	Haier Smart Home's energy-efficient products rank among global leaders, making a positive impact on reducing climate change effects at the consumer usage level. For more details, please see the "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Green Practices Throughout the Product Lifecycle" section.
	Financial risk : If power supply shortages or outages occur in regions where we operate, it will affect the Company's production efficiency and in turn affect financial performance	Media, shareholders and investors, NGOs and the public	Own operations	Short-term, medium-term, long-term	Haier Smart Home plans to implement energy substitution and diversification. We have already promoted clean energy use, such as installing solar panels in industrial parks, and will increase the use of clean energy alternatives in the future. For more details, please see the "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Green Practices Throughout the Product Lifecycle" section.
Climate Change	Positive impact : Assisting suppliers in developing carbon reduction and environmental protection capabilities helps reduce carbon emissions	Suppliers, media, regulatory bodies and government departments, NGOs and the public	Upstream	Short-term, medium-term, long-term	Haier Smart Home conducts dual carbon surveys and launches carbon asset management systems for suppliers, while also helping them install photovoltaic systems in their manufacturing factories to enhance their carbon reduction competitiveness. For more details, please see the "Forging Partnerships to Advance Industries and Improve Society - Collaborative Development of a Sustainable Supply Chain" and "Appendix I: Climate-Related Disclosure Report" sections.
	Financial impact : Actively developing photovoltaic and other clean energy sources in various factories helps mitigate climate change	Suppliers, media, regulatory bodies and government departments, NGOs and the public	Own operations, downstream	Short-term, medium-term, long-term	
	Negative impact : Greenhouse gases generated during home appliance production and use accelerate climate change	Suppliers, media, regulatory bodies and government departments, NGOs and the public	Own operations, downstream	Short-term, medium-term, long-term	Haier Smart Home actively implements measures to reduce carbon emissions throughout the full lifecycle of home appliances and other products to mitigate climate change impact. For more details, please see the "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Green Practices Throughout the Product Lifecycle" and "Appendix I: Climate-Related Disclosure Report" sections.

Strengthening Internal Risk Control

To enhance risk management in business development, Haier Smart Home has established and continually improves our risk management and internal control system in alignment with the *Guidelines on Internal Control for Listed Companies* from the Shanghai Stock Exchange, the *Basic Standard on Internal Control for Enterprises and Supplementary Guidelines on Internal Control for Enterprises* jointly issued by five ministries including the Ministry of Finance, and the *Code on Corporate Governance*

from the Hong Kong Stock Exchange. We have clearly defined the roles and responsibilities of the Board of Directors, Audit Committee, Board of Supervisors, and management within our internal control mechanism. We assessed the effectiveness of internal controls and risk responses across various business scenarios and established risk maps. We developed a digital risk control platform that enables proactive monitoring, early warning alerts, and closed-loop, end-to-end management of key risk items. Focusing

on high-risk areas, we developed targeted response plans and conducted special audits.

The Company has initiated a sustainable risk management project, fully integrating sustainability risk management into our corporate risk management system to formulate appropriate control measures.

For more information on internal controls and risk management, please refer to the Company's *2024 Annual Report*.



Operating in Compliance and Integrity

Haier Smart Home is committed to conducting business in accordance with the highest standards of business ethics. We strictly comply with the *Supervision Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, and *Anti-Monopoly Law of the People's Republic of China*, as well as other laws and regulations in our overseas operating regions. The Company has formulated and rigorously implements a series of policies globally, including the *Haier Code of Business Conduct*, *Anti-Fraud Charter*, *Antitrust Compliance Manual*, *Code of Conduct for Haier Smart Home Employees*, and *Supplier Blacklist Management System*. In 2024, in accordance with the *Administrative Measures for Beneficial Owner Information*, the Company has progressively filed with the registration system designated by the State Administration for Market Regulation to support the national efforts in maintaining market and financial order, and preventing and curbing money laundering and terrorist financing activities. The Board of Directors is responsible for reviewing and supervising the Company's policies and measures related to legal and regulatory compliance.

Anti-Corruption

Haier Smart Home has established a business ethics compliance management framework. The Board of Directors has overall responsibility for supervising, managing, and guiding the Company's business ethics matters, including the implementation of relevant policies and measures. The Company has established an

Anti-Fraud Committee comprising personnel from internal control, legal affairs, and various business lines to actively promote the development and implementation of business ethics-related systems, such as anti-corruption, anti-money laundering, and anti-fraud. The committee regularly identifies risks related to business ethics and reports to the Board of Directors and Audit Committee for their supervision.

During the year, the Company continued to strengthen risk control through a coordinated approach of risk management, internal control, audit, anti-fraud measures. We employed digital means such as big data cloud monitoring systems for pre-emptive risk warning and screening. Weekly, monthly, and quarterly identification and assessment of risks related to corruption, bribery, fraud, and money laundering were conducted across all levels of factories, businesses, and platforms to promptly detect, prevent, and address relevant risks. We regularly conduct audits (per project needs, annually or every three years) across all business lines and throughout our processes, including procurement, manufacturing, and marketing, with exit audits and special audits, reporting investigation results and recommendations to the CEO or Board of Directors.

The Company requires employees in key positions to sign a quarterly "Integrity Commitment Statement" and signs "Integrity Agreements" with suppliers. We have established channels for declaring conflicts of interest, facilitating employees to proactively report employment situations involving relatives within the Company or with business partners to reduce or avoid potential

corruption risks. In 2024, we promoted the signing of "Self-Declaration of Conflict of Interest" by all employees, urging strict adherence to compliance standards.

During the year, the Company issued interpretations and training materials on corrupt behaviors and liabilities based on the *Amendment (XII) to the Criminal Law of the People's Republic of China* through the "Smart Home Legal Affairs" public account, covering all employees including directors, supervisors, and senior management. The Company also conducted specialized anti-corruption training for employees in Southeast Asia, focusing on core issues such as fraud, embezzlement, corruption, conflicts of interest, and internal policies to enhance employee compliance awareness.



In 2024, there were no concluded corruption-related lawsuits filed against the Company or our employees.

For information on anti-corruption in the supply chain, please refer to the "Forging Partnerships to Advance Industries and Improve Society - Collaborative Development of a Sustainable Supply Chain - Environmental and Social Risk Management and Auditing of Suppliers" section.

Anti-Corruption Training

The Company continues to employ a diversified anti-fraud and compliance training system combining on-site training, online courses, and electronic publications. Training encompasses professional training (internationally recognized or national professional qualifications) and business scenario-based training. We utilize a variety of approaches including specialized training, conflict of interest declarations, risk alerts, and public announcements to continuously enhance risk compliance awareness among all employees. We regularly organize all personnel (including full-time employees, part-time employees, and dispatched employees) to participate in educational activities such as safety training videos. We conduct anti-corruption training for directors and management through newsletters, covering domestic and international anti-corruption trends. Haier Smart Home anti-corruption identification, and compliance building. We also train investigators to enhance their anti-fraud implementation capabilities. During the year, the Company organized no fewer than 398 offline on-site training sessions, each lasting at least 30 minutes, covering all Haier Smart Home employees.

During the year, Haier Smart Home conducted training on corporate governance aspects based on the revised *Company Law of the People's Republic of China* that took effect in 2024. We invited external organizations to provide training on the impact of these revisions on listed companies and completed legal audits in the Middle East and Africa region to comprehensively enhance legal compliance standards.

During the year, Haier Smart Home achieved 100% coverage in business ethics training for employees, with per capita anti-corruption training exceeding 2 hours.

Case Study: 2024 Haier Smart Home Global Legal Summit

At the 2024 Smart Home Global Legal Summit, participants discussed and shared cutting-edge technology and legal topics such as artificial intelligence, sustainable development, and data compliance. The summit introduced Haier's anti-fraud management philosophy and institutional requirements, providing leading guidance on our global anti-fraud system development and litigation work. The Company also invited European regional legal colleagues to share the content of EU ESG (Environmental, Social, and Governance) regulations and Haier Europe's ESG management system, and analyze the impact of the *Corporate Sustainability Reporting Directive* (CSRD) on Haier.

Anti-Unfair Competition

Combating monopolistic and unfair competition practices is a key focus in Haier Smart Home's commitment to business ethics. We have formulated an *Antitrust Compliance Manual* that clarifies domestic and international antitrust legal requirements, and established a "Global Antitrust Compliance Team" to regularly review and optimize antitrust systems across our operating

regions. We identify antitrust compliance risk points based on business practices, strengthen approval processes in risk scenarios, and share antitrust topics at our global legal summit. We regularly conduct internal due diligence on business lines, reviewing and standardizing the use of various documents to avoid potential monopoly risks. In 2024, the Company engaged external organizations to provide training on various topics, including the *Anti-Monopoly Law of the People's Republic of China* framework and regulatory authorities, concentration of operators antitrust declarations and reviews, points of attention when interacting with competitors/distributors, market dominance and abuse behaviors, new antitrust risks, antitrust investigations and civil litigation, antitrust in overseas investments by Chinese companies, the *EU Foreign Subsidies Regulation* (FSR), and Foreign Direct Investment (FDI) risks.

In 2024, the Company received no litigation related to unfair competition practices.



Compliance Management System Certification

Haier Smart Home obtained ISO 37301: 2021 Compliance Management System certification in 2022 and passed the 2024 recertification review. This certification covers all domestic operations related to home appliance products and smart home solutions, confirming that our business practices meet compliance standards in areas including fraud prevention, data privacy protection, antitrust, intellectual property, contract management, anti-corruption measures, and employment practices.



ISO 37301 Compliance Management System Certification

Compliant Advertising

The Company strictly adheres to laws and regulations regarding advertising in all regions where we operate, eliminating false advertising and resisting any improper behavior that restricts market competition. We have formulated the *Advertising Compliance Manual* and *Guidelines for Online Review of Marketing Materials and Use of Advertising Review Tool* in accordance with laws and regulations including the *Advertising Law of the People's Republic of China*, *Measures for the Administration of Internet Advertisements*, and *Guidelines for the Enforcement of Absolute Terms in Advertisements*. These internal management measures promote compliant advertising management at the institutional level. In our daily operations, we emphasize compliance in business promotions, advertisements, and logo usage. In 2024, the Company employed digital tools to complete preliminary compliance reviews of text and terminology in advertisements. We organized specialized training on advertising compliance, providing education and interpretation on the scope and themes of the Advertising Law, promotional risk points, and digital tools. During the year, the Company issued a *Notice on the Investigation and Cleanup of Haier Smart Home Self-Media*

Risks to examine compliance in promotions involving self-media, ensuring compliant promotion.

Whistleblower Protection

To continuously foster an open, fair, and just integrity ecosystem, the Company has established the *Haier Smart Home Ecosystem Whistleblower Management Code* and *Whistleblowing Reward Mechanism* covering overseas operating regions. We have established channels including the iHaier platform, reporting email, and compliance hotline (NAVEX Global) to receive leads and issues related to business ethics violations from internal and external personnel as well as partners (including all employees, suppliers, and contractors). When the Company receives a report, the internal control and audit department conducts initial screening and investigation, referring any illegal activity to judicial authorities for handling. In 2024, the Company conducted awareness campaigns about the whistleblower reporting channels at both headquarters and overseas regions, while continuously monitoring the implementation of these reporting mechanisms overseas.

Channels for reporting fraud-related
leads and issues

iHaier reporting portal: Fraud Reporting

Reporting email: jubao@haier.com

Reporting website: www.haierchina.ethicspoint.com

Channels for reporting compliance-re-
lated concerns and issues

Reporting email: Compliance@haier.com

Chinese webpage: <https://www.haierchina.ethicspoint.com>

English webpage: <https://secure.ethicspoint.eu/domain/media/en/gui/102394/index.html>

To encourage whistleblowers to provide information while protecting their privacy, the Company commits to taking all reasonable measures to protect whistleblowers' identity information and to treat them fairly in accordance with relevant policies, shielding them from retaliation. Our compliance hotline is independently operated by a third-party service provider that provides confidential passwords for whistleblowers and does not record their personal information. The iHaier platform and reporting email are managed by designated personnel who must maintain strict confidentiality regarding whistleblower information. When disclosure of a whistleblower's identity is necessary for investigation purposes or local legal requirements, the Company also strictly limits the scope of disclosure.



Prioritizing Network and Information Security

We place high importance on data security, establishing a comprehensive information security management system and organizational structure, continuously enhancing our information security technical capabilities to safeguard security across all areas.

Enhancing Protection Mechanisms

Haier Smart Home strictly complies with the *Cybersecurity Law of the People's Republic of China* and other information security-related laws and regulations applicable in our global operating locations. We have formulated the *Haier Smart Home Security White Paper*, *Haier Smart Home Global Information Security Policy and Strategy*, *Haier Smart Home Data Security Management Procedure*, and other management protocols and regulations, forming Haier Smart Home's information security management system, which is implemented across all Haier Smart Home global operating locations. In 2024, Haier Smart Home's information security system processes were revised and improved according to the latest laws and regulations, with over 50 policy documents released and optimized.

Haier Smart Home has established a three-tier global information security management organizational structure consisting of the Information Security Management Committee, Information Security Management Department, and information security liaison officers across various platforms, businesses, and departments, with clearly defined responsibilities at each level. The Information Security Management Committee is jointly organized by general managers from various Haier Smart Home businesses, GE Appliances, FPA, and Haier Europe, responsible for information

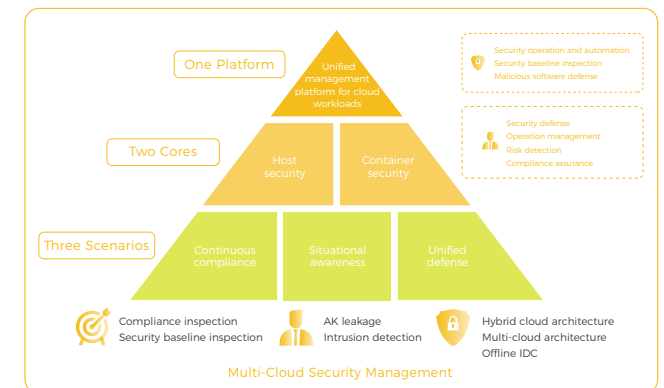
security policy review and resource allocation. Senior leadership periodically reports information security matters to the Audit Committee of the Board of Directors. The headquarters information security team and overseas regional information security liaison officers hold security meetings every two months to discuss topics including global security situation, privacy security, IoT security, phishing email drills and prevention, and regional information security planning. Building upon the three-tier management organization, the Company has established a virtual chain group operating mechanism for refined operations in security domains such as industrial control security, data security, and privacy compliance.

Multi-Layered Information Security Protection System

We have built a comprehensive information security protection system that effectively identifies and controls information security risks. During the year, Haier Smart Home experienced no significant negative incidents related to information security. Haier Smart Home strictly complies with all national laws and regulations governing personal information, network security, and data protection. We disclose information security risks associated with third-party vendors as required by applicable laws and in accordance with contractual agreements.

Multi-Cloud Security Management

The Company has established a cloud security center that integrates continuous monitoring, defense-in-depth, comprehensive analysis, and rapid response capabilities. This enables effective detection and prevention of virus outbreaks, hacker attacks, ransomware encryption, and other risk events, achieving integrated and automated security operation loops, protecting network devices in multi-cloud environments, enabling rapid response to hacker penetration, network attacks, and phishing attacks, and generating security threat intelligence to provide important references for security decisions. In 2024, we completed security audits of multi-cloud infrastructure, with 100% remediation of identified issues and risks.



Information Security Training

Haier Smart Home continuously conducts information security training and promotion, developing and implementing annual information security training plans. We provide tailored security training programs designed for different roles including new hires, IT development staff in critical positions, business personnel, and executives. We also release learning maps, certification exam courses, and public account promotional materials covering various information security domains, including application security, data security, cloud security, development security, generative AI security, and Internet of Things (IoT) security. We also conduct online security awareness training for overseas IT, HR, and other key position employees. In 2024, the Company conducted an "Information Security and Privacy Protection Certification" examination for all employees, focusing on standardizing information security practices while enhancing staff awareness and capabilities in information security protection. We regularly organize security awareness drills covering all employees, establishing a phishing email drill platform to test employees' defense capabilities against common attacks through simulated external attacks, enhancing overall prevention awareness. In 2024, we conducted monthly phishing email tests for all employees and organized training and exams for employees who failed the tests. During the year, the Company collaborated with external third

parties to conduct information security reviews and attack-defense drills, covering all networks and business areas, and promptly addressed identified issues.

Vulnerability Management

The Company manages vulnerabilities according to the *Haier Group Vulnerability Management Standard*, establishing a security vulnerability response process and conducting routine penetration tests to evaluate network system security by simulating malicious attacks. We regularly scan for vulnerabilities across all business areas and servers, promptly fixing discovered vulnerabilities. In 2024, we completed penetration testing and vulnerability scanning for nearly a hundred application systems, covering all Haier Smart Home key online applications and newly launched businesses. Through vulnerability fixing and security technical measures to mitigate risks, 100% of high-risk security vulnerabilities were addressed, preventing system damage and sensitive data leakage. Overseas subsidiaries like GE Appliances, FPA, and Haier Europe continue to advance network and information security management. During the year, GE Appliances conducted annual phishing simulation drills, with the internal security team collaborating with third parties on vulnerability analysis and threat management to proactively detect information security threats, optimize vulnera-

bility remediation processes, and continuously improve the information security management system. The Company also worked with third parties to conduct penetration testing for independent assessment of information security management, attack surface management, and potential vulnerabilities, enhancing compliance management and forward-looking risk management capabilities. FPA implemented identity security reviews, privileged access management, development process security system optimization, cloud security management, and historical legacy vulnerability remediation, while also collaborating with third-party companies to conduct multiple emergency response simulations and penetration tests, continuously improving network and information security management.

Emergency Response Plans

We have developed and improved contingency plans and response mechanisms based on the *Haier Smart Home Ransomware Emergency Response Process*, continuously enhancing our ability to handle emergencies. When network security risks or information leakage incidents occur, we immediately take remedial measures and follow up promptly to minimize incident losses and impacts. During the year, we conducted ransomware emergency drills to verify the rationality and effectiveness of our response processes and made specific repairs to identified emergency

vulnerabilities.

During the year, we formulated the *Smart Home Data Security Incident Emergency Response Process*, categorizing data security incidents based on the impact of important data leakage. Once a network security risk or information leakage incident occurs, we establish a joint emergency working group to handle and review the event according to its level. In 2024, we conducted data security incident emergency drills and will conduct at least one such drill annually in the future to familiarize all responsible parties with their job responsibilities and emergency response strategies and procedures. Over the past three years, the Company has not experienced any major information security breach incidents.

Information Security Certification and Audits

The Company continuously improves our information security management system, establishing a comprehensive data security management system and standardized processes. In 2024, Haier Smart Home passed ISO 27001 Information Security Management System certification; Our subsidiaries: Qingdao Haier Technology Co., Ltd. obtained DSMC Data Security Management Capability certification; Haier Smart Home Mall system received Level Three Information Security Protection certification; Haier Smart Home IoT modules passed CCRC Security EAL4+ certification; Haier Smart Home APP, IoT platform, voice, and artificial intelligence systems

passed Level Three Network Security Protection assessment; Haier Embedded OS passed ARM PSA L1 level IoT security certification. We regularly conduct routine audits and assessments of information security to promote comprehensive supervision of the Company's information security and data protection. In 2024, we conducted multiple specialized information security audits using tool scanning, penetration testing, manual interviews, and evidence collection, covering multiple security domains including data security, application security, privacy compliance, and cloud security. During the year, all high-risk issues identified in information security audits were remediated according to plan.

Our Future Plans

We will continue to enhance corporate governance, improve internal controls, foster a culture of integrity, safeguard information and network security, and strengthen regular communication with stakeholders to continuously enhance corporate value and achieve sustainable governance.



02

Safeguarding Our Planet Towards a Green, Low-Carbon Future

Low-carbon development and circular economy have become a global consensus. Haier Smart Home actively responds to the national "dual-carbon" strategy, integrating low-carbon energy conservation and green circulation concepts into our corporate operations, exploring carbon reduction across our end-to-end processes. We are steadily building our presence in the circular economy sector, actively addressing climate change, and committed to working with ecosystem partners to build a greener, more sustainable future that benefits everyone.

◆ **HKEX ESG Indicators addressed:** A1 Emissions, A2 Use of Resources, A3 The Environment and Natural Resources, A4 Climate Change, B6 Product Responsibility

◆ **A-Share ESG Topics addressed:** Climate change tackling, Pollutant discharge, Waste disposal, Environmental compliance management, Energy usage, Circular economy, Usage of water resources

◆ **UN SDGs addressed:**



Our Goals

Goals

Domestic Environmental Goals

100% compliant disposal of waste

To develop and implement emergency plans for environmental incidents by the Company and our subsidiaries

Recycling business

To recycle 7.6 million units in the recycling business in 2024

Haier Europe

By 2025, 100% of factories to be certified with ISO 14001

By 2030, waste recycling rate to reach 99%

By 2025, Turkey factory to obtain TÜV Rheinland Zero Waste to Landfill certification

By 2025, renewable energy to account for 60% of total energy consumption

By 2025, water recycling rate to reach 70%

Progress

Completed

The Company and our subsidiaries have conducted environmental risk assessments in accordance with legal requirements, taken preventive measures, formulated *Emergency Plans for Environmental Incidents*, organized drills, and continuously optimized plans based on drill effectiveness

In 2024, Haier Smart Home recycled 7.69 million units of used home appliances in China, a 10% year-on-year increase

75% of factories have been certified with ISO 14001

Waste recycling rate has reached 98%

Application submitted

Solar power installation capacity of nearly 10 megawatts, with green energy accounting for 36% of usage

Water recycling rate has reached 50%

1-3 Year Goals (2025-2027)

Using 2024 as the baseline year, strive to reduce energy consumption per RMB 10,000 of output by 3% in 2025, without considering insourcing

Using 2024 as the baseline year, strive to reduce water consumption per RMB 10,000 of output by 3% in 2025, without considering insourcing

Increase the application of new generation environmentally friendly refrigerants CO2 and R290

By 2026, achieve 30,000 tons of recycled material usage

Promote energy-efficient products (such as heat pumps)

By 2025, Haier Smart Home to recycle 8 million used appliances nationwide, continuously improve material recovery rates from dismantled units and increase the use of recycled plastics in our products.

Long-term Goals (2030-2050)

Using 2024 as the baseline year, achieve a 10% reduction in Scope 1 and Scope 2 greenhouse gas emission intensity within domestic operations by 2030

FPA

Compared to 2020, reduce Scope 1, 2, and 3 carbon emissions per appliance sold by 50% by 2030, and by 90% by 2050

GEA⁶

By the end of 2030, eliminate expanded polystyrene (EPS) from all finished product packaging

By the end of 2030, ensure all packaging contains recyclable materials

By the end of 2030, achieve 100% recyclability for product packaging

By the end of 2030, use only environmentally sustainable inks in product packaging

By the end of 2030, eliminate printed text on packaging except where required for product safety or regulatory compliance

⁶ For GEA packaging goals, please refer to the GE Appliances 2023 Citizenship Report

Green Practices Throughout the Product Lifecycle

Haier Smart Home drives sustainability through innovation across our entire value chain. We embed low-carbon principles in R&D, implement green manufacturing systems, explore sustainable packaging solutions and low-carbon transportation logistics, and establish the industry's first closed-loop recycling system for home appliances. Our commitment extends to reducing carbon emissions throughout the product lifecycle, delivering smart, environmentally responsible manufacturing that supports ecological harmony and a sustainable future.

Green & Carbon Management System

The Company has implemented the T/CCAA39 Carbon Management System Requirements. By conducting comprehensive training and system establishment within the Air Solution business, we deployed a carbon management system in 2024.



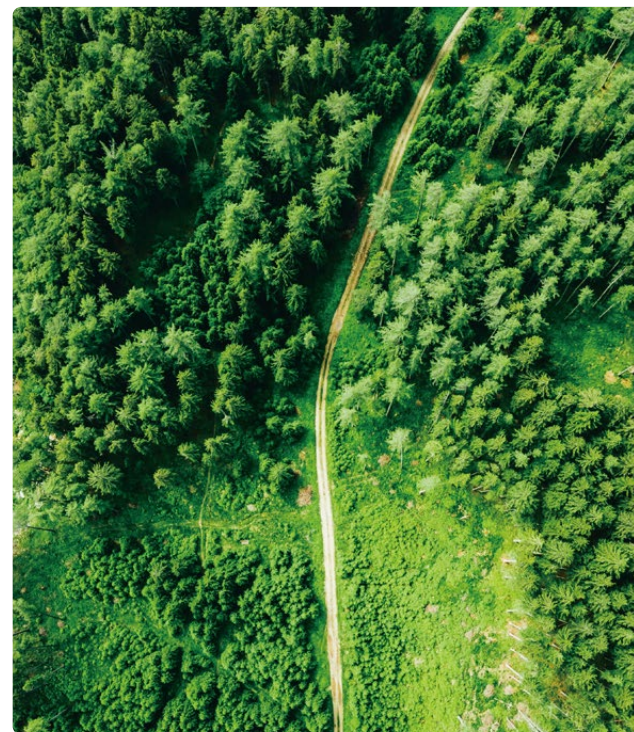
Reducing Carbon in R&D and Raw Materials

To achieve carbon reduction throughout the product lifecycle, we focus on sustainability from the very beginning by strengthening carbon reduction design, and accelerating low-carbon product development. Through innovation in structural design, production

processes, and material selection, we continuously improve product energy efficiency, reduce resource consumption, and lower pollutant emissions.

We prefer to use materials that are recyclable, renewable, lightweight, or have less impact on the environment as our product raw materials and continually increase the proportion of such materials. For instance, in the United States, we are gradually replacing foam and plastic with fibers and biodegradable materials to reduce environmental impact. To optimize the use of raw materials, we periodically engage in discussions with suppliers on new designs, materials, and processes to jointly develop R&D solutions for energy saving and carbon reduction, including the use of alternative materials and lightweight design.

In 2024, the Company's various business lines leveraged their technological advantages, focused on user needs, and concentrated on product material upgrades to promote green home appliance technology innovation. For more information on green and low-carbon technology product applications, please refer to the section "Special Feature: 'Smart' Sustainability for Better 'Home' Living".



Reducing Carbon in Production

The Company has focused on reducing carbon emissions as a key initiative, forging a green manufacturing system across our global operations. Through ongoing efforts to optimize energy mix, enhance resource utilization efficiency, strengthen emission management and disposal, we reduce carbon emissions during product manufacturing. As of the end of the reporting period, 100% of Haier Smart Home's supply chain factories in China operations have been certified with ISO 14001 environmental management system. The Company has 9 lighthouse factories, 1 sustainable lighthouse factory, 16 national-level green factories, 6 zero-waste factories, and 12 national-level green supply chain management enterprises.

Energy Management

We comply with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations in our global operations. We have formulated the *Energy Management Manual*, continuously improving our energy management system, and using automation and information technology to centrally manage factory resource consumption. We continuously promote clean production transformation, clean energy utilization, and energy efficiency upgrades across all product lines to achieve green, clean production. In 2024, we focused on implementing 506 key

energy-saving and emission-reduction projects in 9 key areas, including:

Energy Recovery

Recovering waste heat from sintering furnaces and air compressors for use in other processes to improve energy utilization; recycling pure water from laboratories and reusing reclaimed water to increase water recycling ratio.

Equipment Upgrades

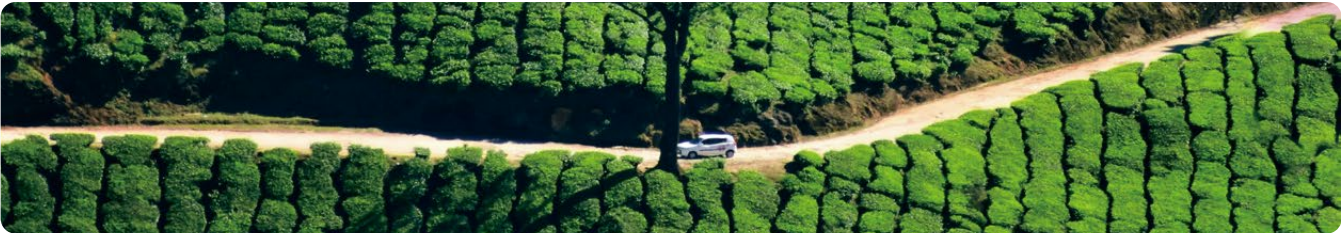
Upgrading old equipment through electrification and servo-automation, reducing equipment operating power and motor idling time to achieve energy savings.

Process Improvements

Introducing multiple advanced technologies in manufacturing to further reduce energy consumption, carbon emissions, and material usage. For example, the pioneering fourth-generation foaming technology improves refrigerator insulation performance by 8%, reduces foam material dosage by 5%, and achieves 15% energy savings over the product lifecycle.

Renewable Energy Usage

Continuously increasing the use of renewable energy sources such as photovoltaic, with annual green electricity consumption reaching 52,234.71 MWh.



FPA

In 2024, FPA established an energy management working group and formulated an energy policy to promote energy conservation in its Thailand production operations. FPA reprogrammed lighting timing controls to reduce lighting usage time; installed Adjustable Speed Drives (ASDs) to adjust equipment operating speeds and save energy; and adjusted set temperatures of coolers to reduce energy consumption.

GE Appliances

GE Appliances places high emphasis on efficient water use in operations and focuses on the R&D and production of water-saving products. Water resources are recycled in product testing, and test processes are adjusted when necessary to reduce factory water consumption. In product development, we have designed water circulation modes with adaptive water intake technology to minimize water usage during product operation. For example, our GE Appliances dishwashers feature "Energy Saving" and "Light" modes that reduce energy and water consumption by 25%.

In 2024, GE Appliances implemented leak repair projects at manufacturing factories; installed LED lighting fixtures; conducted energy monitoring of process equipment and expanded ultrasonic compressed air leak maintenance; and installed HVAC automation systems to reduce factory energy consumption and carbon emissions.

Haier Europe

Water Conservation Management

In 2024, Haier Europe comprehensively upgraded factory water treatment systems with leak detection systems while eliminating water cooling processes, reducing factory water consumption up to 70%. Additionally, Haier Europe has implemented water recycling technology in its product lifespan testing processes.

Energy Conservation and Emission Reduction

In 2024, Haier Europe continuously improved factory energy management efficiency and reduced production emissions through energy-saving technical improvements and green energy utilization.

1. Reducing Energy Consumption: Haier Europe's Turkish Industrial Park features high-efficiency equipment that delivers energy savings of up to 20%. It has transitioned from gas to electric power sources and implemented enhanced building insulation, resulting in a 40% reduction in gas consumption. Smart metering systems have been installed in all factory facilities, enabling real-time monitoring and optimization of energy usage.
2. Green Energy Production: As of the end of the reporting period, Haier Europe's Turkish facilities have achieved 5.6 megawatts of installed photovoltaic capacity, while its Chinese facilities have reached 3.3 megawatts. Further capacity expansion is planned for 2025.
3. Green Energy Purchasing: In 2024, Haier Europe's Turkish Industrial Park sourced 100% of its manufacturing and operational electricity from renewable energy, and received International Renewable Energy Certificates (I-RECs). I-RECs certify the environmental attributes of renewable energy generation, tracking the environmental benefits produced by each megawatt-hour (MWh) of renewable energy generation. Haier Europe has obtained 14 billion I-REC certified points, representing 14 billion MWh of electricity from renewable sources, covering 100% of the electricity demand at the Turkish factory.



Resource consumption in the Company's manufacturing processes in 2024:

Indicators ¹	Data in 2024
● Total Comprehensive Energy Consumption ² (MWh)	2,201,271.45 ³
● Direct Energy Consumption (MWh)	559,120.75
● Indirect Energy Consumption (MWh)	1,642,150.70
● Comprehensive Energy Consumption per RMB 10,000 of Output (kWh/RMB 10,000)	84.53
● Total Water Consumption ⁴ (tons)	7,759,930.97
● Water Consumption per RMB 10,000 of Output (tons/RMB 10,000)	0.30
● Total Packaging Material Consumption (tons)	347,120.86
● Packaging Material Consumption per RMB 10,000 of Output (tons/RMB 10,000)	0.01

Notes:

1. Data includes factories in China regions that commenced production by December 31, 2024, as well as factories owned by entities that collectively account for approximately 85% of overseas revenue.

2. Total comprehensive energy consumption includes purchased electricity, purchased steam, natural gas, liquefied petroleum gas, diesel, etc., calculated according to China's national standard conversion factors in the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T2589-2020)*, and the conversion factors in the national electricity industry statistics published by the National Energy Administration.

3. The increase in energy consumption in 2024 is due to increased output value, insourcing of upstream processes, the Company's merger with RRS Supply Chain, and expanded organizational scope and additional emission sources from new manufacturing facilities. We will further refine our energy consumption data reporting in the future.

4. The Company's water consumption mainly comes from municipal water supply. We have no issues with water sourcing.


For more information on energy management goals, please refer to the section "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Our Goals" section.

Emissions Management

Haier Smart Home strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, as well as other relevant laws and regulations in our global operations. We continuously improve our environmental management system, implement waste reduction technical improvement projects, reduce pollutant emissions, and conduct regular supervision and inspection.

● Wastewater Management

We establish standardized discharge outlets where wastewater is treated to meet standards before compliant discharge and implement real-time monitoring through an online automatic wastewater monitoring system with 24-hour alerts.




● Non-hazardous Waste Management

We utilize a digital management platform that ensures complete data traceability and visibility. Materials with recycling value are recovered to increase reuse rates, while remaining non-hazardous waste is transferred to third parties such as municipal agencies for compliant disposal.




● Waste Gas Management

We have built online monitoring projects for waste gas emissions, installed waste gas treatment facilities, and commission third-party annual waste gas testing. Weekly cleaning and inspection of exhaust ducts are carried out to ensure proper operation of emission facilities.



● Hazardous Waste Management

We have established hazardous waste management procedures to manage the entire process from generation to storage and transfer, standardizing storage and transportation processes. Hazardous waste storage warehouses have been built in each industrial park, with disposal handled by qualified third-party companies for safe treatment.



During the year, the Company did not receive any major administrative penalties or criminal charges for illegal pollutant discharge, nor did any pollutant emissions cause significant impact on employees or local community residents.

Emissions from the Company's production and operations in 2024:

Indicators ¹	Data in 2024
● Total Wastewater Discharge ² (tons)	2,225,906.69
● Total Hazardous Waste Discharge (tons)	2,371.08
● Hazardous Waste Discharge per RMB 10,000 of Output (kg/RMB 10,000)	0.09
● Total Non-hazardous Waste Treated (tons)	215,587.38
● Non-hazardous Waste Discharge per RMB 10,000 of Output (kg/RMB 10,000)	8.28
● Total Greenhouse Gas Emissions ^{3,4} (tons of CO ₂ equivalent)	1,222,149.82 ⁵
● Scope 1 Greenhouse Gas Emissions ⁵ (tons of CO ₂ equivalent)	417,884.48
● Scope 2 Greenhouse Gas Emissions ⁵ (tons of CO ₂ equivalent)	804,265.34
● Greenhouse Gas Emissions per RMB 10,000 of Output (kg of CO ₂ equivalent/RMB 10,000)	46.93

Notes:

1. Data includes factories in China regions that commenced production by December 31, 2024, as well as factories owned by entities that collectively account for approximately 85% of overseas revenue.

2. Wastewater mainly includes production wastewater and domestic sewage from various industrial parks.

3. Based on Haier Smart Home's business nature, our main gas emissions are greenhouse gas emissions, primarily from the use of fossil fuels, and fossil fuel-based power and steam.

4. Greenhouse gas accounting is presented in carbon dioxide equivalent and calculated according to documents published by authoritative departments and institutions including the Intergovernmental Panel on Climate Change (IPCC), China's Ministry of Ecology and Environment, as well as *The IFI Dataset of Default Grid Factors v.3.1* published by the International Financial Institutions (IFIs).

5. Scope 1 includes direct greenhouse gas emissions from the Company's combustion of natural gas, liquefied petroleum gas, diesel etc., as well as emissions from product manufacturing processes, refrigerants, and septic tanks; Scope 2 includes indirect greenhouse gas emissions from the consumption of purchased electricity and purchased steam.

6. The increase in greenhouse gas emissions in 2024 is due to increased output value, insourcing of upstream processes, the Company's merger with RRS Supply Chain, and expanded organizational scope and additional emission sources from new manufacturing facilities. We will further refine our greenhouse gas emissions data reporting in the future.

For more information on emissions management goals, please refer to the section "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Our Goals".

Reducing Carbon in Packaging and Transportation

We prioritize biodegradable or recyclable green packaging materials, minimizing the amount of packaging, while actively exploring eco-friendly packaging technologies through material and technological innovation.

● Transparent Packaging Technology

We manufacture eco-friendly recycled pellets, blend them with new materials in specific ratios to produce eco-friendly heat-shrinkable film, achieving environmentally friendly packaging.

● Recycled EPS (Expanded Polystyrene) Pellets

To address plastic pollution, we have developed recycled EPS pellets containing 30% or more recycled materials. This material offers high flexibility and wide application range for packaging home appliances such as washing machines.

● Lightweight Packaging

We have introduced cold and hot stretch sleeve film technology, using recyclable or biodegradable film materials to replace traditional multi-layer corrugated boxes, reducing both weight and volume to significantly improve logistics efficiency. We have adopted recyclable and easily degradable EPP foam and bio-based foam materials to replace traditional EPS foam packaging components, enhancing recycling value. Additionally, we have transitioned to electronic instruction manuals in place of printed versions, reducing paper usage to minimize the environmental impact on forests and water resources.

Haier Europe uses eco-friendly boxes (Eco-brown box) for packaging Hoover brand electronic products, reducing plastic packaging. FPA continues to promote low-carbon, sustainable packaging design according to its established Sustainable Packaging Design Guidelines.

In transportation, we have adopted the Vendor Managed Inventory

(VMI) supply model, reducing supplier delivery frequency from daily to weekly. We have optimized transportation routes and strengthened cooperation with local suppliers to minimize greenhouse gas emissions during upstream transportation. FPA prioritizes transportation carbon reduction by improving route planning and purchasing multiple clean energy vehicles, effectively reducing carbon emissions during product distribution.



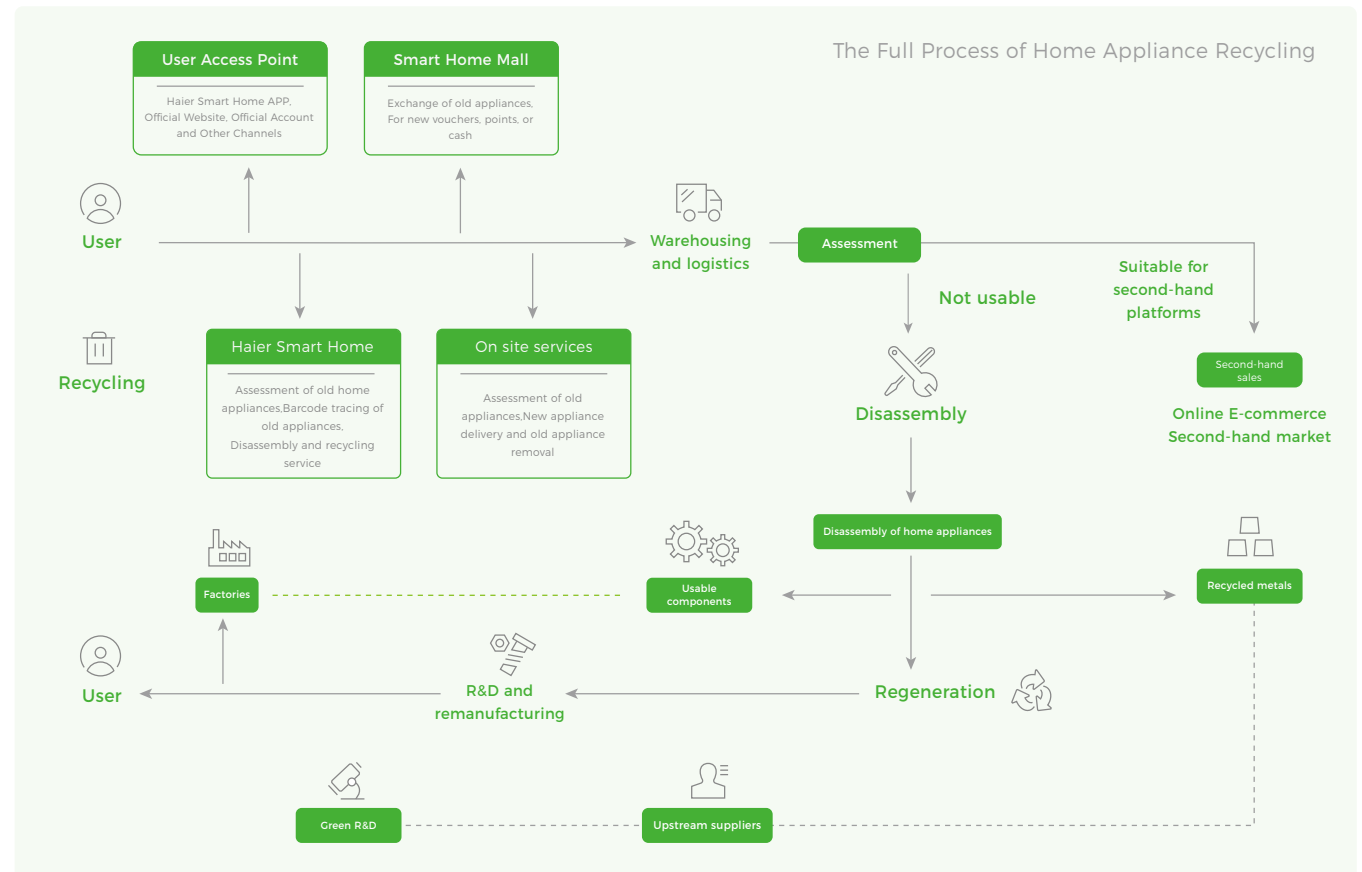
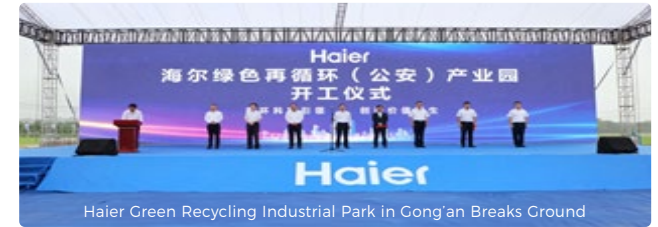
Reducing Carbon through Recycling

Haier Smart Home has deeply invested in our recycling operations while expanding comprehensive trade-in programs. Beginning with the collection of used appliances, we have established the industry's first closed-loop system that manages the entire lifecycle from recycling through disassembly, regeneration, and reuse of home appliance materials. Haier Smart Home has issued the Electronic Waste Disposal Policy, covering Haier Smart Home and our subsidiaries, electronic waste disposal partners, contractors, and subcontractors worldwide. The policy explicitly responds to the requirements of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and aims to maximize the utilization of electronic waste to reduce environmental pollution and resource waste. We pledge not to export electronic waste directly or indirectly through intermediaries from OECD countries or the EU to non-OECD or non-EU countries without prior approval, and will strengthen the management and control of electronic waste disposal.

Green Recycling Smart Factory

Haier Smart Home actively fulfills the policy requirements for consumer goods trade-in programs, creating a green circular ecosystem that encompasses the full process of recycling, disassembly, regeneration, and reuse of used home appliances. Construction of the Haier Green Recycling Industrial Park in Gong'an began in 2024. Following our establishment of China's first green recycling smart factory in Laixi, Qingdao, this will be another industry-leading recycling facility. Once completed, it will become the industry's largest and most efficient single-site smart factory. Built upon a national-level digital recycling industry platform, Haier's green recycling smart factory will progressively expand into component remanufacturing, end-of-life vehicle recycling and disassembly, and precious metal recovery.

The Qingdao Laixi green recycling smart factory can disassemble 2 million used home appliances and regenerate 30,000 tons of recycled materials annually. While reducing dependency on primary resources and improving overall resource utilization efficiency, it also effectively lowers carbon emissions associated with primary production. Currently, the factory achieves annual carbon emission reductions of approximately 17,000 tons through home appliance recycling.



Recycling

Haier Smart Home actively implements the *Notice on Encouraging Household Appliance Manufacturers to Carry Out the Action of Recycling Target Responsibility System*, accelerating the improvement of the recycling ecosystem for used home appliances and developing our recycling business. We collaborate with third-party partners to collectively provide services for recycling, repair, refurbishment, and remanufacturing of electronic waste. Some of our third-party recycling partners have obtained E-Steward or R2 certification.

In the Chinese market, Haier Smart Home has pioneered an innovative "five-network integration" recycling model, unifying marketing, service, logistics, channel, and recycling operations. This integrated approach has established the country's largest recycling system offering one-stop trade-in services. Leveraging our 32,000 offline stores, over 100,000 service personnel, more than 100 logistics distribution centers, and 3,000 recycling network points, our recycling operations now cover 31 provinces/autonomous regions/municipalities, 317 prefecture-level cities, and 2,728 districts and counties across China. We handle all electronic waste generated within our national operations and project scope, including but not limited to end-of-life company equipment, e-waste from recycling and return programs, manufacturing/assembly and repair compo-

nents, and products used by corporate clients reaching the end of their lifecycle. We actively implement extended producer responsibility to ensure high-quality and authentic disassembly of used home appliances. Since 2022, Haier Smart Home has participated in the household appliance recycling target responsibility system for three consecutive years, exceeding our recycling targets and recovering more than 20 million used home appliances through all channels, ranking first in the industry. We adhere to the principle of "collecting everything that should be collected", not limited to Haier Smart Home brands or specific categories of used home appliances. As of the end of this reporting period, Haier Smart Home has recycled over 7.69 million used home appliances through various channels, a 10% increase year-on-year.

We also actively promote digital recycling solutions by establishing the Whale Recycling Platform, which offers standardized and traceable recycling services. Users can submit recycling and trade-in requests through various channels, including the Haier Smart Home APP, Whale Recycling mini-program, and WeChat official account. The Whale Recycling Platform leverages Haier Smart Home's robust sales, logistics, and service infrastructure to provide users with a one-stop home appliance experience. It promotes "trade-in" and "upgrade to smart" recycling options, creating a platform that

benefits both consumers and the environment through sustainable practices and carbon reduction incentives. The platform can respond to orders within 2 hours and complete pickups within 48 hours nationwide, offering consumers convenient recycling services. Furthermore, we continuously enhance our rewards program by tracking users' carbon reduction efforts in the form of carbon credits. After recycling their old appliances, users can redeem these credits for merchandise in the Haier Rewards Points Mall. The platform utilizes digital technology to ensure traceability throughout the recycling process, guaranteeing the proper disassembly of recycled appliances. The platform also has capabilities for efficient settlement and green credit, empowering our recycling business to improve quality and efficiency. Currently, the Whale Recycling Platform is expanding collaborations with professional recycling partners to achieve standardized and efficient recycling of multiple categories, including old clothes, 3C electronic devices, and waste plastics. Haier Smart Home also provides multiple e-waste collection points through offline stores and retail outlets, with free mail-in and pick-up services available, encouraging consumers to participate in the trade-in program in their neighborhood. The Company guarantees no fees for participants in our recycling program. In 2024, Haier Smart Home continued to incentivize home appliance upgrades during the Home Refresh Festival.

Our global subsidiaries, including Haier Europe, GE Appliances, and FPA, also actively engage in the recycling of old home appliances, providing recycling services to customers in New Zealand, the UK, France, Italy, and Singapore to promote material recovery. Haier Europe is currently a member of Ecologic in France and ERION in Italy, both part of the EU's Waste Electrical and Electronic Equipment (WEEE) recycling alliance. GE Appliances, as a partner of

Green Carbon Initiative

In 2024, Haier Smart Home launched the Green Carbon Initiative, implementing nationwide trade-in programs through our "Hundred Cities, Thousand Counties, Ten Thousand Miles" campaign. During this initiative, we partnered with provincial and municipal governments to host 119 launch events, distributing trade-in subsidies across 141 cities. We launched an upgraded trade-in mini-program, creating a "Renewal Triangle" connecting green technology, San Yi Niao, and recycling operations, making it more convenient for users to trade up to premium products efficiently and economically. The initiative focuses on Level 1 and 2 energy-efficient smart appliances and provides one-stop disassembly, removal and installation services. By expanding our eco-friendly product offerings while delivering convenient replacement services, we ensure users enjoy a hassle-free upgrade experience.

the U.S. Environmental Protection Agency's (EPA) Responsible Appliance Disposal Program (RAD), helps reduce greenhouse gas emissions and landfill waste through appliance recycling. FPA continues to expand its landfill waste reduction efforts at its four distribution centers in Australia, increasing the recycling rate for packaging and product waste to 95% for those centers.

Disassembly

The Haier Laixi smart recycling factory we have put into operation is the first of its kind in the global home appliance industry. It integrates recycling, disassemble, and regeneration, enabling precise disassembly through technological innovation. We are committed to properly disassembling or dispose of recycled old home appliances in compliance with regulations. As national support and incentive policies have been adjusted, we have further expanded the scale of our disassembly operations. Currently, the Company is qualified to disassemble all categories of home appliances, with disassembly operations covering multiple product lines including refrigerators, washing machines, and air conditioners. We can recycle and disassemble electronic waste from all brands and product categories, with a processing capacity of 2 million units. After precise disassembly at our smart factory, materials such as copper, iron, and aluminum are processed end-to-end for downstream manufacturers. We continuously customize disassembly processes and standards according to downstream manufacturers' specifications to enhance the value of reclaimed materials, achieving an overall reuse rate of 95%.

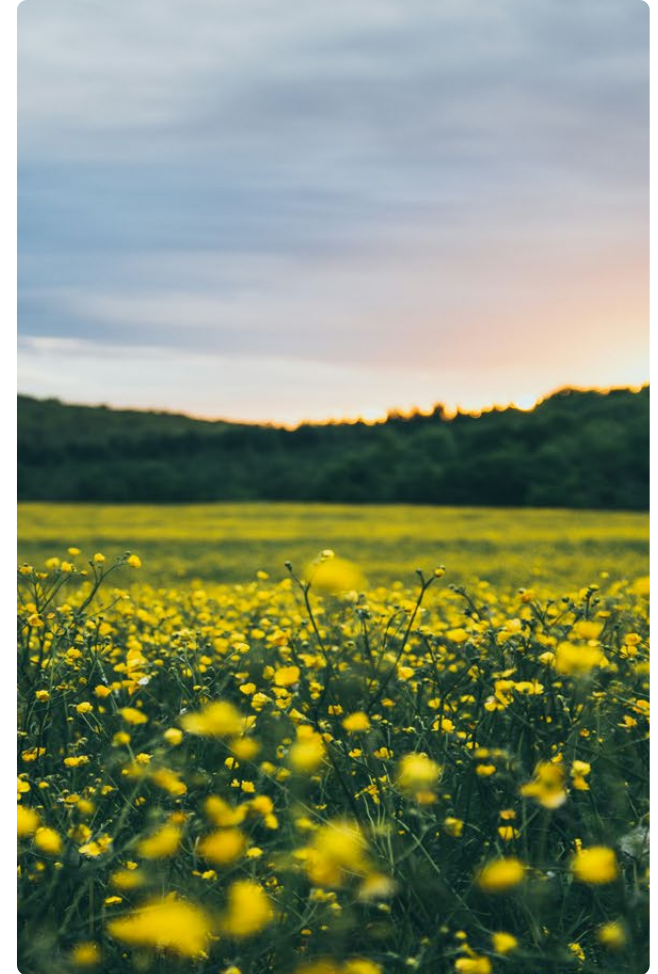
National-Level Exclusive Digital Recycling Platform

Haier Smart Home is collaborating with the Solid Waste and Chemical Management Technology Center of the Ministry of Ecology and Environment to build a national-level big data platform for the recycling industry. Using internet, artificial intelligence, blockchain, and other digital technologies, the platform addresses complex approval processes and data entry tasks faced by appliance dismantling enterprises, thereby improving their quality and efficiency.



Regeneration

Beyond appliance collection and disassembly, Haier Smart Home has expanded into materials recovery and regeneration through our smart recycling factory. We have implemented custom-designed, industry-leading production lines for high-quality plastic washing and sorting, and for pellet manufacturing. Recovered plastics



undergo dozens of processes including cleaning, sorting, pelletizing, and polymer modification. The resulting recycled materials achieve an exceptional 99.9% purity with performance properties comparable to new materials. These recycled materials are fully validated and applied in home appliances such as refrigerators, washing machines, and air conditioners, and can also be widely used in automotive, packaging, home furnishing, luggage, office, and other scenarios. In 2024, we continued to invest in the R&D of recycled materials by establishing a collaborative government-industry-academia-research support system with universities and research institutes, exploring the full lifecycle management of raw materials to enhance the utilization of recycled materials in our products. Currently, Haier Smart Home is working with partners to establish recycled material innovation laboratories and precious metal extraction technology laboratories, committed to creating an industrial system with independent intellectual property rights.

Simultaneously, the Company collaborates with multiple top universities in China to overcome the three major technical challenges currently faced by the recycled plastics industry: odor, black spots, and performance degradation. In 2024, Haier Smart Home took the lead in drafting the *Technical Specifications for the Use of Recycled Plastics in Household Appliances*, advancing sustainable, circular practices in the home appliance industry. We also led the drafting of *Greenhouse Gases - Product Carbon Footprint Quantification Methods and Requirements - Electric Washing Machines*, promoting carbon footprint assessment and carbon reduction practices in appliance production. For content regarding circular economy goals, please refer to the "Safeguarding Our Planet Towards a Green, Low-Carbon Future - Our Goals" section.

Other Carbon Reduction Activities

Green Office

Haier Smart Home champions sustainable workplace practices and eco-conscious living, bringing environmental principles to life through tangible initiatives that create green office environments:

- ◆ Promoting electronic and paperless office practices, encouraging employees to save paper, and setting up centralized waste paper recycling boxes.
- ◆ Advocating remote communication and online meetings to reduce business travel and lower energy consumption.
- ◆ Promoting low-carbon behaviors in office areas, such as turning off lights and air conditioning when not in use. Replacing traditional lighting with energy-efficient fixtures, and installing sensor-activated faucets in our office spaces.
- ◆ Encouraging employees to travel in a low-carbon manner by promoting the use of public transportation to reduce carbon emissions from commuting.
- ◆ Actively implementing waste sorting in office buildings, providing classified waste bins, and educating employees about waste classification.

Haier Europe

Haier Europe headquarters has installed rooftop solar generation facilities and has received the highest level—Platinum certification—of the Leadership in Energy and Environmental Design (LEED) standard.

FPA

FPA's Mexico factory has replaced security lights in its parking lot with solar-powered fixtures. FPA's New Zealand office is working with local government to encourage employees to use public transportation, reducing employee commuting carbon footprints.

Green Technology Collaboration

In December 2024, Haier Pakistan's Air Conditioner business and the Lahore University of Engineering and Technology (UET) formalized a strategic partnership agreement, jointly establishing the "Haier Green Energy-Saving Technology Joint Laboratory". This collaboration focuses on advancing HVAC systems, refrigeration technologies, and related fields. The joint laboratory serves as a hub for interdisciplinary research, developing cutting-edge solutions that reduce energy consumption and environmental impact while serving as educational resources. By combining UET's advanced resources with Haier's industry expertise, this partnership bridges the gap between academic theory and practical application. Additionally, the program provides researchers and students with enhanced learning opportunities, paving the way for talent development.



Haier signs strategic partnership agreement with the Lahore University of Engineering and Technology

Conducting Organizational Carbon Inventory

To enhance our energy management capabilities and continuously monitor our carbon emissions, Haier Smart Home has conducted carbon inventories for four consecutive years. In 2024, we significantly expanded our domestic carbon accounting boundaries and emission source coverage to include 51 factories and over 200 subsidiaries across China, as well as operational emissions (Scope 1 and Scope 2) from select international manufacturing facilities. This carbon inventory strictly follows the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard* and *Greenhouse Gas Protocol: Scope 2 Guidance* jointly published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). All emission factors used in our calculations are sourced from publications by authoritative departments and institutions, including China's Ministry of Ecology and Environment, the Intergovernmental Panel on Climate Change (IPCC), and the International Energy Agency (IEA), ensuring the scientific validity and transparency of our results.

Moving forward, Haier Smart Home will continue leveraging digital technologies to enhance the accuracy of our carbon accounting practices based on actual situations. We will systematically implement carbon reduction strategies across key emission areas while actively assuming a leadership role within our supply chain, collaborating with upstream and downstream partners to achieve collective emissions reductions.

Carbon Footprint Certification

Haier Smart Home actively pursues carbon footprint certification across our products' full lifecycle, providing users with eco-friendly reference standards while enhancing our brand's sustainability credentials and encouraging low-carbon purchasing decisions. In 2024, we secured carbon footprint certificates for eight product models and conducted Life Cycle Assessments (LCA) on nine products, thoroughly evaluating their environmental impact from raw material sourcing through production, usage, and end-of-life disposal.

We also lead or participate in the drafting of various low-carbon standards, contributing to the sustainable development of the home appliance industry. In 2024, the carbon reduction/low-carbon related standards we led/participated in drafting include but are not limited to:

- Air Conditioner Group Standard T/CHEAA 0029-2023 *Specific Rules for Carbon Footprint Accounting of Household Appliances - Room Air Conditioners* (Published)
- Washing Machine Group Standard T/CHEAA 0042-2025

Greenhouse gas—Quantification requirement and method of product carbon footprint—Washing machine (Published)



Our Future Plans

Haier Smart Home will continue to conduct R&D and innovation in carbon reduction, improving full lifecycle sustainability management, and advancing carbon reduction practices throughout our production processes. We will proactively address climate change and managing climate risks while capitalizing on related opportunities, thereby supporting both corporate and societal transitions towards a low-carbon future.

03

Empowering Collaborative Growth through 'RenDanHeYi'

We are dedicated to our "people-first" philosophy, aiming to cultivate a fair, respectful, inclusive, and diverse workplace for all employees. Our focus is on protecting employee rights and well-being, fostering personal growth and value creation, and enhancing their overall welfare. We strive to achieve collaborative growth by aligning the Company's development with that of our employees.

◆ **HKEX ESG Indicators addressed:** B1 Employment, B2 Health and Safety, B3 Development and Training

◆ **A-Share ESG Topics addressed:** Employees

◆ **UN SDGs addressed:**



Our Goals

Goals	Progress
Flexible and diversified incentive mechanisms to empower employees' rapid development	Established a diversified compensation incentive system combining labour income, profit sharing, stock options, etc.
Providing focused support to enhance employees' sense of happiness and achievement at work, striving for a 100% response rate to employee complaints and ensuring 100% employee satisfaction	Established the "Voice" employee communication platform across our domestic operations, responding to employee concerns within 72 hours and achieving 100% employee complaint response rate with 100% employee satisfaction. Our Corporate Culture and Employee Experience Self-governing Committee regularly hosts "Cultural Dialogue" sessions to discuss work environment and organizational atmosphere, enhancing employee work experience
Striving for "zero" safety incidents to ensure employee health and safety	Achieved "zero" safety incidents, effectively protecting employee health and safety
100% integration of employee capacity building and caring programs on our platform, creating diverse learning scenarios and smart learning resource recommendations	807 courses available on the employee learning platform (covering over 130 positions), with 486 certified instructors (covering leadership, general skills, business English and other professional areas), creating diverse learning scenarios with smart learning resource recommendations
Focusing on enhancing employee experience, building a diverse and open talent system to maximize the potential of our people	Prioritized young talent development, with a 30% growth rate for high-potential young makers across our domestic operations; established an open system for R&D, digital and other technical talents, with a 6% increase in AI and digital talents in domestic operating regions
Enhancing performance reforms to motivate and empower employees to maximize their potential	Implemented employee stock ownership plans domestically and internationally in 2024, covering 2,516 employees; and 11% increase in the proportion of technology talents
Continuing to enhance diversity and inclusiveness, promoting the development and protecting the rights of female employees	Actively promoted gender equality in work systems and environments globally, with female employees accounting for 21% of campus recruitment graduates in domestic operating regions; conducted special female leadership empowerment programs.

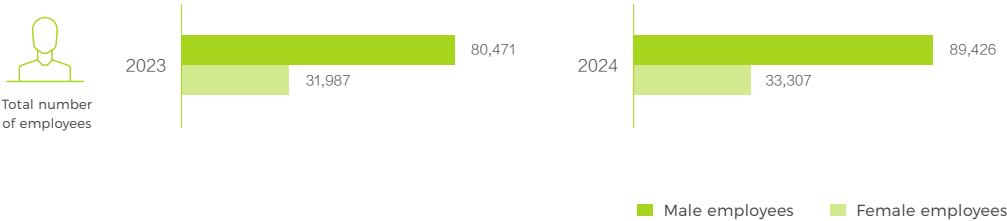
1-3 Year Goals (2025-2027)

Employee Rights
Establish flexible and diversified incentive mechanisms to empower employees' rapid development
Provide focused support to enhance employees' sense of happiness and achievement, striving for a 100% response rate to employee complaints in domestic operating regions
By 2027, the Smart Home Learning Platform aims to offer 1,600 courses with 600 certified instructors, creating diverse learning scenarios with smart learning resource recommendations
Accelerate the development of high-potential young makers with a growth rate reaching 32%, empowering employees to maximize their potential
Attract AI and high-tech talents externally while enhancing employees' AI capabilities internally
Enhance diversity and inclusiveness, with female employees in R&D positions reaching 25% in domestic operating regions
Employee Care
Establish comprehensive employee communication channels: build diverse communication platforms online and offline with feedback and resolution mechanisms
Diverse employee welfare system: provide all employees with diverse benefits including holidays, heat allowances, clothing allowances, birthday perks, etc., enhancing their sense of happiness and achievement
Comprehensive employee care: focus on physical and mental well-being; provide health protection and psychological support; create a caring atmosphere, and offer comprehensive care services including health check-ups, medical assistance, education support for employees' children, employee compassionate relief, etc.
Employee team-building activities: based on employee interests, provide various team-building activities such as sports, outdoor development, and social networking events to promote physical and mental well-being
Health and Safety
Implement smart safety management for specialized equipment: by the end of 2025, achieve 100% deployment of our digital smart management system for elevators, forklifts, and other specialized equipment, and 100% digitalization of technical safety documentation for specialized equipment
Special rectification of non-compliant electrical welding and construction operations: by the end of 2025, integrate with the national "Internet + Specialized Operation Personnel Comprehensive Supervision Service" centralized system, and ensure 100% on-site construction supervisors are equipped with compliance recording devices by 2025
Special safety enhancement for confined space operations: by the end of 2025, achieve digitalized management of confined spaces through big data network platform, and explore advanced technology application such as robotic inspection and operation for confined spaces
Special safety monitoring for key personnel groups: by the end of 2025, implement 24/7 real-time AI monitoring, early warning and alarm systems for contractors, construction workers and other key personnel operations through digital and technological means, ensuring 100% supervision of all key personnel

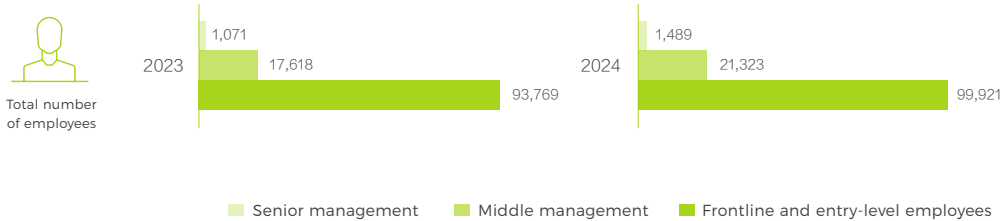
Fostering a Diverse and Inclusive Workforce

The Company is committed to creating an inclusive work environment, building diverse, inclusive, and high-performing teams, embracing innovation through the integration of diverse cultures. As of the end of the reporting period, we employ 122,733 people globally from more than 50 countries and regions, including 43,950 overseas employees.

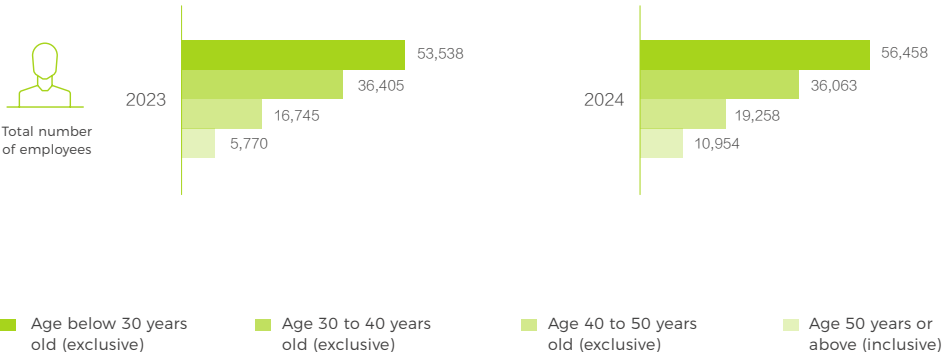
Total number of employees by gender (persons)



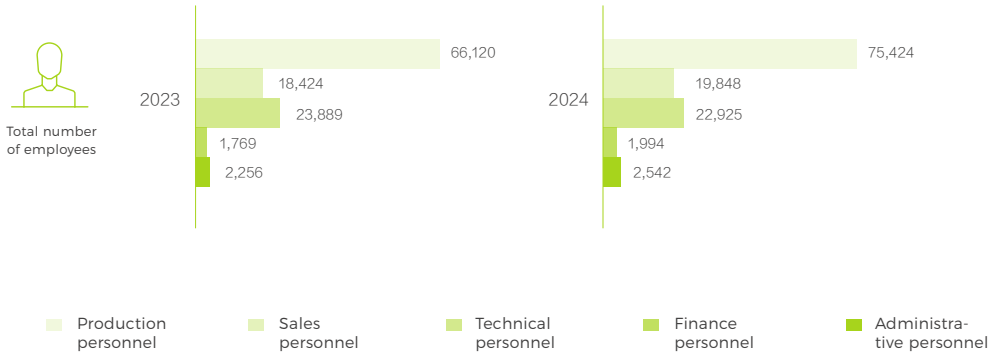
Total number of employees by job level (persons)



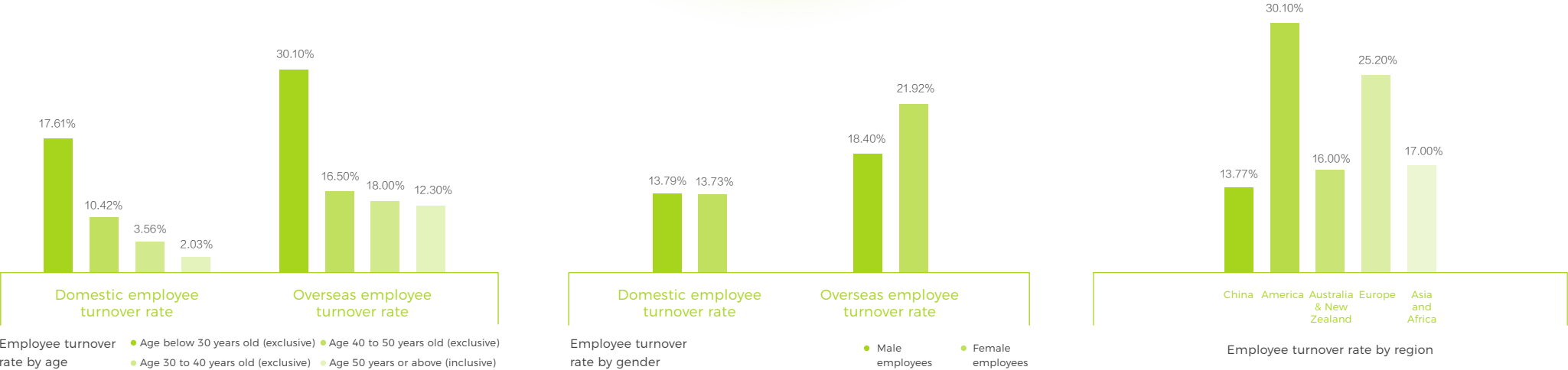
Total number of employees by age (persons)



Total number of employees by work function (persons)



Total number of employees by region (persons)



Attaining Global Excellence in Diversity and Inclusion

Haier Smart Home consistently upholds an open and inclusive attitude, creating diverse and harmonious work environments globally, promoting exchange and mutual understanding among employees from various nationalities and cultural backgrounds.

GE Appliances is dedicated to fostering an equitable, respectful, inclusive, and diverse corporate culture, supporting the integration of employees from different backgrounds and building a workplace with a strong sense of belonging. GE Appliances employees have proactively organized Affinity Networks, providing a safe space for colleagues to share interests, skills, and experiences, while offering opportunities to contribute to key business initiatives. In recognition of high employee satisfaction, in 2024, GE Appliances was named one of the "Best Workplaces" in the manufacturing and production sector for the third consecutive

year. As of the end of 2024, GE Appliances has consistently achieved a 100% score on the Corporate Equality Index published by the Human Rights Campaign Foundation for seven consecutive years.

FPA has established a *Diversity, Equity, and Inclusion (DEI) Policy* applicable to all employees, contractors, board members, volunteers, etc. In collaboration with customers, suppliers, and communities, FPA strives to build a fair, inclusive, and welcoming work environment, fostering unbiased awareness while attracting and retaining diverse talents with growth potential. FPA encourages employees to regularly provide feedback on the company's leadership, culture, and employee experience. Additionally, FPA regularly updates DEI communication and learning materials,

incorporating DEI training into employees' core learning plans.

Haier Europe has established an Equality and Diversity Committee, which holds regular meetings to drive the implementation of related policies and initiatives. Furthermore, Haier Europe conducts DEI assessments to understand employee diversity distribution and collect employee feedback, with the assessment results guiding the company's DEI strategy. Haier Europe works with external DEI organizations in the UK to provide inclusive education and resources. For example, external consultants have delivered presentations on neurodiversity, and professional third parties have provided training on menopause (including "male menopause"). The HR team regularly hosts group dialogues to ensure policies are inclusive and supportive.



GE Appliances achieves 100% on Corporate Equality Index



Haier Smart Home's diversified teams

Female Employee Development

Haier Smart Home's thriving growth is attributed to numerous women managers and employees who demonstrate exceptional leadership, keen insight, and extraordinary creativity. The Company actively promotes gender equality in work systems and environments globally, continuously optimizing career development frameworks for female employees. We offer specialized career planning courses designed for women employees, encouraging them to fully realize their potential and achieve personal value. To address workplace challenges female employees may face, we have implemented supportive measures including equal pay for equal work, comprehensive leave policies for marriage, maternity, breastfeeding, Women's Day, etc., with all associated compensation provided according to law.

In domestic operations, the Company signs a *Special Collective Contract for Female Employees* with the labor union every three years, achieving a 100% signing rate to effectively safeguard women's legal rights. Additionally, we provide diverse benefits for female employees including specialized gynecological examinations and mother-friendly facilities. Regular activities are organized specifically for women employees to support their holistic physical and mental well-being.

The Company's overseas operations also place significant emphasis on female employee rights and development. FPA has initiated multiple women's career development programs both internally and externally, actively cultivating female leaders and providing career advancement opportunities. This year, the Global Women's

Career Mentoring Program successfully attracted more than 50 mentor-mentee pairs, accelerating female talent growth. GE Appliances, through its "Women's Employee Resource Group", awarded a record number of scholarships to female students at the University of Louisville (UofL) J.B. Speed School of Engineering, creating possibilities for the next generation of women engineers. Based on the *Act on Promotion of Women's Participation*, Haier Japan has established a "General Business Manager Action Plan" dedicated to enhancing employee diversity and inclusion. In 2024, women employees represent 27.14% of our workforce, with female managers constituting 12% of management positions in domestic operations.

Haier Europe Launches "Zero Tolerance—Red Card to Violence" Campaign

To demonstrate a firm stance against all forms of violence toward women, Haier Europe invited all team members to participate in this meaningful initiative. Many participants actively responded by creating "red card" face paintings, expressing their opposition to violence through the shared values and collective strength of the Haier Europe community. In partnership with WeWorld⁷, Haier Europe focuses on protecting team member rights and welfare while fulfilling its social responsibility to contribute toward building a future free from violence and inequality.



"Beautiful Mood Sharing Session"

For International Women's Day, the Company organized a thoughtfully designed activity titled "Beautiful Mood Sharing Session", where female representatives from various businesses shared their insights on professional development, personal life, family balance, etc. Through interactive sessions, participants exchanged experiences and reflections, with women attendees gaining inspiration and empowerment from this collaborative dialogue.



"Empowering Her Potential" Women's Leadership Development Program

Haier Smart Home focuses on women's leadership through our dedicated program "Empowering Her Potential", designed to support women in achieving personal growth, unlocking their capabilities, and exploring expanded opportunities for career development.



⁷ WeWorld is a social application for cross-cultural exchange.

Safeguarding Employees' Legal Rights

Haier Smart Home strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, and other relevant laws and regulations in regions where we operate. The Company also references international labor conventions⁸ in developing our *Employee Code of Conduct*, continuously optimizing management systems for recruitment, working hours, leave policies, and equal opportunity to ensure employees' legal rights are protected.

Employment Management

The Company is committed to providing equal opportunities for all employees. In recruitment, compensation, career development, and performance management, we base decisions on objective criteria without discrimination due to gender, age, physical characteristics, etc. We believe that diversity in nationality, ethnicity, place of origin, and religious beliefs drives greater innovation. The Company has established comprehensive policies governing employee hiring, promotion, and termination processes. We rigorously verify the credentials of new hires, sign legally compliant labor contracts with all employees, and handle termination procedures in accordance with applicable laws to ensure fair and legal employment practices. During the reporting year, our collective contract signing rate reached 100%.

The Company prohibits forced labor and child labor, firmly protecting human rights in the workplace. Should any such incidents occur, we will handle them strictly according to legal requirements and company policies, ensuring proper arrangements for affected individuals. In 2024, the Company recorded no illegal employment incidents.

“ Haier Smart Home Retains UK Top Employer Status

Haier UK has been certified as a "UK Top Employer 2025" by the Top Employers Institute, a globally recognized employer assessment agency, marking the third consecutive year the Company has received this recognition. This certification highlights Haier's outstanding achievements in talent acquisition, talent strategy, rewards and recognition, learning and development, diversity, equity and inclusion, employee wellbeing, etc.



Positive Work Environment

We create a positive and constructive work environment for our employees by:

- ◆ Promoting a diverse workforce and providing a workplace free from discrimination, retaliation, harassment, and any form of abuse, with zero tolerance for any behavior that is demeaning, intimidating, or hostile.
- ◆ Fostering an atmosphere of mutual respect and positivity, free



⁸ International Labor Conventions include the *Equal Remuneration Convention*, *Minimum Age Convention*, *Worst Forms of Child Labor Convention*, *Discrimination (Employment and Occupation) Convention*, *Forced Labor Convention*, *Abolition of Forced Labor Convention*, *Occupational Safety and Health Convention*, etc.

from bias and harassment, resolutely opposing any form of sexual harassment or assault in all interpersonal interactions.

◆ Encouraging employees to proactively report any inappropriate behavior or undesirable practices in the workplace to relevant departments, with the Company providing necessary support and assistance to employees.

Working Hours Management

We continuously optimize our working hours management system by implementing autonomous time management policies for our chain groups and micro enterprises⁹. They can independently determine working hours and attendance methods based on international practices, industry characteristics, and business scenarios, providing employees with greater flexibility to better balance work and personal life.

Autonomous Time Management Policy:

- ◆ Flexible Working Hours System: We promote flexible work arrangements that allow employees to select suitable working hours based on personal needs and job requirements, with options to start and finish early or work flexibly
- ◆ Smart Attendance System: We have introduced a smart attendance system supporting various sign-in methods, such as facial recognition for automatic check-in and iHaier mobile sign-in, to ensure accuracy and real-time tracking of attendance data
- ◆ Enhanced Leave Management: Employees can create personalized annual leave plans, with unused annual leave eligible to be carried forward to the following year. Beyond statutory holidays, the Company offers exclusive leave benefits such as "Parent-Teacher Meeting Leave" and "New Employee Orientation Leave" to support employees' daily lives. In 2025, several provinces and cities increased the number of marriage leave days and expanded eligibility criteria, with Haier Smart Home fully implementing these government policies across all relevant operating regions.



⁹ Chain groups and micro enterprises are internal organizational structures within Haier Smart Home.

Supporting Talent Growth and Development

Haier Smart Home upholds the principle that "everyone deserves development and attention" while creating diverse recruitment channels globally. We have established reward mechanisms, expanded development platforms, encouraged employee innovation, and provided diverse training resources to help employees maximize their personal value. Additionally, we continuously upgrade our talent assessment system, using digital tools to identify, cultivate, and develop talent more flexibly, precisely, and efficiently.

Strengthening Talent Acquisition

The Company implements open and inclusive recruitment principles, continuously improving our talent structure through campus recruitment, professional recruitment, and other talent acquisition channels.

Attracting Fresh Graduates

The Company focuses on attracting high-quality campus talent while emphasizing overseas students to support international business development. This year, we conducted two recruitment initiatives for fresh graduates, including three specialized talent recruitment programs: Top Talent, Future Partners, and University-Enterprise Development. Nearly 2,000 new graduates participated in these recruitment programs.

Attracting Experienced Professionals

In 2024, the Company's professional recruitment strategy centered on "targeted talent acquisition and ecosystem building", attracting industry leaders, core technical experts, and international talent across the industry. This approach helped build a comprehensive talent supply chain, with 1,814 professionals recruited throughout the year. This year, Haier Smart Home paid special attention to campus recruits with 1-3 years of experience. Through the "Young Maker Leaders" program, we regularly addressed employee psychological well-being, workplace integration, communication and other issues to improve retention of campus talent. Additionally, we analyzed turnover causes and implemented targeted improvements through exit interviews follow-up surveys, etc.

Haier Europe Establishes Ecosystem Partnership with Leading French Recruitment Platform Welcome to the Jungle

Haier Europe has formed a partnership with Welcome to the Jungle, a renowned French recruitment platform, to build an industry-leading talent acquisition and development platform that continually drives the Company's future growth. This partnership will also empower the French talent pool through our unique organizational model—"RenDanHeYi"—providing career and personal development opportunities for promising individuals and contributing to sustainable social development.



Haier Europe Establishes Ecosystem Partnership with Welcome to the Jungle

Establishing Talent Incentive Mechanisms

Haier Smart Home founded the "RenDanHeYi" management model, where "Ren" represents employees with entrepreneurial and innovative spirit, and "Dan" refers to creating user value. This model aims to stimulate employee initiative, guide employees to discover their potential, and achieve personal innovation and breakthroughs.

The Company has established a performance-based compensation incentive system covering all employees. This year, we upgraded our user-paid compensation system based on the RenDanHeYi model, adhering to the principle that employees who create value should share in that value. Through a diversified combination of incentives such as labor income, profit sharing, and stock options, we fully mobilize the enthusiasm of every innovator. Each employee is evaluated on key indicators monthly and quarterly, with evaluation results linked to bonuses. Employees who excel in their evaluations can participate in internal value-added sharing and receive equity incentives.

We continue to implement the "A+H Shares" global incentive system covering both domestic and international employees to attract, motivate, and retain the Company's core talent. Since 2009, the Company has launched multiple rounds of equity incentive plans and employee stock ownership plans, with incentive recipients covering more than 14,600 middle and senior management positions, reaching approximately 12% of Company employees. In 2024, the Company issued A-share and H-share employee stock ownership plans with approximately 2,395 participants and a total incentive fund of RMB 774.5 million. These equity incentives target core employees who play important roles in the Company's overall performance and long-term develop-

ment, including middle and senior management as well as some core technical and business personnel.

The Company has established various innovation incentive mechanisms to actively advocate and encourage employee innovation. We have formed an employee innovation achievement promotion team, providing innovation R&D bonuses to achieve two-way innovation between employees and the Company, acknowledging employee innovation achievements and strengthening their drive for innovation.

Expanding Development Pathways

Haier Smart Home offers employees diverse promotion opportunities and broad career growth potential through accessible advancement pathways. Taking smart manufacturing as an example, we have created three development models:

- ◆ **Business-Oriented Path:** By managing themselves, others, teams, and business operations, employees accumulate industry experience, enhance refined management capabilities, and strengthen cost reduction and efficiency improvement skills to achieve personal value and career growth.
- ◆ **Expertise-Oriented Path:** By applying professional knowledge and skills, solving specialized problems, and providing expert solutions, employees achieve in-depth development in a particular field or composite development across multiple disciplines.
- ◆ **Professional Iteration Leadership Competition:** Employees tackle strategic pilot challenges or persistent problems through

professional projects, earning relevant recognition through project-based competitions.

Additionally, we have established clear "zigzag" development path standards for multi-disciplinary talent in core positions, breaking away from traditional "vertical" development paths. This approach guides employee career development, drives self-directed growth, and strengthens multi-disciplinary talent cultivation.

The Company has established a professional competency certification system, using digital means to improve employee development frameworks and visualize development standards, pathways, and outcomes. We have created a talent development brand strategy—the "Wisdom Program", which encompasses the Explorer Plan, the Climber Plan, the Pioneer Plan, the Leader Plan, etc. This program develops talent based on various scenario requirements and has launched over 130 empowering development projects.



The "Wisdom Program"

Enhancing Training and Development Systems

Haier Smart Home has established a comprehensive, multi-level talent training system for all employees, including overseas staff. Through course training, thematic seminars, secondment programs and other methods, we provide diverse learning resources that promote multi-dimensional talent growth for various needs, helping employees enhance professional competence, technical skills, and leadership abilities. To meet employee learning needs, the Company has built the "Smart Home Learning" online platform accessible to all employees (including overseas employees, interns, outsourced staff, etc.), allowing them to learn according to their needs, anytime and anywhere, continuously improving personal capabilities and achieving professional growth. In 2024, the Company organized seminars on key topics such as new retail and new marketing strategies, and expanded learning channels like livestreaming and community forums, achieving 100% training coverage for all domestic employees with average training time reaching 68.55 hours per person. Additionally, we conduct training program evaluations, collecting employee feedback on training content and methods to enhance training effectiveness.

The Company provides continuing education opportunities and resource support for all employees. Staff can apply independently through the "V-Study" platform, with the Company covering related expenses for high-potential core talent in management and professional positions, fully supporting employees in obtaining external academic

degrees. In 2024, we recommended nine employees for MBA programs at Peking University, Tsinghua University, etc. Furthermore, the Company offers factory employees "3+1" diversified vocational skills training and development pathway, which include training for job-specific skills, cross-functional skills, and professional expertise, plus skills competitions, helping employees obtain professional certification for their positions and promoting career development. To date, 172 employees have received honors such as "National Excellent Migrant Worker", "Qilu Chief Technician", and "Qilu Craftsman". In 2024, two employees were selected for the national 2024 Manufacturing Talent Support Program.

The "Lime" Program

A pre-employment development program for potential campus hires. All students who receive offers can learn innovation and entrepreneurship knowledge online through the "Lime" Program and experience Haier culture.

Maker Training Camp (MTC)

A program designed for newly hired employees using a blended online and offline, step-by-step training model. Through systematic learning modules such as "Face-to-Face with Experts", creative workshops, mentorship, and hands-on experience across the value chain, new hires gain comprehensive self-awareness and find their niche within the Company.

Leadership Projects

A series of development programs designed to cultivate middle and senior managers through blended online and offline learning initiatives. To facilitate self-directed learning, we have established domestic and international online learning platforms supporting 24 languages to meet the linguistic needs of employees across overseas regions.

Global Engineering Development Program (GEDP)

Established for exceptional engineers with global vision who can lead international projects. The program provides employees with job rotations and advanced technological projects with English-based professional training courses, currently launched simultaneously in China, the U.S., Mexico, etc.

Smart Leadership Scheme

Selectively cultivates exceptional multi-disciplinary talent with outstanding capabilities and significant growth potential who embody Haier Smart Home's cultural values. Through direct mentoring by senior executives, core business domain experience, and comprehensive career development monitoring, the scheme systematically develops future leadership talent in management, marketing, technology domains, etc.

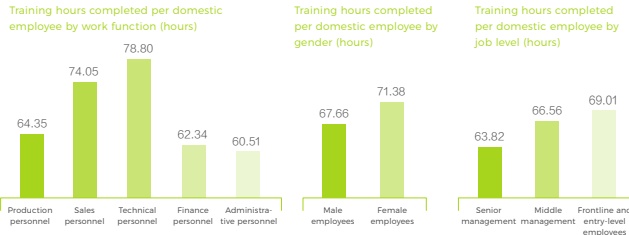
Manufacturing Engineering Development Plan (MEDP)

An accelerated growth platform for emerging innovators. By engaging with the world's leading smart manufacturing technologies, interacting with industry experts, and collaborating with Haier's cutting-edge smart manufacturing technology development engineers, the program cultivates smart manufacturing experts who can lead intelligent manufacturing initiatives.

Smart Manufacturing "Stars"

Targeting core positions, this program adopts a "36 model" to provide diversified and selective development for employees across different tracks. It encompasses three major initiatives: "Star Brilliance", "Star Radiance", and "Star Spark".

Haier Smart Home Talent Training System



In 2024, the Company fully integrated global university resources, establishing strong partnerships with world-renowned institutions such as Xi'an Jiaotong University and the University of Alberta. These collaborations enabled us to develop international specialized training for employees, expanding their global perspective and enhancing critical skills in cross-cultural communication and management, ultimately building a pipeline of key talent to support our global integration strategy. Additionally, to maintain our leadership position, we introduced premium resources from institutions such as CEIBS (China Europe International Business School), organized seminars on critical topics such as new retail and new marketing, and leveraged various AI tools to achieve multiple breakthroughs in cost reduction, quality improvement, efficiency enhancement and other aspects.

Caring for Employees and Valuing Their Feedback

Haier Smart Home has established labor unions at various levels to address employee concerns and requests, promptly coordinating and resolving their issues, caring for their wellbeing, and improving employee satisfaction. The Company provides comprehensive benefits covering all employees, including a diverse range of non-salary perks such as holiday benefits, health benefits, and work-life benefits. The Company has built an "All-Employee Cultural Dialogue" platform accessible to the entire workforce, where employees can engage in discussions about work environment, organizational atmosphere, cultural development enabling everyone to participate in building an exceptional ecological culture. Additionally, we have created the "Voice" platform for factory employees, providing an open communication channel where responsible staff respond to employee concerns within 72 hours, achieving a 100% response rate to employee complaints.

Prioritizing Employee Physical and Mental Well-being

We provide supplementary medical insurance for eligible employees and organize regular employee health check-ups. In 2024, the Company arranged medical mutual aid benefits for 73,484 employees in the China operating region, with subsidies amounting to over RMB 18 million. We offer psychological counseling services to employees, distribute engaging mental health awareness materials, regularly publish psychological health bulletins, and provide access to an Employee Assistance Program (EAP) platform. In 2024, the Company provided psychological counseling services to 820 individuals in the China operating region, effectively alleviating employees' mental distress and safeguarding their overall well-being.



Employee Mental Health Guidance Courses

Women's Health Lecture on "Cancer Prevention and Reproductive Health Knowledge"

Near International Women's Day, to further protect the physical and mental well-being of female employees, the Company invited renowned gynecological experts to deliver a lecture on "Cancer Prevention and Reproductive Health Knowledge for Women". This initiative aimed to raise health awareness and self-protection consciousness among female employees while enhancing their sense of belonging and happiness within the Company. Through the dissemination of health knowledge, the lecture helped female employees improve their work-life balance, increase work efficiency, and create harmonious family environments.



Enhancing Employee Quality of Life

In the China operating region, we offer employees diverse leave benefits such as Spring Festival Holiday, leave for accompanying children taking high school or college entrance exams, Haier Annual Leave, Parental Leave, and Parent Care Leave. We also provide additional annual leave for newly hired employees to help them achieve better work-life balance.

- ◆ Provide benefits such as preferential housing purchases and discounts on home appliances
- ◆ Establish Company anniversary celebrations, and provide souvenirs and other benefits to long-serving employees
- ◆ Distribute pensions to retired employees and conduct regular visits
- ◆ Offer heat allowances for frontline employees working in high-tem-

perature environments

- ◆ Provide Haier School programs for employees' children

Number of Employees Entitled to Parental Leave ¹⁰ in the China Operating Region				
Break-down by Gender	Total	Female	Male	
	Total Number of Employees Taking Parental Leave	2,853	985	1,868
	Return-to-Work Rate ¹¹	92.38%	84.44%	94.88%

Supporting Employees in Need

We continue to implement the *Haier Group Compassionate Relief Fund* policy, providing timely support to employees facing difficulties. For current employees with disabilities, we offer a monthly living allowance of RMB 500. In 2024, across the China operating region, we provided subsidies to a total of 21 employees.

Organizing Club Activities

The Company encourages and supports employees in forming voluntary interest groups on ball games, board games, dance, taichi, yoga, and other activities. We periodically host basketball, football, painting competitions and other events to deepen mutual understanding and friendship among employees, creating a more harmonious and positive work environment.

¹⁰ Parental leave includes maternity leave, paternity leave, leave for accompanying children during exams, and the parental leave implemented in China since November 2021. The return-to-work rate statistics cover maternity and paternity leave.

¹¹ Return-to-work rate refers to the percentage of employees who returned to work at Haier Smart Home after completing maternity/paternity leave.



Haier Smart Home "Red Door Opening" Event

During the 2024 Chinese New Year, the "Red Door Opening" event organized by the Haier Smart Home Labor Union and implemented by the China Region San Yi Niao was enthusiastically held from January 30 to February 18. The event distributed red envelopes and physical gifts to employees, conveying New Year blessings, expressing gratitude, and fostering optimism for the future.



Haier Smart Home Traditional Festival Activities and Employee Birthday Celebrations

Haier Smart Home organized special activities during Chinese traditional festivals such as the Lantern Festival, Qingming Festival, and Mid-Autumn Festival. These activities enhanced employee belonging through food sharing, outdoor team-building activities, etc. Additionally, the Company regularly hosted employee birthday celebrations where team members participated in cake-making activities, further strengthening team cohesion.



"Embracing Spring - Going Green" Walking Event

In March 2024, the Company organized the "Embracing Spring - Going Green" walking event to enrich employees' leisure time, improve physical fitness, and strengthen team bonds. Participants promoted environmental stewardship by carrying gloves and bags to collect litter along the route, demonstrating Haier employees' commitment to sustainability and embodying the Company's dedication to social responsibility.



Friendly Football Match

In August 2024, to enrich employees' recreational life and strengthen cross-departmental communication, the Company organized the "Green Field Challenge" friendly football match. The event not only enhanced interaction between departments but also stimulated team cooperation and competitive spirit.



Sending Blessings to Employees' Children Taking High School and College Entrance Exams

In June 2024, nearly a thousand Haier Smart Home employees across China utilized "Exam Accompaniment Leave" to support their children. We presented flowers and greeting cards to students as they exited examination venues, offering encouragement and well wishes for their academic success.



Thailand Factory "Haier Day" New Year Celebration

On December 26, 2024, the Haier Thailand factory organized a "Haier Day & 2025 New Year Party". Through merit making ceremonies, special lucky draw, a "Sports Night Party" and other activities, the event created a relaxed atmosphere where every employee had the opportunity to unwind and collectively celebrate the Company's achievements over the past year.



Active Listening

By establishing multiple channels for employee communication and grievance mechanisms, we listen to our employees and provide timely feedback on issues raised. In 2024, we achieved a 100% resolution rate for labor disputes and employee complaints. Meanwhile, we fully leverage the democratic decision-making, management, and supervisory functions of the Workers' Congress. By organizing employee representatives to participate in Haier Group Workers' Congress, Haier Smart Home Workers' Congress and other proposals, we collectively discuss and make decisions on proposals from employee representatives at the meetings.

FPA conducts quarterly employee engagement surveys ("Ask Your Team") combining rating scales, multiple-choice questions, and open comments to assess company culture, leadership, performance development, etc. As of November 2024, employee engagement survey results showed a 5% improvement compared to August 2020.



Employee Complaint
Resolution Rate

100%



Protecting Employee Health and Safety

Haier Smart Home consistently prioritizes employee health and safety. Through establishing comprehensive management systems, implementing thorough hazard identification and safety inspection mechanisms, organizing multi-dimensional emergency drills, conducting systematic safety training and other measures, we are committed to creating a safe and healthy work environment. This year, the Company invested RMB 21.52 million in work injury insurance and safety production liability insurance, covering 100% of employees. From 2022 to 2024, Haier Smart Home maintained zero work-related fatalities and a fatality rate of zero. This year, there were 2,537 lost workdays due to work-related injuries.

Safety Management System

Haier Smart Home strictly complies with the *Law of the People's Republic of China on Work Safety*, the *Fire Control Law of the People's Republic of China*, and the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, as well as relevant laws and regulations in our other operating locations. We have formulated and implemented comprehensive safety management systems covering occupational health, equipment safety, etc. This year, the Company focused on achieving zero safety incidents by leveraging digital big data on smart safety, which resulted in successful safety performance with no serious or fatal production accidents. By the end of 2024, the Company's occupational health and safety production system underwent a platform-based, systematic, and standardized upgrade. We achieved production safety standardization certifications for 56 factories, and completed the dual-track construction and acceptance of risk stratification control and hazard investigation systems for 24 factories. We strictly implemented 15 safety procedures, and advanced 102 management systems and 429 factory-level systems, providing more reliable support for production safety and employee health protection.

The Company has established a Safety Committee covering both domestic and international operations. The committee is chaired by the Group CEO with the Vice President as the deputy chair. The Group Safety Director serves as the Head of the Smart Safety Platform, while the Smart Safety HSE Director serves as the Director of the Safety Committee Office. The Committee is a grid-based safety responsi-

bility management system formed by the heads of various domains, platforms, business chains, and units. The Committee comprises 8 business committees, 8 professional committees, 30 industry safety sub-committees, 13 regional sub-committees, and 69 security offices, ensuring responsibilities and tasks are implemented at all levels through a comprehensive production safety guarantee system.

In 2024, the Company actively promoted the innovative application of new safety processes, technologies, materials, energy sources, and equipment (known as the "Five New Technologies"), completing 301 projects that fundamentally enhanced our safety standards. Additionally, we developed the group safety standard *Safety Management Specifications for Laundry Room and Locker Room Facilities in Industrial Enterprises Handling Powder Materials*, providing standardized safety requirements for smart safety solutions in these facilities.

This year, Haier Smart Home and our subsidiaries all achieved ISO 45001 Occupational Health and Safety Management System certification, and the Company's safety model was awarded the National Safety Science and Technology Second Prize.

Hazard Investigation and Safety Inspections

The Company proactively identifies hazards and establishes clear standards for investigating and rectifying various types of safety hazards. We implement a model that involves self-inspections at unit levels, cross-inspections across regions, and dedicated inspections by the Safety Committee, addressing issues promptly to enhance the

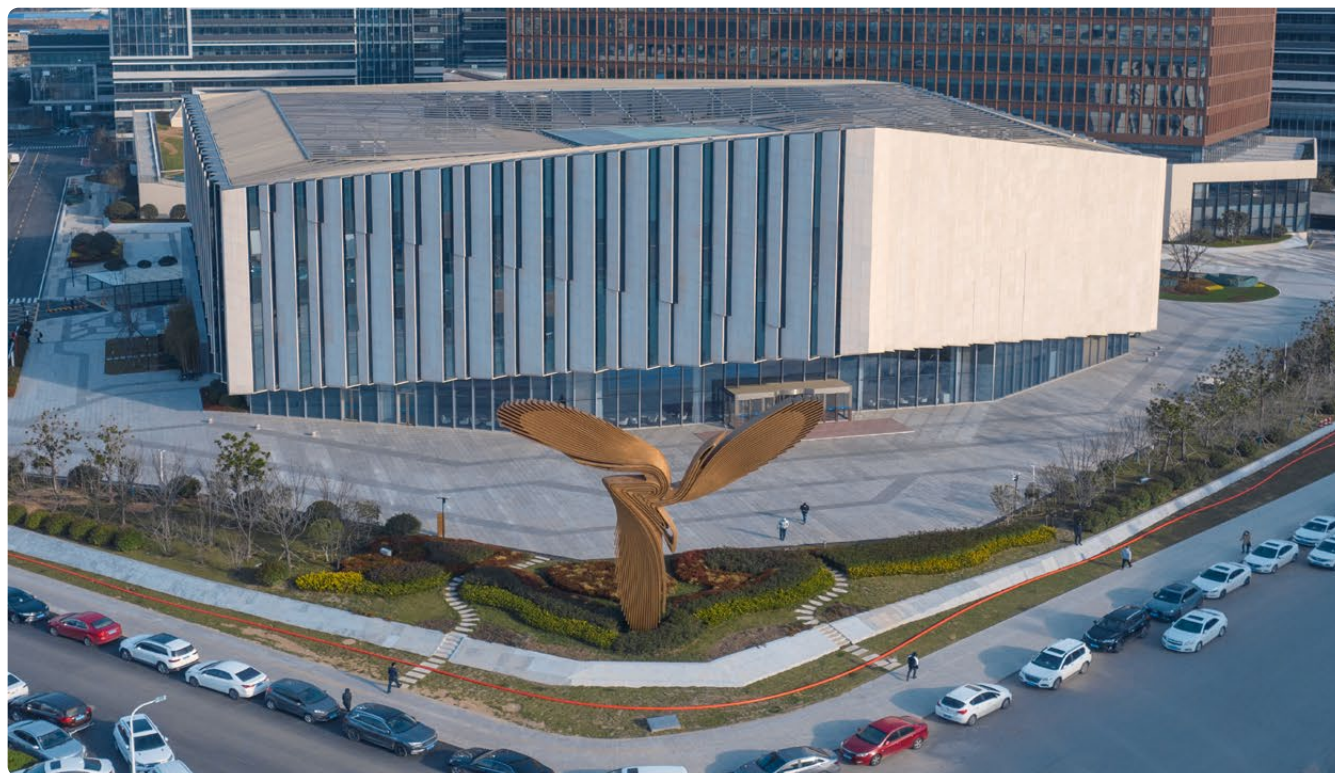
coverage and efficiency of safety efforts. The Company has set up a multi-tier, multi-category system for production safety inspections, constantly enhancing standardized procedures for hazard identification and rectification. Daily, weekly, and monthly supervisory inspections are conducted to ensure complete coverage of time periods and personnel. We fully leverage the monitoring role of employees and the community. Through multiple feedback channels, such as a production safety monitoring mailbox, WeChat groups at the industrial park/factory/team levels, reporting hotlines, and reporting mailboxes, we can comprehensively receive safety improvement suggestions and hazard reports for timely rectification.

We recognize the uncertainties that climate change poses to the Company's production safety. In accordance with our climate change risk assessment and identification protocols, we are comprehensively implementing climate risk mitigation measures.



Climate Risk Inspections and Mitigations for Production Safety:

- ◆ Investigating pre-flood hazard risks, achieving a 100% rectification rate.
- ◆ Conducting inspections of all potential water accumulation areas and establish clear emergency and routine flood prevention protocols for moderate, heavy, and torrential rainfall scenarios, ensuring implementation across all industrial parks and manufacturing facilities, enhancing drainage systems for building interiors and exteriors, rooftops, pipe trenches, etc., while ensuring adequate stockpiling of flood control supplies and completing all necessary maintenance work.
- ◆ Identifying key flood-prone areas, establishing management responsibilities, conducting advance hazard investigations, determining protective measures, and requiring responsible units to implement countermeasures in advance.
- ◆ Inspecting high-risk and leaky buildings, specifying their locations, implementing flood prevention measures, identifying evacuation points, and assigning responsibilities to designated units and individuals while strengthening emergency response systems.



Emergency Management

The Company has established internal emergency management systems and continuously optimizes our emergency management framework. We regularly organize fire and other emergency safety drills to enhance employees' overall preparedness in responding to accident risks. In 2024, the Company conducted 755 park-level emergency mobilization drills involving 8,398 participants; 827 factory-level specialized emergency plan drills with over 150,000 participants; and 2,559 on-site factory emergency response plan drills with 25,000 participants.



Developing a Safety Culture

Haier Smart Home integrates internal and external resources to regularly offer safety training. This year, we expanded our safety training categories from 2 to 15, including hazardous equipment operation training, dangerous occupation training, specialized operations personnel training, safety officer training, training for unit heads and safety management personnel, internal auditor training, supervisor training, "Double Hundred" training, occupational health training, confined space training, high-risk construction operations, holiday safety training, etc. Furthermore, we have developed customized safety training materials, expanded our question banks, and established a comprehensive safety training curriculum to enhance employee safety awareness and emergency response capabilities. In 2024, we organized more than 360 safety training sessions, training over 150,000 participants.

- ◆ For special and hazardous job roles, we ensure that employees complete training and obtain certifications before taking up their

positions. In 2024, we provided certified training for 3,932 domestic factory specialized operation personnel and trained 12,000 employees for 12 categories of hazardous equipment operations.

- ◆ "Double Hundred" Safety Training: Company internal trainers and external experts jointly conduct weekly "Double Hundred" safety training, featuring professional instructors and diverse teaching methods to reinforce safety knowledge regularly to employees. In 2024, the Company organized 88 rounds of "Double Hundred" training for over 28,000 participants.

- ◆ Craftsman Training: We expanded the 'Hi' Craftsman Training Platform by creating 50 different safety scenarios, adding customized training materials and question banks to provide more comprehensive safety training for employees. In 2024, the Craftsman Training project trained a total of 229,767 participants.

To enhance safety awareness among all employees and foster a strong safety culture, in May 2024, the Company organized a "Production Safety Month" under the theme "Safety Everywhere, Vigilance Always: Ingraining a Culture of Safety". During this period, we implemented 26 special activities, organized 892 different events with over 79,000 participants. These activities were featured 47 times in government publications, authoritative media and other channels, earning 16 government awards and commendations.

We encourage employees to initiate safety-themed recreational activities and provide suggestions for improving the Company's production safety, effectively strengthening their safety management awareness and enhancing preventive capabilities.

Third-Party Safety Management

We have established construction safety management protocols that clearly define the responsibilities of construction units, factory liaison departments, and safety departments to ensure safe and orderly construction activities throughout our facilities. Furthermore, we emphasize the health and safety of our supply chain employees, implementing rigorous safety self-management requirements for contractors and suppliers. We sign a *Safety Self-Management Agreement* with outsourced units and suppliers to ensure comprehensive safety management coverage.

Occupational Health Management

The Company places a high priority on employee occupational health management, continuously improving emergency rescue facilities for occupational hazards, providing personal protective equipment for employees exposed to occupational disease risk factors, and regularly conducting occupational health training to ensure employees master essential protective knowledge and skills. In 2024, we engaged a third-party agency to inspect 2,879 occupational disease hazard work positions, and all occupational hazard factors were found to meet national regulatory requirements. The Company also issues *Occupational Disease Hazard Work Position Notification Letters* to employees in high-risk roles and provides them with comprehensive occupational disease screenings, including pre-employment and on-the-job monitoring. In 2024, over 13,000 operators in occupational hazard positions underwent screenings, and 91 employees deemed unsuitable for their roles were reassigned.

Our Future Plans

With the core concept of 'RenDanHeYi', we are committed to upholding employee rights, fostering their professional growth, caring for their physical and mental well-being, and creating a diverse and harmonious work environment. By fully harnessing the potential of our staff, we aim to achieve a mutually beneficial scenario where employee happiness and company growth go hand in hand.

04

Leading with Innovation for Delightful Smart Home Experiences

Haier Smart Home upholds our quality-oriented and user-centric principles to provide high-quality products and services to users worldwide. Through technology-driven innovation, the Company continuously creates smarter products and delivers enhanced living experiences to users, committed to becoming a leading global ecosystem brand.

- ◆ **HKEX ESG Indicators addressed:** B6 Product Responsibility
- ◆ **A-Share ESG Topics addressed:** Innovation-driven, Safety and quality of products and services, Data security and customer privacy protection
- ◆ **UN SDGs addressed:**



Our Goals

Goals	Progress
Product Quality	
Continuous decline in product defect rates	Achieved
Striving for "zero product recalls"	0% product recall in domestic market
Establishing a unified digital quality management platform	In January 2025, IPRdaily.CN published the "2024 Global Smart Home Invention Patent Ranking (TOP 100)". Haier Smart Home maintained our leadership position with 5,582 published patent applications, securing the top ranking for the 12th consecutive year. We have accumulated 12 National Patent Gold Awards and developed multiple high-value patent portfolios in healthy laundry solutions, variable flow, food preservation, and ultra-thin built-in technology.
Patents and Intellectual Property Protection	
Developing core patent portfolios and increasing the number of patent applications year-over-year	Developed over 100 high-value patent portfolios focusing on key technology areas such as industrial internet, smart home systems, zonal air distribution, freshness preservation, healthy laundry solutions, and magnetic cooling. Increased the number of high-value patent applications compared to the previous year.
Data Security and Customer Privacy Protection	
Obtaining more information security and privacy protection management certifications, including ISO 27701 and ISO 27018	The Company passed the annual audit and version upgrade review of ISO 27701 and ISO 27018 for information security and privacy protection management certification



1-3 Year Goals (2025-2027)

- Product Quality
- 10% reduction in product defect rates
- Data Security and Customer Privacy Protection
- Privacy Compliance Infrastructure Development and Ongoing Operations: Creating online and offline privacy compliance frameworks to maximize user privacy security

Quality-Focused Excellence

Embracing the "RenDanHeYi" philosophy and a commitment to "quality for all", Haier Smart Home is dedicated to building an outstanding reputation in the home appliance ecosystem through rigorous quality control and continuous improvement of user experience.

Driven by the goal of "zero product defects", Haier Smart Home strictly complies with quality-related laws, regulations, and standards in all global operations, such as China's *Product Quality Law*, *Law on the Protection of Consumer Rights and Interests*, and international standards such as RoHS, REACH, POPs, and FCM to ensure the health and safety of our product materials. The Company has established full-process quality management system, hazardous substance management system, and ESD (Electrostatic Discharge) protection management system. Each year, we conduct reviews of regulatory changes, leveraging both internal and external resources to identify areas for improvement, and continuously enhance our quality management systems based on user experience. In 2024, we optimized our measurement management and hazardous substance risk management systems, and developed a quality management system implementation guide for new manufacturing facilities, further refining our quality management processes.

◆ **Establishment of System Operation Evaluation Mechanism:** Based on the current operation status of each factory's quality management system, we optimized the system operation evaluation mechanism at platform, industry, and factory levels, providing improvement directions for factory system development, operation, and optimization, driving system implementation at the

end-user level.

◆ **System Capacity Building Activities:** We established "Haier Global Metrology Day" on May 20 (World Metrology Day) and organized ongoing system capacity building activities such as metrology knowledge learning and metrology knowledge competitions to foster an atmosphere where "everyone knows and follows standards".

◆ **Replication of System Best Practices:** To ensure effective implementation of factory quality systems, we collected best practices from various factories and replicated them across all applicable facilities to maintain consistent system management levels. In 2024, we successfully replicated 508 best practice initiatives.

◆ **System Professional Talent Development:** We continuously optimize system quality through high-quality instructors. In 2024, we trained 12 new internal metrology professional instructors, bringing the total to 20 instructors, achieving our goal of equipping each Haier industrial park with at least one metrology instructor to meet the needs of all industrial parks. Additionally, the Company continuously upgrades our OEM product quality management system, strengthening the "two-way" management mechanism, so as to further enhance our quality management system development to ensure high standards and consistency of product quality.

In 2024, all factories in domestic operations and Haier Europe factories have passed the ISO 9001 quality management system certification. 46 factories in domestic operations have obtained the QC 080000 certification (International Electrotechnical Commis-

sion certification for electronics and electrical components and products free of harmful substances), with a certification coverage rate of 96%. Five factories in domestic operations have passed the ANSI ESD S20.20 system certification (electrostatic discharge management system certification) for the first time, bringing the total number of factories with this certification to 13. The Company has established a User Experience Committee to enhance product quality based on addressing user pain points. In 2024, we actively optimized our approach to address quality system weaknesses in new business areas by conducting system reviews and professional training sessions, delivering 31 capacity building initiatives. Through a series of metrology capacity building activities, such as metrology professional knowledge training, system optimization and utilization, we have achieved standardized, specialized, and digitalized management of 160,000 types of measuring instruments throughout their entire lifecycle across the Group, further enhancing product quality.



Full-Process Quality Management

The Company has established a full-process product quality management system covering all global operations, utilizing digital technology to monitor and continuously optimize product quality throughout the entire lifecycle. Our digital platform enables automatic integration of product test data with product certification systems and connects all quality management processes. The platform proactively shares historical non-conformity data with relevant departments including R&D, manufacturing, and procurement, prompting these teams to conduct preventative inspections and thereby improving the first-time pass rate of our products.

The Company improves the quality ecosystem by establishing multiple quality improvement groups along the value chain, focusing on analyzing the processes encompassing user product experience, R&D, and factory production, effectively reduces defect rates.



R&D Phase

We conduct extensive user research, create databases of user scenarios, and iteratively optimize to ensure the quality, safety, and user satisfaction of our mass-produced products. We implement a product R&D review mechanism, avoiding any quality risks during the R&D phase through assessment by professionals to ensure product quality.

In 2024, we established an integrated verification system for modules, complete machines and scenarios. By constructing laboratories that simulate user scenarios, we conducted testing and in-depth research on functionality, performance, reliability, and artificial intelligence scenarios, thereby ensuring user experience and improving user satisfaction.



Production Phase

We implement stringent system standards and quality control measures, subjecting every product to rigorous multi-dimensional inspections. We have established a digital laboratory quality management platform to ensure precise and efficient testing, and created a digital quality knowledge base for testing to facilitate improvement in product quality. In 2024, through our new product quality program, we monitored task progress online, automatically assessed completion status, and synchronized R&D and quality information online, strengthening the coordination between people and information to reduce product defect rates. Additionally, we implemented smart generation of sampling plans, online adjustment of inspection standards and processing of defective products, further standardizing and regulating sampling inspection. This reduced manual scheduling time for quality inspection by at least 60 minutes per week and improved inspection efficiency by 35%.



Logistics Phase

Leveraging the Haier Smart Home Logistics Digital Platform, we have launched a product full-process traceability system to achieve transportation and warehousing visibility through IoT and smart technology. This enables us to evaluate and control logistics losses and strengthen logistics quality control.



Sales Phase

We prohibit exaggerated publicity and misleading information to users, and regularly engage third-party professional agencies to evaluate user experience.

Haier Smart Home places high importance on product malfunction issues reported by users. For products experiencing faults within the warranty period, after assessment by the service provider in the user's location, we offer returns or replacements to users. The faulty appliances after replacement will be sent to the factory's quality team for inspection to determine the cause of malfunction. These faulty machines will be properly handled by Haier Smart Home's recycling operation or disposed of through legitimate channels in compliance with regulations. In 2024, Haier Smart Home achieved our goal of "zero recalls" for all domestic products, with no products being recalled due to health and safety issues.



Training for Suppliers

Supplier Quality Management

Haier Smart Home places a high priority on supplier quality management and has established robust supplier quality control systems for different product lines. The Company has incorporated ISO 9001 quality management system certification as a prerequisite for supplier qualification. We conduct rigorous quality control through quality system audits and process reviews to verify suppliers' comprehensive quality management systems and their practical implementation, as well as to ensure effective control throughout product development and manufacturing processes. Based on supplier quality evaluations, we categorize suppliers into different tiers, increasing the proportion of orders from outstanding suppliers and providing targeted support and suggestions for improvement to lower-rated suppliers. In 2024, all of the Company's suppliers have passed the ISO 9001 quality management system certification.

This year, we focused on enhancing suppliers' digital capabilities in areas such as IoT integration of production test data, visualization of laboratory testing capabilities, IoT connection of complete machine factories, and user traceability of supplier production information data, making the supply chain more intelligent, traceable, and transparent.

We emphasize the improvement of supplier quality management capabilities. In 2024, we conducted 15 supplier quality management training sessions covering multiple industrial parks including Qingdao, Chongqing, and Foshan, with over 500 suppliers participating. We also implemented quality improvement projects based on component categories, conducting specialized quality management enhancements for different production lines in areas such as reliability systems, automation, and IT capabilities.



Product Quality Improvement

Haier Smart Home regularly organizes various employee quality training programs to deepen employees' quality awareness and enhance their professional skills, thereby driving ongoing product quality improvement. In 2024, we adopted a blended online and offline approach, integrating internal and external resources to provide tailored training for quality personnel across different product lines, job levels, and requirements. The Company has developed 66 online courses for quality management personnel and provided professional knowledge to 588 metrology specialists across 55 factories. We have also conducted specialized training on electrical laboratory capability accreditation standards for Haier Smart Home laboratories across various business sectors. To date, 211 testing engineers have obtained professional qualifications. Furthermore, in accordance with the certification system for Chief Quality Officers, Quality and Safety Directors, and Quality and Safety Officers issued by the State Administration for Market Regulation, we actively encourage our quality management personnel to obtain certifications. As a result, 21 employees have received Chief Quality Officer capability certification.

1.



Kitchen Appliance Product Line

We organized skill competitions for factory inspectors and production personnel, awarded outstanding employees, and organized multiple specialized skill training sessions, including product inspection and welding techniques.

2.



Refrigerator Product Line

We organized quality control training and skill competitions, encouraging employees to continuously improve their quality awareness and professional skills, and apply them to their work.

3.



Washing Machine Product Line

We conducted specialized training sessions on industry standards to enhance employees' understanding and practical abilities, covering various areas such as laboratories, inspections, and manufacturing processes. In 2024, we conducted two ISO 9001 quality management training sessions, one QC 080000 hazardous substance management training session, and our metrology system capability enhancement activities covered employees from 13 factories across 7 industrial parks.

4.



Water Heater and Purifier Product Line

We integrated internal and external resources to conduct relevant training, including interpretation and promotion of standards and regulations, and quality management group training.

Haier Smart Home actively participates in various competitions and exchange activities related to quality project achievements, quality technology innovation achievements, patents and standards, and academic papers. We have achieved a series of quality honors and recognition and driven the progress of quality management in the industry. During this year, the national

standard *Restricted substances management systems for electrical and electronic products—Requirements* that we participated in drafting was officially implemented. We have received numerous honors from government and industry organizations, including 10 international achievements and 52 Chinese government and industry honors. For example, we won 5

gold medals in the international quality management group activity known as the "Quality Olympics", and were recognized with 2 National Quality Benchmarks, and 2 Typical Cases for Quality Improvement and Brand Building by the Ministry of Industry and Information Technology. We also received an AAA rating in the market quality credit grade evaluation.

Technological Innovation Driving Product Upgrades

Haier Smart Home considers innovation as the core driving force for product advancement. The Company has established ten R&D centers globally, leveraging our extensive ecosystem resource network to identify innovative technologies that align with our product requirements. We conduct R&D and product innovation in key areas such as smart home solutions and green low-carbon technologies to spearhead industry progress. To enhance collaboration efficiency with ecosystem partners, Haier Smart Home actively conducts concept validations and integration management for innovative technologies. We also organize and participate in global innovation activities to continuously foster a culture of technological innovation.

R&D of Health-Conscious Products

Building on our professional expertise, Haier Smart Home drives the R&D and application of multiple technologies, continuously upgrading product manufacturing processes. We provide customers with health-conscious products for all scenarios and have launched multiple products designed for elderly users, creating a multi-dimensional smart healthy home living experience. Simultaneously, based on our innovative practices, we participate in drafting and revising national and industry product standards, advancing industry standardization and smart transformation, thereby injecting new vitality into the sustainable and healthy development of the industry.

While ensuring products meet health and safety standards, Haier Smart Home actively embraces green consumption trends, positioning low-carbon and environmental protection concepts as core directions for product R&D. In 2024, Haier Smart Home developed featured products and technologies across various product lines, continuously upgrading green sustainable products. For details, please refer to the sections: "Smart' Sustainability for Better 'Home' Living", and "Reducing Carbon in R&D and Raw Materials" under the "Safeguarding Our Planet Towards a Green, Low-Carbon Future" chapter.

Through establishing an open innovation system and strong R&D capabilities, Haier Smart Home drives technological breakthroughs and green innovation in the smart home sector. The Company led the development of the industry standard *Household Intelligent Bathroom Appliance Management System*, which was published in 2024. This standard has significant implications for energy-saving design and low-carbon operation of smart bathrooms. We also participated in IEC TC61 and IEC TC59 technical discussions, contributing to the compilation of global performance testing standards for washing machines, dryers, and washer-dryers.



Water Purifier Product Line

We have employed multiple key technologies to improve water quality, introducing smart functions such as on-demand temperature control and integrated purification and heating, providing users with a smart home experience.



Washing Machine Product Line

We introduced micro-nano bubble washing technology, providing users with professional healthy laundry care experiences; jointly developed anti-fouling and anti-bacterial pulsator technology with higher institution, eliminating dirt accumulation at the bottom of the pulsator.



Refrigerator Product Line

In 2024, Haier Smart Home pioneered magnetic control freshness preservation technology, solving the industry challenge of low-temperature freshness preservation. This breakthrough departs from the traditional innovation path focused primarily on low temperature and refrigeration, and can be extended to the cold chain industry. Driven by this original magnetic control freshness preservation technology, Haier's full-space preservation technology received the State Science and Technology Progress Award.



Patents and Intellectual Property Protection

Haier Smart Home upholds the concept that "protecting intellectual property is protecting innovation" and firmly implements a high-quality patent strategy centered on high-value patents. The Company has established a comprehensive patent management system and operational mechanism, pioneering an innovative model of "technology, patent, and standard" collaborative development. We actively promote the creation, management, protection, and application of patents, helping the Company achieve a leading position in the global market.

We strictly adhere to applicable intellectual property regulations in all regions where we operate globally, including the *Patent Law*, *Trademark Law*, and *Copyright Law of the People's Republic of China*. We have established a global management mechanism and developed systems such as the *Patent Asset Evaluation and Patent Maintenance and Abandonment Management Platform*, the *Patent Licensing and Transfer Management Process Platform*, as well as optimized measures such as the *Patent Quality Management Platform* and the *Patent Incentive Platform*. While safeguarding our own intellectual property, we also respect the intellectual property rights of third parties and are willing to engage in negotiations under the FRAND¹² principles to collaborate with rights holders through mechanisms such as cross-licensing and portfolio licensing, following the principles of mutual benefit to promote rational competition in the industry. To protect Haier Smart Home's intellectual property and patents, we have established a patent alert system and rapid enforcement

response mechanism. We employ professional evaluation models to assess patents from technical, market, and legal perspectives. Through scientific classification and labeling methods, we accurately identify and manage patents with high technical, market, and legal value, using this to build a patent enforcement database and patent alert system that records detailed patent information and key enforcement points. Simultaneously, we have established a cross-departmental rapid enforcement response coordination mechanism: the marketing department provides feedback on infringement risks and needs, the R&D department provides technical support, the patent department coordinates management, and the legal department handles enforcement litigation. All departments work closely together to maximize patent value and optimize our rights protection system.

In 2024, the Company did not experience any patent infringement incidents.

We have established a global intellectual property management system, which integrates intellectual property and standards management through the Global Intellectual Property and Standards Management Committee under the Haier Group Technology Innovation Committee. This system unifies the planning of global intellectual property strategy and clarifies processes and rules related to global intellectual property layout, rights attribution, and utilization management. Additionally, we have formulated a global intellectual property award system, offering awards such as the Best Patent Awards and Patent

Application Awards to foster an innovative culture and inspire innovation among all employees.

◆ Building a Global Digital Platform

We are actively advancing the development of a global intellectual property digital platform aimed at achieving real-time dynamic management and global sharing of intellectual property. This platform covers the entire lifecycle of intellectual property creation, application, protection, management, and service, providing strong support for more than 10,000 R&D personnel within our global operations.

◆ Global Layout of High-Value Patents

Haier Smart Home maintains an international perspective and has built a "10+N" global open innovation system, encompassing 10 major R&D centers and multiple innovation hubs to enable localized R&D, production, and sales. The Company has created the HOPE platform, bringing together global innovators to form an extensive R&D ecosystem network. At the same time, Haier Smart Home leverages our global R&D centers to deploy more than 100 high-value patent portfolios in key technology areas such as industrial internet, smart home, and zonal air distribution, using intellectual property to drive technological breakthroughs. In 2024, Haier Smart Home has accumulated over 112,000 patent applications globally, including more than 73,000 invention patents; more than 18,000 overseas invention patent applications covering 36 countries; and a cumulative 12 National Patent Gold Awards, ranking first in the industry.

¹² FRAND (Fair, Reasonable, and Non-Discriminatory) is a principle aimed at ensuring fairness, reasonableness, and non-discrimination in the standard-essential patent licensing process.

Worry-Free Service Delivers Optimal Experience

Haier Smart Home has always remained user-centric, dedicated to "creating infinite possibilities through a boundless ecosystem" and co-creating better living experience with users. The Company continuously improves our service standards, builds digital platforms, and constructs a smart Internet of Things centered on user experience. We ensure user privacy and security, and take tangible actions to achieve "zero complaints and zero delays" for users. In 2024, we continued to optimize our customer satisfaction survey methods. Through comprehensive online and offline evaluation analysis, our overall user satisfaction reached 99.91%.

Digital Platform, Worry-Free After-Sales Service

To create an end-to-end, integrated smart service, Haier Smart Home has built an information service platform, established a Reputation Committee, and set up a user-oriented service mechanism. We optimize and streamline service scenarios, actively respond to users' after-sales needs, and create the best service experience.

◆ Optimization of Digital Platforms

Focusing on the end-to-end user service experience, Haier Smart Home has established a workbench system for service providers and service personnel to ensure prompt response to user needs. In 2024, we upgraded our user interaction system, allowing users to interact directly with service personnel through text, voice, and video formats via the Haier Smart Home APP and our mini-program platform. When users submit service requests, we leverage big data such as the user demand pool and service personnel resource pool for smart identification, enabling smart assignment with instant response time, reducing user waiting time and improving service efficiency. Throughout the service process, service quality ratings, service standards, and fee details are visible through standardized work orders. The entire service process is transparent, allowing users to monitor the complete process and

evaluate service quality online at any time.

◆ Customized Service Solutions

Haier Smart Home continuously advances our service model to enhance user service experience. In 2024, Haier Services launched an appliance and home improvement initiative featuring nearly one hundred upgrade and renovation solutions across four key living spaces—kitchen, balcony, bathroom, and living room. This addresses the pain point of users wanting new appliances but finding incompatibility between new products and their existing home decor.

We have pioneered the Quantum Store model, focusing on providing services for users' lifestyle scenarios. This new service model centers around community users and integrates after-sales and sales services, both online and offline, offering a seamless, multi-channel experience. It caters to a wide range of customized household needs including appliance maintenance, water and electrical system modifications, and home cleaning services. In 2024, leveraging the Haier Smart Home Cloud Store OTO platform, we enabled users to make online payments for offline products and services before experiencing these services in person. Through our nationwide network of franchise stores and in conjunction

with the government subsidy program¹³, we support users in selecting products, claiming and redeeming vouchers, and placing orders online. This allows users to visit our stores at various urban and rural locations and enjoy a seamless end-to-end sales service from purchase and delivery to installation, enhancing the overall user experience.

◆ Enhancing Training through Diversification

Haier Smart Home has established a structured digital training system covering all processes and businesses, along with a practice and evaluation system, to continuously enhance the service capabilities of frontline staff.

In 2024, the Company organized both online service course learning and offline practical skills training, including the "Craftsmanship Cup" service skills competition, sessions on service philosophy and mindset, service personnel standards, and professional skills enhancement. We also provided strengthened training on service standards and specifications for service providers. Service personnel can utilize their free time for flexible learning on product knowledge and technical skills on our online learning platform, and apply their knowledge through practical field training in both simulated and real-world customer interac-

¹³ Refers to the 2024 initiative by China's National Development and Reform Commission, Ministry of Finance, and Ministry of Commerce to promote trade-in programs for home appliances and other consumer goods, providing subsidies to individual consumers for new purchases.

tions to accumulate hands-on experience.

During the year, the Company conducted over 7,300 offline practical training sessions nationwide, with more than 100,000 service personnel participating. We also delivered training to over 5,700 service providers through more than 1,100 sessions.

At the same time, we have actively conducted distributor training to enhance their understanding of products and marketing.

Throughout the year, we organized four online and offline training sessions focusing on digitalization and inventory management, training a total of 7,000 participants. In 2024, we conducted three Haiqinghui Elite Training Camps, providing capability training for 300 franchise store successors. Additionally, we organized three training sessions on new media for store managers and service managers, covering 350 participants, empowering franchise store distributors to better serve customers.

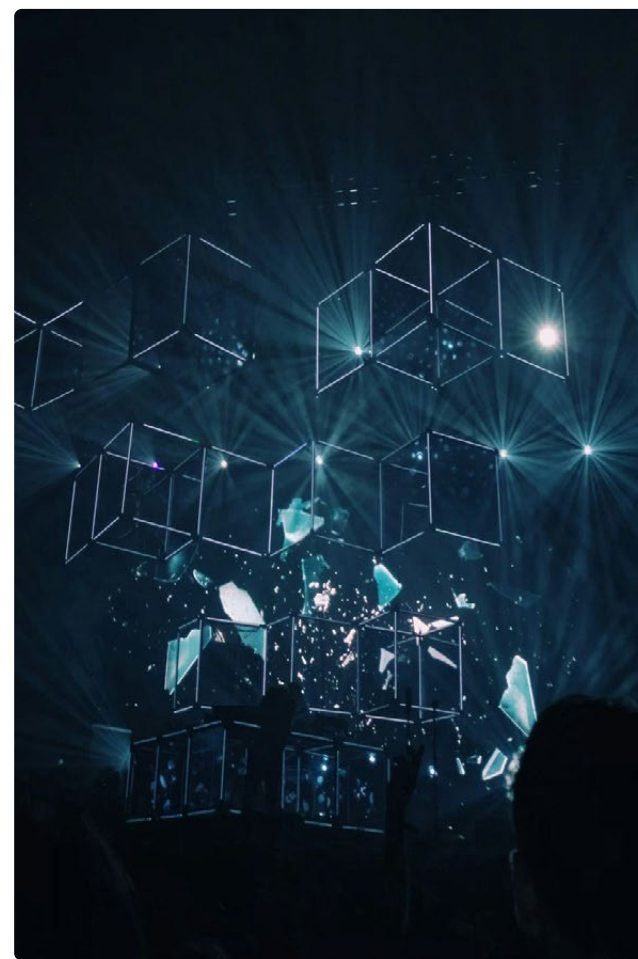
◆ Customer Complaint Handling and Improvement

Haier Smart Home has established and progressively improved our user complaint response and management mechanism. Users can report issues through multiple channels including our 400 customer service hotline, Haier Service WeChat mini-program, official WeChat account, and Haier official website. In 2024, Haier Services completed the integration of complaint information from third-party sales platforms (such as JD, Tmall, and other e-commerce platforms). When a customer complaint is received, our system automatically forwards the information to relevant responsible personnel. Our customer service team thoroughly

understands user concerns within one hour and resolves issues within 24 hours. Throughout the process, the entire complaint handling workflow remains visible, with cases automatically escalated to higher-level personnel if resolution timeframes are exceeded. Responsible parties can review case information online, ensuring rapid complaint handling and closed-loop resolution. We actively utilize digital tools to guarantee instant response to customer needs and continuously upgrade our complaint response processes based on customer pain points. In 2024, we received 66,212 complaints regarding products and services, achieving a 100% case closure rate and a 100% complaint resolution satisfaction rate. During the year, we did not receive any major customer complaints.

Respecting Privacy, Protecting Rights

In 2024, with increased attention to cross-border data transfer security and the rapid development of artificial intelligence, we have identified new laws and regulations that must be followed across our operating locations, while continuing to comply with the *Personal Information Protection Law* and *Data Security Law of the People's Republic of China*. These additional regulations include, but are not limited to, the *Regulation on the Protection of Minors in Cyberspace*, *Standard Contracts for the Outbound Transfer of Personal Information*, *Interim Measures for the*



Administration of Generative Artificial Intelligence Services, Guidelines for the Establishment of the National Comprehensive Standardization System for the Artificial Intelligence Industry (2024 Version), the European Union's Artificial Intelligence Act and Data Act, and the U.S. Federal Zero Trust Data Security Guide. Based on the introduction and updates of domestic and international personal information protection laws and regulations, the Company has added and optimized several personal information protection systems, including the Haier Smart Home Personal Information Protection Management Manual, Haier Smart Home Personal Information Security Compliance Management Specification, Haier Smart Home Personal Information Protection Design Standards and Control Processes, Haier Smart Home Personal Information Protection Compliance System Evaluation and Management Measures, and Haier Smart Home Management Specification for Non-compliant Collection and Use of Personal Information in Mobile Internet Applications. In 2024, we strengthened our user privacy governance structure by

upgrading our compliance organization from the Data Compliance Committee to the Haier Smart Home Data Privacy and Artificial Intelligence Chain Group. This group convenes quarterly to review progress and establish priorities for the quarter. We fully respect and protect users' rights to know, choose, and control their personal information. In our apps and mini-programs, we articulate policies and measures for obtaining, managing, and protecting users' personal information, and always obtain consent before collecting and using user information. In addition, we employ technologies such as data access control, multi-factor authentication, data anonymization, and encrypted transmission to protect users' personal information.

Haier Smart Home conducts regularly privacy and data security audits and assessments to ensure comprehensive oversight of the Company's information security and data protection. In 2024, the Company deployed privacy compliance monitoring tools for all mobile apps and mini-programs, ensuring their operations comply with privacy regulations. We also conducted privacy compliance

audits in key overseas regions to assess the information security status and risks at various overseas operating locations. Haier Smart Home also places great emphasis on the management of privacy information by our partners. We incorporate supplier's information system security level and compliance status as requirements for supplier admission assessment. Based on the nature of collaboration, we sign relevant data processing and confidentiality agreements with suppliers, such as the *Haier Supplier Data Processing Commitment*, *Information System User Responsibility Commitment*, and *Haier Group Partner Personal Confidentiality Agreement*, to rigorously protect user privacy information. For projects involving user data processing, in addition to strict contractual limitations on usage and operational permissions with suppliers, we also employ privacy computing technology to implement data operations that are usable but not visible, thereby advancing project implementation while maximizing user privacy security.



Our Future Plans

Haier Smart Home will continue to focus on original technology and product innovation, committed to meeting users' demands for health-conscious and eco-friendly products. Leveraging our digital platforms, we will continuously improve product quality control and user service levels, while emphasizing privacy protection and data security, thereby boosting user satisfaction and brand reputation.

05

Forging Partnerships to Advance Industries and Improve Society

Haier Smart Home is committed to implementing responsible procurement policies and building a value chain ecosystem with controlled risks and mutual benefits. On this foundation, the Company fully mobilizes our operational resources globally, actively engaging in healthcare, education, rural development, and volunteer services to create extensive social value. We promote collaborative development between industries and communities, contributing Haier's strength to building a more prosperous and compassionate society.

◆ **HKEX ESG Indicators addressed:** B5 Supply Chain Management, B8 Community Investment

◆ **A-Share ESG Topics addressed:** Rural Revitalization, Contributions to the Society, Supply Chain Security

◆ **UN SDGs addressed:**



Our Goals

Goals

Supply Chain Management

To increase the social responsibility audit ratio of suppliers accounting for the top 80% of our procurement spending to 90%

To achieve a 100% response rate to anti-corruption reminder letters from suppliers and conduct anti-corruption training for them

To actively implement dual-carbon initiatives with our top 80% of suppliers by procurement spending, and offer dual-carbon projects to suppliers

To conduct due diligence on conflict minerals with our top 80% of suppliers by existing procurement spending

Community Investment

To support educational advancement, expand our contributions to Project Hope, and build 20+ new Hope Primary Schools nationwide

To respond to the call for "common prosperity" and contribute to rural revitalization

To commit to aiding those in need and demonstrating a sense of responsibility

Progress

As of the end of 2024, the social responsibility audit ratio of suppliers accounting for the top 80% of our procurement spending increased to 95%

Achieved a 100% response rate to anti-corruption reminder letters from suppliers and conducted anti-corruption training for them

Issued carbon reduction initiatives to 100% of suppliers and conducted carbon management surveys with all suppliers.

Conducted due diligence on conflict minerals with all existing suppliers, with no instances of conflict mineral usage identified among suppliers who completed the survey.

Supported Project Hope construction with 405 Hope Primary Schools and 1 Hope Middle School built nationwide

Continued to invest and participate in rural revitalization efforts

Conducted charitable activities in our domestic and overseas operating regions, donating goods and cash to local non-profit organizations and philanthropic activities in multiple countries



1-3 Year Goals (2025-2027)

Extend social responsibility audits to cover 95% of suppliers to ensure compliant management

Issue carbon reduction initiatives to all suppliers and collect and disclose supplier carbon emission data

Conduct conflict minerals due diligence with all suppliers to ensure no conflict minerals are used

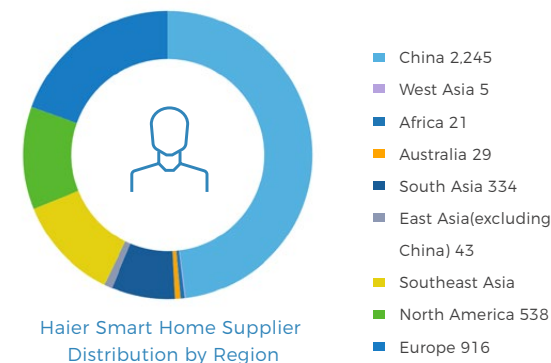
Collaborating to Build a Sustainable Supply Chain

Haier Smart Home focuses on building a sustainable supply chain system, adhering to responsible procurement principles while meeting purchasing needs, and providing ESG requirements and recommendations to suppliers. The Company helps suppliers enhance sustainability capabilities by monitoring and managing their environmental and social risks, promoting green and low-carbon development throughout the upstream and downstream supply chain.

Meanwhile, Haier Smart Home emphasizes supply chain risk management. To ensure supply chain stability, we strengthen relationships with key suppliers through mergers and acquisitions, multi-point cluster development, and equity investments in suppliers, safeguarding supply chain stability and security.

We manage the entire process of supplier admission, procure-

ment, evaluation, and capacity building in accordance with relevant laws and regulations such as the *Bidding Law of the People's Republic of China*, and conduct targeted ESG risk management based on actual conditions. Currently, Haier Smart Home has 4,677 suppliers globally. The Company promotes local procurement by establishing partnerships with local suppliers, which not only effectively reduces greenhouse gas emissions during logistics processes but also drives local employment and economic development. At the same time, Haier Smart Home actively engages with communities in our various operating locations, establishing positive community relationships. In 2024, approximately 70% of our product procurement involved local suppliers.

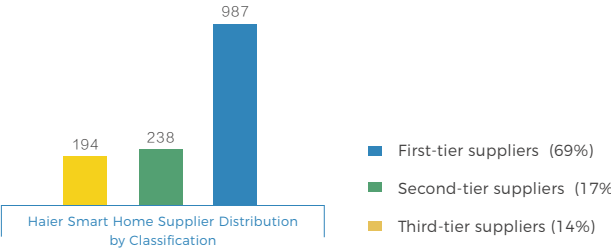


Supplier Admission

Haier Smart Home comprehensively evaluates supplier qualifications during supplier admission and selection processes based on policies such as the Modular Supplier Capability Self-Commitment Management Standard, Supplier On-site Connections, and Supplier Credit Rating Evaluation. The assessment covers ESG-related factors including quality system audits, labor management, waste emissions, and conflict mineral procurement. During the supplier admission stage, we prioritize suppliers who use and provide low-carbon steel and recycled plastics, along with their products, to reduce carbon emissions from raw materials and promote green and low-carbon transformation of the supply chain.

To implement lean management practices, we classify suppliers into first-tier, second-tier, and third-tier based on their business relationships with Haier Smart Home. First-tier suppliers directly provide modular products to Haier Smart Home; second-tier

suppliers provide components or sub-modules for first-tier suppliers' modular products; and third-tier suppliers provide raw materials or components to second-tier suppliers. In 2024, we launched the "Haier Mall", a platform through which first-tier suppliers procure materials from second and third-tier suppliers, ensuring material consistency and improving quality control. Additionally, we established filing procedures for second and third-tier suppliers to ensure upstream supplier qualifications remain controllable.



Self-Commitment

We require suppliers to commit to complying with labor regulations, business ethics, environmental protection, conflict minerals, and other assessment principles.

On-Site Audits

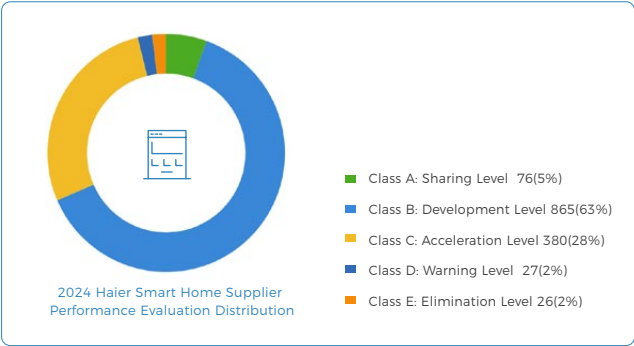
New suppliers must pass quality system audits and social responsibility audits (covering business ethics, labor practices, safety, occupational health, fire protection, environmental protection, hazardous waste management, etc.).

Credit Rating Evaluation

We assess suppliers based on their years of establishment, customer and supplier profiles, and financial indicators.

Supplier Performance Management

Haier Smart Home conducts regular assessments of onboarded suppliers using a performance evaluation scorecard. The Company thoroughly and dynamically evaluates suppliers across six dimensions: R&D, quality, responsiveness, delivery, cost, and social responsibility. Based on analysis results, Haier Smart Home has formulated differentiated supplier strategies aligned with our objectives and user needs, categorizing suppliers into five levels: sharing, development, acceleration, warning, and elimination. For suppliers at the sharing level, we provide preferential order allocation and establish dedicated inspection-free channels to reduce transaction costs, while developing long-term strategic partnerships through methods such as local factory establishment. We have upgraded our supplier performance management strategy, encouraging suppliers to improve collaboration performance and enhance competitiveness based on user evaluations. To ensure suppliers deliver according to orders, we have imple-



mented iterative changes to the delivery and warehousing process, with factories receiving goods based on orders and settling accounts accordingly.

To establish an open and fair supply chain environment with integrity, we issued the *Notice on Regulating Significant Supplier Breaches* in 2024, specifying handling strategies for major breaches and constraining suppliers to adhere to baseline requirements. We also conducted performance interviews with suppliers who failed to meet our comprehensive performance standards, urging them to make necessary improvements. Additionally, Haier Smart Home conducted on-site audits of 738 factories, including 245 new suppliers.

Supplier Environmental and Social Risk Management and Auditing

Haier Smart Home manages suppliers according to the *Haier Group Code of Business Conduct* and *Supplier Code of Conduct*. Through mechanisms like scorecards, we evaluate supplier ESG performance in areas such as labor management standards, electronic waste emissions and management, and conflict minerals. In 2024, a total of 1,331 suppliers obtained ISO 9001 certification, 794 suppliers held ISO 14001 environmental management certification, 322 suppliers received QC 080000 certification, and 296 suppliers obtained TS 16949 certification.

Environmental Management

Haier Smart Home actively implements China's national "dual carbon" strategy, guiding suppliers to prioritize eco-friendly products through our own actions and helping them embrace green development principles. In 2024, we issued a carbon reduction initiative to suppliers and conducted a dual carbon survey among all domestic and international suppliers in the China region. Survey topics included dual carbon goal setting, green energy utilization, clean technology exchange, and future carbon reduction targets, with response received from 451 suppliers. Additionally, we introduced a digital carbon management system to suppliers to help enhance their dual carbon competitiveness.

Labor Standards

Haier Smart Home places high importance on labor rights and occupational health and safety protection within the supply chain. We strictly prohibit suppliers from using child labor or forced labor and maintain a zero-tolerance policy toward such violations. Upon discovering any such violations, the Company will immediately terminate cooperation with the involved supplier. In 2024, we enhanced the sustainability of the entire supply chain by establishing a cross-departmental team to conduct audits of suppliers, focusing on labor practices, safety protection, occupational health, and freedom of association, with reference to

Responsible Business Alliance (RBA) standards, urging suppliers to proactively improve employees' working environments.

We require suppliers to create equitable, fair, healthy, and safe working environments for their employees by complying with the *United Nations Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises*, and the International Labour Organization's *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*. Additionally, suppliers must eliminate discrimination and harassment, ensure employees receive reasonable wages and benefits, maintain compliant working hours, provide necessary training and educational opportunities, and actively participate in labor rights protection activities organized by relevant renowned organizations. This year, our suppliers' green flag¹⁴ attainment rates for labor employment, safety protection, occupational health, and freedom of association reached 92%, 86%, 91%, and 95%, respectively.

Labor Employment Green Flag Attainment Rate	Safety Protection Green Flag Attainment Rate	Occupational Health Green Flag Attainment Rate	Freedom of Association Green Flag Attainment Rate
92%	86%	91%	95%

¹⁴ *Green Flag* indicates that the audit item fully complies with relevant regulations.

Business Ethics

During routine on-site supplier audits, Haier Smart Home signs the *Module Supplier On-site Connection Anti-Corruption Declaration* with suppliers, requiring them to strictly comply with business ethics standards, follow the *Special Integrity Agreement*, and formulate formal business ethics policies. Additionally, Haier Smart Home issues *Supplier Anti-Corruption Reminder Letters* before major holidays each year, requiring suppliers to sign and respond to reinforce integrity and compliance. In 2024, 100% of our active suppliers responded to the anti-corruption reminder letters.

We have published reporting channels for business ethics violations across multiple public platforms and announce supplier and Haier internal personnel violations on the HaiDaYuan system. For details on reporting channels, please refer to the "Whistleblower Protection" section in the "Fostering Integrity in Governance through Global Collaboration" chapter.

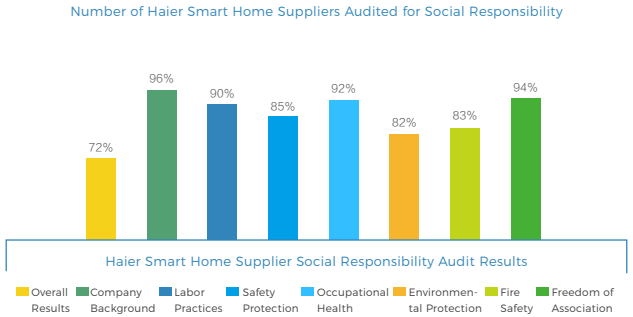
Social Responsibility Auditing

Haier Smart Home conducts regular social responsibility audits of our suppliers. From 2021 to 2024, suppliers who underwent audits accounted for 93% of the Company's procurement spending. We also conducted compliance audits on company background, environmental protection, and fire safety with reference to the Responsible Business Alliance (RBA) guidelines. The Company categorizes suppliers into green, yellow, and red zones, representing suppliers who fully comply with ESG standards, suppliers with minor non-compliance issues awaiting rectification, and those severely non-compliant and subject to elimination if unable to meet requirements through rectification, respectively. This year, we audited existing suppliers through self-assessment and conducted

on-site audits of all 245 new suppliers, covering first, second, and third-tier suppliers, including 34 third-tier suppliers, with no major non-compliance issues identified.

Haier Europe has been a member of Supplier Ethical Data Exchange (SeDeX) since 2019 and requires OEMs and suppliers to undergo SeDeX's SMETA social responsibility audits. 95% of FPA's active suppliers have signed the Supplier Code, which covers supplier labor standards, workplace safety, environmental impact, business ethics, carbon reduction, and cybersecurity. This year, Haier Europe introduced the Supplier Code and piloted supplier due diligence, with the initial pilot program covering suppliers representing 80% of its procurement spending.

Year	Number of Suppliers Audited for Social Responsibility
2021	283
2022	221
2023	354
2024	245



Supplier Conflict Minerals Management

Conflict Minerals Management Policy

Haier Smart Home attaches great importance to conflict minerals issues for both our operations and our suppliers. We strictly adhere to the *Chinese Due Diligence Guidelines for Mineral Supply Chains*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, and relevant provisions of the U.S. *Dodd-Frank Act* on conflict minerals. The Company has published our *Conflict Minerals Commitment* through the HaiDaYuan platform, clearly stating our commitment to avoid using controversial materials, as well as working with suppliers to prevent and reduce the risk that minerals in their products might provide funding or benefits to high-risk regions, thereby avoiding indirect contribution to serious human rights violations, environmental harm, health and safety hazards, or corruption. Additionally, Haier Smart Home requires suppliers to provide written declarations and establish raw material traceability policies to ensure they do not purchase minerals of unknown origin or those involved in conflicts. Haier Europe requires all suppliers to provide complete and accurate information regarding minerals contained in their products, and to conduct thorough due diligence on their sources. GE Appliances has also issued a formal Conflict Minerals Statement, adheres to the Responsible Minerals Initiative (RMI) for mineral procurement, and regularly publishes conflict minerals reports.

Conflict Minerals Risk Management

We require our suppliers to abide by our commitment not to procure or use conflict minerals, provide written declarations, and establish raw material traceability policies. In 2024, Haier Smart Home conducted responsible minerals verification throughout our supply chain, extensively surveyed supply chains involving tantalum, tin, tungsten, gold, and cobalt. We completed surveys of 1,527 suppliers, received feedback from 432 suppliers, and found no use of conflict minerals.

We also reported on suppliers' conflict minerals risks at our overseas operations following the five-step framework outlined in the OECD guidance.



Step 1: Establish Strong Conflict Minerals Management Systems

- Confirm Haier's conflict minerals policy that suppliers must follow
- Build cross-departmental working groups spanning business, engineering, supply chain, and legal departments to support due diligence
- Establish transparent control systems to identify relevant smelters and refiners, and use RMI databases to identify high-risk suppliers
- Strengthen communication with suppliers
- Establish feedback mechanisms to prevent retaliation

Step 2: Identify and Assess Supply Chain Conflict Minerals Risks

- Identify key suppliers and trace smelters and refiners
- Define the scope of supplier risk assessments
- Send inquiries to key suppliers requesting materials to support investigations
- Conduct joint on-site inspections when necessary

Step 3: Respond to Identified Risks

- Develop risk management plans, such as encouraging key suppliers to avoid conflict minerals in their supply chains, and inviting key suppliers to participate in conflict minerals training and seminars organized by third-party supply chain expert organizations
- Encourage smelters and refiners to obtain RMI's RMAP certification

Step 4: Independent Third-Party Due Diligence

Step 5: Annual Reporting

Through these steps, we identified 1,920 key suppliers from our total supplier base, requested and examined information from them on the sources of conflict minerals and cobalt using the RMI *Conflict Minerals Reporting Template* (CMRT), from which we traced 354 smelters and refiners in the supply chain, of which 64% have obtained RMAP certification.

Looking forward, the Company will continue to advance our commitment to conflict-free minerals by gradually raising supplier admission standards, conducting ongoing on-site supplier audits, and requiring upstream smelters that have not yet been certified to undergo audit certification.

Hazardous Substance Management

Haier Smart Home strictly complies with relevant international and domestic laws and regulations, ensuring that our procurement of raw materials and components meet the requirements of the *UN Stockholm Convention on Persistent Organic Pollutants*, the *EU Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS)*, *Regulation on registration, evaluation, authorization and restriction of chemicals (REACH Regulation)*, *Directive on batteries and accumulators and waste*

batteries and accumulators, U.S. Toxic Substances Control Act (TSCA), as well as China's List of New Pollutants under Priority Management and Control (2023). Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products, and the Checklist of Ozone Depleting Substances under National Control. Meanwhile, the Company closely monitors regulatory developments across all operating locations. We promptly incorporated the latest requirements into internal policies such as the Requirements for Hazardous Substance Limits in Components and Materials, ensuring all our purchased materials comply with regulatory standards. We conduct hazardous substance management training to help employees understand the latest legislative requirements and reduce risks associated with regulatory updates. Testing management is a critical component of hazardous substance management. The Company requires suppliers to provide hazardous substance testing reports, and continuously enhances our laboratory testing capabilities to ensure the accuracy and reliability of test results. Currently, 46 factories in domestic operations have obtained QC 080000 certification (IEC Quality Assessment System for Electronic Components Hazardous Substance Process Management).

Digital Supplier Management

Haier Smart Home's digital procurement platform, HaiDaYuan, enables the management of 9 stages and 137 scenarios across the entire supplier service process, while the technical specification library and financial workbench enable online drawing interaction and rapid verification, facilitating the Company's control over the supply chain. This year, we launched the supplier end-to-end project, which allows comprehensive supplier monitoring throughout the entire process centered around order tracking, now covering 46 factories nationwide. We have also built a cost capability middle platform and opportunity pool, enabling one-click cost accounting, one-click price comparison, and online monitoring of market fluctuations.



Supplier Communication and Training

Haier Smart Home values communication and interaction with suppliers and empowers them through various means. We provide training for suppliers and implements category-specific quality ecosystem projects to enhance their quality management capabilities. Additionally, we regularly host supplier conferences to exchange ideas on topics such as quality, delivery, and social responsibility, while sharing cutting-edge technical solutions through technical exchange meetings. In 2024, we conducted 34 category-specific quality ecosystem improvement programs and enhanced the quality capabilities of 93 suppliers through pre-delivery inspection. We organized 10 supplier conferences and 368 technical exchange meetings which shared 273 technical solutions.



Haier Smart Home Technical Exchange Meeting

To enhance our supplier management capabilities, we provide training for internal employees and offer various digital empowerment tools. We have launched 107 online courses on our "Procurement Academy" digital capacity building platform, including "Social Responsibility Audit", "Supplier Quality Audit", "Supplier Quality Management", and "Understanding Major Breach Processes".

To ensure compliant and efficient procurement and further achieve win-win cooperation with suppliers, we conducted 14 training sessions for procurement and R&D employees in 2024. These sessions covered supplier admission, tendering, performance evaluation, and supplier delivery, with a total training duration of 24.5 hours and 3,473 participants. We also specifically implemented the "Spark Plan" for the procurement department, organizing 5 external training sessions covering more than 100 procurement department employees, with training on product quality, supplier management, procurement processes, and other related content.



Supplier Management Training



Building Better Communities

Haier Smart Home upholds the philosophy of "In the World, For the World" across our global operations. Leveraging our product strengths and innovation capabilities, we actively engage in youth education, rural revitalization, support for vulnerable groups, disaster relief, and volunteer services. We are committed to creating social value, fulfilling our social responsibilities, and promoting collaborative development and shared prosperity between the Company and communities. In 2024, our domestic and overseas operations donated goods and cash worth over RMB 4.83 million¹⁵ in total to charitable organizations and philanthropic activities across multiple regions.

Empowering Lives

While pursuing our own development, Haier Smart Home remains focused on people's aspirations for better lives and helps realize these aspirations through various initiatives across our global operations.

In China, our Haier franchise stores have launched the nationwide "Hundred Cities, Thousand Counties, Ten Thousand Miles" campaign and technology-enabled agricultural assistance activities. Through avenues such as the Haier Education Foundation, we provide material support and other forms of assistance to the Project Hope initiative for the construction and improvement of Hope Primary Schools. As of 2024, Haier Smart Home has cumulatively supported the construction of 405 Hope Primary Schools and 1 Hope Middle School through Project Hope. We aim for Haier Hope Primary Schools to benefit children and youth in rural and remote areas, improve basic education conditions in impoverished regions, provide better learning environments and educational resources, and help more children access educational opportunities, while also contributing to rural revitalization. Internationally, we engage in charitable activities by donating educational supplies, offering internship and job opportunities for college students, and organizing sports events to support healthy development among young people.



¹⁵ Donations involving foreign currencies have been converted to equivalent RMB amounts.



40 Years, 400 Schools: "Hope" Takes a New Step Forward

In 2024, Haier built our 400th Hope Primary School in Balinzuoqi County, Chifeng City, Inner Mongolia, and announced the launch of the "Haier Young Scientists" charity program. Haier Group provides comprehensive support for rural education through constructing school buildings and creating infrastructure such as smart laundry facilities, clean water stations, and Nahui Green Cabins. Additionally, by establishing science laboratories and organizing science and technology summer camps, we inspire students' potential for technological innovation and contribute to rural education and revitalization.

Over the past 40 years, Haier has invested more than RMB 140 million to build 405 Hope Primary Schools covering 26 provinces, autonomous regions, and municipalities across China. We have become the enterprise that has built the most primary schools within the Project Hope initiative, demonstrating our long-term commitment and social responsibility in the field of education.

"Welcoming the Spring Festival, Delivering Warmth, Supporting Rural Revitalization"

On January 18, 2024, Haier Group's Organization Department and Haier Smart Home Labor Union collaborated with Malianzhuang Town in Laixi City, Shandong Province to conduct the "Welcoming the Spring Festival, Delivering Warmth, Supporting Rural Revitalization" initiative. Company representatives held discussions with town officials and village work teams to understand local conditions and the status of the collective economy, exploring potential areas for rural revitalization cooperation. Haier Group expressed our commitment to promoting resource sharing and leveraging complementary advantages through joint initiatives, advancing government-enterprise collaboration, and helping achieve meaningful outcomes in rural revitalization. Following the meeting, the Haier team visited vulnerable residents in Caobo New Village, delivering care packages and extending Spring Festival wishes, encouraging villagers to maintain a positive outlook while providing meaningful support and care.

Haier Hope Primary School Science Summer Camp Supports Youth Technology Dreams

In July 2024, we organized the "Haier Young Scientists" technology summer camp, with 120 teachers and students from 10 Haier Hope Primary Schools across 5 provinces participating. Activities included academician lectures, fun science experiments, and smart manufacturing facility tours, aiming at inspiring young people's enthusiasm for technological innovation. This summer camp is an important component of Haier's "Young Scientists Program". Through establishing technology exploration laboratories and conducting science popularization activities, we are committed to enhancing the scientific literacy of rural students, supporting educational equity and the building of national strength in science and technology.

Haier Smart Home Cares for Elderly Community Members During Traditional Festivals

During the 2024 Dragon Boat Festival, the Haier Service Volunteer Team collaborated with the Jindun Volunteer Service Team from Xinglong Road Police Station in Qingdao, Shandong Province, to organize a rice dumpling wrapping activity, bringing festive care to elderly living alone and disadvantaged groups in the community. Haier service personnel also inspected air conditioners in the community and provided on-site washing machine repairs for elderly living alone, delivering warmth through practical actions. During the Double Ninth Festival the same year, Haier Smart Home Labor Union organized young volunteers for a charitable visit to the Qingdao Fushuxing Elderly Care Nursing Home. They brought rice, noodles, cookies, and other daily necessities to elderly people living alone and individuals with disabilities, spending time with them through artistic performances and interactive games, conveying warmth and care.

Haier Thailand Factory Hosts Children's Charity Event

In January 2024, the Haier Thailand Factory organized a children's charity event in Chonburi Province, attracting over 1,000 children to participate. The event inspired children's creativity through educational games such as treasure hunting by ball color, coloring activities in the Haier Pirates Kingdom, and plaster doll painting, providing a joyful experience for the participants.

Embracing Communities

Haier Smart Home is dedicated to establishing positive relationships with communities where we operate, integrating into these communities through diverse charitable activities. When faced with extreme weather conditions and natural disasters, the Company responds swiftly, actively participating in rescue and assistance efforts to help affected populations restore normal life as quickly as possible, demonstrating our corporate responsibility and commitment through concrete actions.

Fulfilling Corporate Social Responsibility, Haier Supports Post-Earthquake Reconstruction in Japan

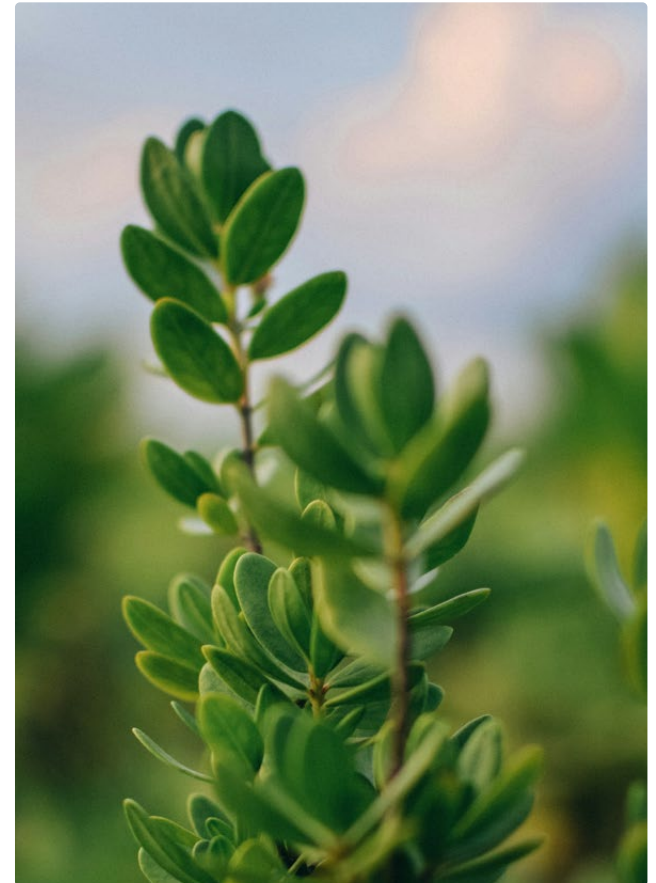
In 2024, following the severe impact of the 7.6-magnitude Noto earthquake in Japan, Haier Japan took prompt action to provide assistance to affected communities and residents, donating 60 refrigerators and 30 microwave ovens to support rapid recovery efforts.



Haier Smart Home Donates Appliances to Flood-Affected Areas for Post-Disaster Reconstruction

In autumn 2024, the Emilia-Romagna region of Italy experienced severe flooding due to heavy rainfall, forcing thousands of people to evacuate. Haier Europe collaborated with an independent Italian humanitarian organization to donate 35 refrigerators and 35 washing machines to the affected areas, helping disaster victims rebuild their lives.

In September 2024, affected by Typhoon Yagi, Thailand's northeastern region experienced its worst flooding in 30 years. Haier Thailand donated relief packages, essential supplies, household medicines, food, and drinking water worth over 250,000 Thai Baht to affected populations. Additionally, we provided free laundry and drying services, complimentary appliance repairs for users, and 50% discounts on parts at multiple stores, actively participating in post-flood reconstruction efforts.



Haier employees across our global operations consistently demonstrate their commitment to volunteer service with sincere dedication, applying their professional skills and enthusiasm to charitable initiatives and giving back to society.



Haier Thailand Donates Air-Purifying Air Conditioners to Educational, Sports, and Medical Institutions

In 2024, Haier Smart Home donated 105 air conditioning units to Thailand's Ministry of Public Health, CCF Foundation, and the Badminton Association of Thailand. These units were installed in hospitals, educational institutions, and other critical facilities to filter PM2.5 particles, providing a fresh air environment for patients, supporting the healthy development of young students, and creating better training conditions for athletes.



Haier Europe Partners to Build Early Childhood Care Center

In October 2024, the "Haier Europe-EMKO Early Childhood Care Center", jointly developed by Haier Europe, the Eskişehir Furniture Manufacturers Cooperative (EMKO), and the Odunpazarı Municipality in Turkey, was officially opened. The care center features six classrooms with capacity for 120 preschool children, providing high-quality early education for local youngsters.



Our Future Plans

Looking ahead, Haier Smart Home will continue to uphold our mission of "Empowering Lives, Embracing Communities", dedicated to advancing a responsible and sustainable supply chain. We will further collaborate with upstream and downstream suppliers to optimize environmental and responsible procurement management, ensuring green and sustainable development throughout the supply chain. At the same time, the Company will continue to expand the depth and breadth of our charitable initiatives, actively fulfilling our social responsibilities while working hand in hand with ecosystem partners to collectively contribute to building a better society.

Appendix I: Climate-Related Disclosure Report

Climate change has become one of the most urgent global challenges today. Haier Smart Home deeply recognizes both the risks and valuable opportunities presented by climate change and is determined to accelerate action. The Company continuously improves our climate governance structure, refines climate governance strategies, strengthens climate risk management, and actively addresses climate change challenges by setting and tracking climate objectives. We refer to the *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB) and the *Task Force on Climate-related Financial Disclosures (TCFD) recommendations* to identify climate-related risks and opportunities, develop response measures, and continuously improve information disclosure.

Climate Change Management

Climate Governance

Haier Smart Home has integrated climate-related responsibilities from the top down into the Company's ESG governance structure, which encompasses the governance level, management level, and execution level across our global operations. The Board of Directors is responsible for overseeing the identification, assessment, and management of climate-related matters, continuously monitoring climate-related targets and their progress, and enhancing the effectiveness of climate governance. The Board receives annual

work reports from the Environmental, Social and Governance Committee on climate-related matters and provides recommendations. The ESG Executive Office regularly provides the Board with professional advice and decision-making support on climate change issues. At the execution level, the ESG Working Group is responsible for routine monitoring and assessment of climate-related risks, systematically identifying potential climate opportunities, actively promoting the implementation of climate action plans, and organizing the Company's climate change disclosures.

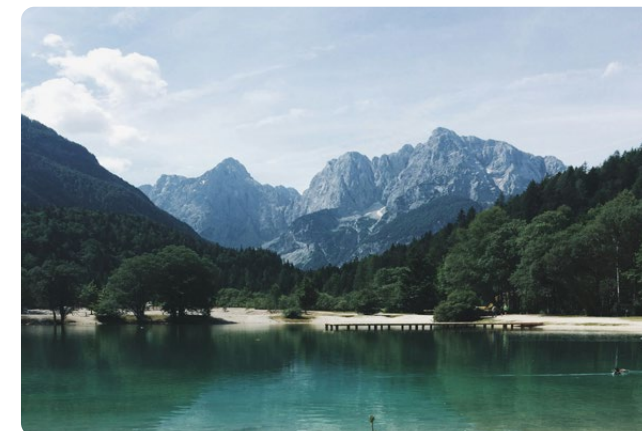
During this reporting year, Board members participated in climate-related seminars conducted by third-party professional institutions to understand cutting-edge climate-related laws, regulations, and latest trends, and to acquire specialized knowledge for better oversight and management of climate-related matters. The Company plans to recruit directors with professional backgrounds or experience in ESG/climate change to further strengthen the Board's expertise in these areas.

Climate Strategy

Climate Risks and Opportunities: Haier Smart Home regularly identifies how climate-related risks and opportunities affect the Company's value chain. This year, the Company further identified and analyzed the short, medium, and long-term impacts of climate-related risks and opportunities on our operations and financial performance, and assessed our climate adaptability. This

analysis incorporated the Company's business operations, referenced internationally recognized climate change trend forecasts¹⁶, and integrated recommendations from internal and external experts.

Climate-Related Physical Risks: The Company's physical climate risks primarily relate to operational stability impacts from extreme weather events, rising temperatures, and drought conditions caused by climate change. Considering the Company's extensive prevention, mitigation, and response measures, the overall level of climate-related risk is relatively low. The table below lists the main physical risks faced by the Company and corresponding response measures.



¹⁶ The major climate change development trends referenced by the Company include research on China's "dual carbon" policy and research findings and reports published by the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA), Network for Greening the Financial System (NGFS), etc.

Risk Category	Potential Impacts on Business and Value Chain	Potential Financial Impacts	Time Frame ¹⁷	Risk Control Measures
Acute Physical Risk	Extreme Weather Events (Rainstorms, Floods, Typhoons, etc.)	<ul style="list-style-type: none"> - Extreme weather may damage factories, office buildings, and equipment, leading to asset losses and affecting operational stability - Increased frequency of extreme weather may disrupt logistics and transportation, causing delays in raw material delivery and affecting production stability - Extreme weather may impact upstream suppliers' operational stability, leading to fluctuations in procurement prices 	<ul style="list-style-type: none"> - Increased operating expenses - Decreased asset value - Reduced revenue 	<ul style="list-style-type: none"> - Developing and continuously improving emergency response plans for natural disasters - Reinforcing and protecting critical equipment with anti-wind and waterproofing facilities; identifying potential asset damage risks and purchasing necessary insurance; adjusting work schedules and locations based on weather conditions to ensure employee safety. - Reducing dependence on single suppliers by developing multiple reliable supplier relationships; requiring suppliers to establish facilities near our industrial parks to minimize transportation issues.
Chronic Physical Risk	High Temperatures	<ul style="list-style-type: none"> - Rising average temperatures at operational sites may require additional cooling equipment or extended operation of existing cooling systems, increasing operational costs - Frequent high-temperature conditions may prevent employees from working outdoors for extended periods, affecting operational efficiency 	<ul style="list-style-type: none"> - Increased operating expenses - Reduced revenue 	<ul style="list-style-type: none"> - Promoting technological innovation to improve product operational efficiency, such as enhancing cooling speed without increasing power consumption - Scientifically planning production schedules, meticulously organizing production processes, and improving operational efficiency
	Long-term Drought	<ul style="list-style-type: none"> - Long-term drought may lead to insufficient water supply, affecting operational stability 	<ul style="list-style-type: none"> - Increased operating expenses 	<ul style="list-style-type: none"> - Avoiding factory construction in areas with high water supply risks and continuously promoting water conservation initiatives

Climate-Related Transition Risks

The Company's climate transition risks primarily focus on a series of operational impacts stemming from gradually increasing requirements for product carbon emissions and energy efficiency, market demand for high-efficiency products, and stakeholder concerns regarding product carbon emissions. In particular, the carbon emissions from the Company's products during use have a certain degree of impact on stakeholders, while addressing climate-related laws, regulations, and market mechanisms will have some financial implications for the Company. For content regarding financial and impact materiality analysis, please refer to the "Double Materiality Assessment" section.

Risk Category	Potential Impacts on Business and Value Chain	Potential Financial Impacts	Time Frame	Risk Control Measures
Policy and Legal Risks	Increasing Carbon Emission Regulation Requirements	<ul style="list-style-type: none"> - Governments in China and overseas operational locations may introduce stricter carbon emission and energy consumption policies and regulations for products and operations, potentially increasing costs in product R&D, design, production, and operations, as well as compliance risks 	<ul style="list-style-type: none"> - Increased operating expenses - Higher compliance costs 	<ul style="list-style-type: none"> - Closely monitoring changes in environmental laws, regulations, and policies for timely response - Continuously researching policy control risks, strengthening stakeholder communication, and actively responding to stakeholder requirements
	Increasing Climate-Related Disclosure Requirements	<ul style="list-style-type: none"> - Regulatory bodies and capital markets in China and overseas operational locations are continuously raising requirements for corporate climate-related information disclosure, potentially creating compliance risks 	<ul style="list-style-type: none"> - Higher compliance costs 	
	Gradual Increase in Carbon Trading Mechanism Requirements	<ul style="list-style-type: none"> - Carbon emission trading mechanisms in China and overseas locations are progressively being refined regionally, untimely response may increase operational costs - Carbon tariff policies in regions such as Europe have been preliminarily refined, and if the Company's products are included in the scope of carbon tariffs in the future, it may lead to an increase in export costs of the products 	<ul style="list-style-type: none"> - Increased operating expenses - Reduced profits 	<ul style="list-style-type: none"> - Gradually establishing a unified carbon database, improving carbon data monitoring and carbon reserve management - Actively implementing energy conservation and emission reduction
Technology Risk	Delayed or Failed Low-Carbon Technology Development	<ul style="list-style-type: none"> - As low-carbon development continues to advance, if the Company fails to effectively conduct R&D of low-carbon emission, high-energy efficiency products, it may lead to insufficient technological reserves, potentially resulting in decreased market influence 	<ul style="list-style-type: none"> - Increased capital expenditure - Decreased revenue - Reduced profits 	<ul style="list-style-type: none"> - Increasing R&D of low-emission, high-energy efficiency products based on policy requirements and market demands to enhance technological reserves - Enhancing Company R&D capabilities through talent cultivation and retention measures, etc.
Market Risk	Failure to Meet Consumer Expectations for High-Efficiency Products	<ul style="list-style-type: none"> - Product energy efficiency has become a primary consumer consideration for home appliances, failure to promptly launch competitive products may lead to decreased market share and influence 	<ul style="list-style-type: none"> - Decreased revenue 	<ul style="list-style-type: none"> - Actively conducting market research and developing green, low-carbon products to meet consumer demands
Energy Source Risk	Rising Energy Costs	<ul style="list-style-type: none"> - Company production and operations primarily rely on purchased electricity, future energy structure adjustments may increase energy procurement costs 	<ul style="list-style-type: none"> - Increased operating costs 	<ul style="list-style-type: none"> - Promoting resource conservation initiatives - Building smart energy cloud platforms to implement price forecasting and energy consumption monitoring and analysis, enhancing energy monitoring capabilities
Reputational Risk	Poor Climate-Related Performance	<ul style="list-style-type: none"> - In the global context of continuous promotion of low-carbon development, key stakeholders such as investors, regulatory bodies, and consumers are increasingly focused on corporate climate-related performance, poor performance may lead to negative stakeholder feedback 	<ul style="list-style-type: none"> - Decreased revenue - Reduced financing channels 	<ul style="list-style-type: none"> - Enhancing the Company's sustainable development capabilities and actively addressing climate change - Improving related management transparency and responding to stakeholder concerns

¹⁷ Taking into account our core business planning, the society's carbon reduction targets and timelines, climate-related disclosure standards, management recommendations and other aspects, we have established the following time horizons: short-term (up to 1 year after the reporting period), medium-term (1-5 years after the reporting period), and long-term (beyond 5 years after the reporting period). This framework allows for reasonable assessment of climate impacts on our business development across different timeframes.

Climate-Related Opportunities

The accelerating low-carbon transformation in the society also presents climate-related opportunities for the Company, including the rapid expansion of markets for low-carbon products, policy support for green home appliances, and the swift development of clean energy, etc. By expediting our deployment of green, low-carbon products, the Company can not only generate additional revenue in the short, medium, and long term, but also mitigate the impact of our products on climate change. Furthermore, products with cooling capabilities can enhance consumer resilience against future temperature increases, creating positive environmental and social impacts. For details on the financial and impact materiality analysis, please refer to the "Double Materiality Assessment" section.

Risk Category		Potential Impacts on Business and Value Chain	Potential Financial Impacts	Time Frame	Risk Control Measures
Products and Services	Accelerated Promotion of Green, Low-Carbon Products	- R&D of low-carbon/low energy consumption products and eco-friendly refrigerants can better meet legal, regulatory, and policy requirements while satisfying consumer demand for energy-efficient products, effectively enhancing company reputation and expanding market reach	Revenue growth	Short-term, Medium-term, Long-term	- The Company's home appliance energy efficiency levels are globally leading, we will continue to strengthen low-carbon technology R&D and increase the proportion of low-carbon/low energy consumption products - Continuously conducting R&D on refrigerant alternatives to build technological reserves for potentially stricter future policy and regulatory requirements
	Green Home Appliance Policy Support	- National policies such as <i>Measures to Promote Green Smart Home Appliance Consumption</i> encourage trade-in programs for green smart home appliances, expanding the Company's green appliance market	Revenue growth	Short-term, Medium-term, Long-term	- Pursuing certifications that meet green home appliance standards to better adapt to policy requirements - Conducting product Life Cycle Assessment (LCA) certification, carbon footprint certification and other certifications to enhance product sustainability attributes and better position for future market requirements
Market	Sustainable Financing	- With sustainable financing policies becoming increasingly comprehensive, the Company's low-carbon and energy-saving initiatives can provide access to a wide range of financing channels	Increased financing channels	Short-term, Medium-term, Long-term	- The Company has become the first home appliance enterprise in the Asia-Pacific region to establish a mixed sustainable financing framework and completed a sustainability-linked loan in 2024, we will continue to expand exploration and application in sustainable finance.
	Clean Energy Alternatives	- Accelerating the establishment and use of renewable energy to replace traditional energy sources, enhancing the diversity of energy sources, and effectively responding to energy market price fluctuations	Reduced operating costs	Medium-term, Long-term	- Promoting the use of clean energy, such as installing solar panels in industrial parks, and increasing clean energy substitution

The above content represents forward-looking statements and is not a definitive guarantee, expectation, or precise prediction of future situations. In this process, the Company has fully considered various uncertainty factors, such as economic environment, laws and regulations, market dynamics, geopolitical situations, and climate change patterns. These factors are limited by available data sources and assessment methods used, and may be affected by other unforeseen uncertainties and subjective judgments.

Risk Management

The Company is advancing the integration of climate risks into existing risk management processes. We systematically identify, assess, and manage climate risks based on our current risk management framework to ensure identified climate risks remain within controllable parameters. We thoroughly consider climate and environmental factors in business processes such as supplier admission, due diligence, and product line management, actively collaborating with value chain partners to collectively address climate change.

For identified risks and opportunities, we prioritize them by comprehensively considering their probability of occurrence and degree of impact on finances and operations based on departmental feedback, and formulate targeted response measures. We conduct regular monitoring of climate-related risks and progressively enhance the Company's resilience to climate change.

Metrics and Targets

Since 2024, Haier Smart Home has accelerated our carbon reduction planning efforts with significant interim achievements. Guided by the national dual control mechanism, Haier Smart Home's China operations commit to reducing Scope 1 and 2 greenhouse gas emission intensity by 10% by 2030 compared to the 2024 baseline during the "15th Five-Year Plan" period. Looking ahead, Haier Smart Home will continue to refine our medium and long-term strategic planning and expects to release comprehensive carbon neutrality goals by 2025, leveraging technology to initiate a "zero-carbon future" and create a green home together. Additionally, this year, Haier Refrigerator's near-term emission

reduction targets and net-zero emission targets have been officially validated by the Science Based Targets initiative (SBTi), with reduction targets aligned with the "1.5°C target" proposed in the *Paris Agreement*. Haier Refrigerator has become the first brand in China's home appliance industry to pass validations for both targets. For information regarding Haier Smart Home's climate-related data, goals, and progress, please refer to the "Safeguarding Our Planet Towards a Green, Low-Carbon Future" chapter.



Appendix II: HKEX ESG Reporting Code Content Index

Area	Aspect	Disclosure Requirement	Index
Governance Structure	–	<p>A statement from the board containing the following elements:</p> <p>(1) a disclosure of the board's oversight of ESG issues;</p> <p>(2) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(3) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	P22
Reporting Principles	–	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About This Report
Reporting Boundary	–	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report
Environmental	A1 Emissions	<p>General Disclosure: Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	P12-17, P37-40, P42-43
		A1.1 The types of emissions and respective emissions data.	P43
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P43
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P43
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P43
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	P9, P37-48
		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.	P9, P38, P42, P44-47

Area	Aspect	Disclosure Requirement	Index
Environmental	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	P12-17, P40-42
		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).	P42
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P42
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P9, P38, 40-42
		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.	P9, P38, 40-42
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P42
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	P12-17, P40-47
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P40-48
	A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P90
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P90-92
Social	B1 Employment	General Disclosure: Information on: (1) the policies; and (2) 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.	P53-56
		B1.1 Total workforce by gender, employment type (e.g. full- or part-time), age group and geographical region.	P51-52
		B1.2 Employee turnover rate by gender, age group and geographical region.	P52
	B2 Health and Safety	General Disclosure: Information on: (1) the policies; and (2) 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.	P63
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P63
		B2.2 Lost days due to work injury.	P63
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P63-65
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P59
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P59
		B3.2 The average training hours completed per employee by gender and employee category.	P59

Area	Aspect	Disclosure Requirement	Index
Social	B4 Labor Standards	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P55
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	P55
		B4.2 Description of steps taken to eliminate such practices when discovered.	P55
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	P79
		B5.1 Number of suppliers by geographical region.	P79
		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.	P79-84
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P81-84
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P81
	B6 Product Responsibility	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P31, P68-70, P75-76
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P70
		B6.2 Number of products and service related complaints received and how they are dealt with.	P74-75
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	P73
		B6.4 Description of quality assurance process and recall procedures.	P68-70
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P75-76
	B7 Anti-corruption	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P30-31
		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.	P30-31
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P30-32
		B7.3 Description of anti-corruption training provided to directors and staff.	P30-31
	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.	P86
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P86-89
		B8.2 Resources contributed (e.g. money or time) to the focus area.	P86

Appendix III: Shanghai Stock Exchange ESG Guidelines Topic Index

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter I General Provisions		Article 1	/
		Article 2	/
		Article 3	/
		Article 4	/
		Article 5	/
		Article 6	/
		Article 7	/
		Article 8	/
		Article 9	/
		Article 10	/
Chapter II Disclosure Framework for Sustainability Information		Article 11	/
		Article 12	/
		Article 13	/
		Article 14	/
		Article 15	/
		Article 16	/
		Article 17	/
		Article 18	/
		Article 19	/
Chapter III Environmental Disclosure	Section 1 Climate Response		/
	Climate Change Tackling	Article 20	P90-92
		Article 21	P90-92
		Article 22	P26-28, P90-92

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter III Environmental Disclosure	Climate Change Tackling	Article 23	P90-92
		Article 24	P43, P48
		Article 25	P43
		Article 26	P43
		Article 27	P40-47, P90-92
		Article 28	P12-17, P90-92
	Section 2 Pollution Control and Ecosystem Protection		
		Article 29	P40-43
	Pollutant Discharge	Article 30	P42-43
	Waste Disposal	Article 31	P38, P42-43
	Ecosystem and Biodiversity Protection	Article 32	Upon assessment, this topic has neither financial materiality nor impact materiality
	Environmental Compliance Management	Article 33	P38, P42
	Section 3 Resource Utilization and Circular Economy		
		Article 34	P38-43, P44-47
	Energy Usage	Article 35	P38-42
	Usage of Water Resources	Article 36	P38-43
	Circular Economy	Article 37	P38, P44-47
Chapter IV Social Disclosure	Section 1 Rural Revitalization and Social Contributions		
		Article 38	P86-89
	Rural Revitalization	Article 39	P86-87
	Contributions to the Society	Article 40	P86-89
	Section 2 Innovation-Driven Development and Ethics of Science and Technology		
		Article 41	P72-73
	Innovation-Driven	Article 42	P72-73
	Ethics of Science and Technology	Article 43	Upon assessment, this topic has neither financial materiality nor impact materiality

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter IV Social Disclosure	Section 3 Suppliers and Clients		
		Article 44	P78-84
	Supply Chain Security	Article 45	P78-84
	Equal Treatment to Small and Medium-Sized Enterprises	Article 46	P79
	Safety and Quality of Products and Services	Article 47	P68-71
	Data Security and Customer Privacy Protection	Article 48	P34-36, P75-76
	Section 4 Employees		
		Article 49	P55-65
Chapter V Corporate Government Information Related to Sustainability Develop- ment Disclosure	Employees	Article 50	P55-65
	Section 1 Sustainability-Related Governance Mechanisms		
		Article 51	P6, P9, P22-23
	Due Diligence	Article 52	P29
	Communications with Stakeholders	Article 53	P24, P27-28
	Section 2 Commercial Behaviors		
		Article 54	P30-32, P75-76
	Anti-commercial Bribery and Anti-Corruption	Article 55	P30
Chapter VI Supplementary Provisions and Inter- pretation	Anti-unfair Competition	Article 56	P30-32
		Article 57	/
		Article 58	/
		Article 59	/
		Article 60	/
		Article 61	/
		Article 62	/
		Article 63	/

Appendix IV: GRI Content Index

Statement of use	Haier Smart Home Co., Ltd. and its subsidiaries have reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Location and Explanation
GRI 2: General Disclosures 2021			
1. Organization and Its Reporting Practices	2-1	Organizational details	P7
	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	No restatements were made by the organization during the reporting period
2. Activities and Workers	2-6	Activities, value chain and other business relationships	P3-5, P7
	2-7	Employees	P51-52
	2-8	Workers who are not employees	No workers other than employees
3. Governance	2-9	Governance structure and composition	P21-23
	2-10	Nomination and selection of the highest governance body	Please refer to the <i>2024 Annual Report</i>
	2-11	Chair of the highest governance body	Li Huagang
	2-12	Role of the highest governance body in overseeing the management of impacts	P22-23
	2-13	Delegation of responsibility for managing impacts	P22-23
	2-14	Role of the highest governance body in sustainability reporting	P22-23
	2-15	Conflicts of interest	P21
	2-16	Communication of critical concerns	P24, P26-28
	2-17	Collective knowledge of the highest governance body	P6
	2-18	Evaluation of the performance of the highest governance body	P21, P23
4. Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	P9
	2-23	Policy commitments	P21, P30, P34, P42, P44, P55, P63, P68, P73, P75-76, P83-84
	2-24	Embedding policy commitments	P31-33
	2-26	Mechanisms for seeking advice and raising concerns	P24, P26-28
	2-27	Compliance with laws and regulations	No significant violations of laws and regulations occurred during this year
5. Stakeholder Engagement	2-29	Approach to stakeholder engagement	P24
	2-30	Collective bargaining agreements	P55

GRI Standard		Disclosure	Location and Explanation
GRI 3: Material Topics 2021			
3-1		Process to determine material topics	P24-28
3-2		List of material topics	P26
3-3		Management of material topics	Please refer to the management approach corresponding to specific topics in the table below
Disclosure Content		Index	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	For operations-related financial information, please refer to the <i>2024 Annual Report</i> ; other information is subject to confidentiality requirements and is not reported.	
	201-2 Financial implications and other risks and opportunities due to climate change	P90-92	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P80	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P30	
	205-2 Communication and training about anti-corruption policies and procedures	P30	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P30-31	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P12-16, P39, P42-43	
	301-2 Recycled input materials used	P12-16, P42-47	
	301-3 Reclaimed products and their packaging materials	P12-16, P43-47	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P42	
	302-2 Energy consumption outside of the organization	P42	
	302-3 Energy intensity	P42	
	302-5 Reductions in energy requirements of products and services	P12-17, P39-47	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P39-43	
	303-2 Management of water discharge-related impacts	P39-43	
	303-3 Water withdrawal	P42	
	303-4 Water discharge	P43	
	303-5 Water consumption	P42	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P43	
	305-2 Energy indirect (Scope 2) GHG emissions	P43	
	305-4 GHG emissions intensity	P43	
	305-5 Reduction of GHG emissions	P12-17, P39-47	
GRI 306: Waste 2020	306-2 Waste by type and disposal method	P43	
	306-3 Significant spills	In 2024, no significant spills occurred in the organization	
	306-4 Transport of hazardous waste	P42	
	306-5 Water bodies affected by water discharges and/or runoff	P42	

Disclosure Content		Index
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	In 2024, no significant non-compliance with environmental laws and regulations occurred in the organization
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P80
	308-2 Negative environmental impacts in the supply chain and actions taken	P81-84
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P52
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P60-61
	401-3 Parental leave	P60
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P63
	403-2 Hazard identification, risk assessment, and incident investigation	P63
	403-3 Occupational health services	P65
	403-4 Worker participation, consultation, and communication on occupational health and safety	P63
	403-5 Worker training on occupational health and safety	P65
	403-6 Promotion of worker health	P63, P65
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P63-64
	403-8 Workers covered by an occupational health and safety management system	P63
	403-9 Work-related injuries	P63
	403-10 Work-related ill health	P65
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P59
	404-2 Programs for upgrading employee skills and transition assistance programs	P58-59
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P53
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P55
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P80
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P80
	414-2 Negative social impacts in the supply chain and actions taken	P80-83
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P69
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2024, no significant incidents of non-compliance concerning the health and safety impacts of products and services occurred in the organization
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P32
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2024, no significant incidents of non-compliance concerning product and service information and labeling occurred in the organization
	417-3 Incidents of non-compliance concerning marketing communications	In 2024, no significant incidents of non-compliance concerning marketing communications occurred in the organization
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2024, no significant substantiated complaints concerning breaches of customer privacy and losses of customer data occurred in the organization

Appendix V: SASB Content Index

Table 1: Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of Measure	Index
Product Safety	Number of recalls issued and total units recalled	Quantitative	Number	P70
	Discussion of process to identify and manage safety risks associated with the use of its products	Discussion and Analysis	N/A	P70
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	NA
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to the ENERGY STAR	Quantitative	Percentage (%) by revenue	NA
	Percentage of eligible products by revenue certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Quantitative	Percentage (%) by revenue	NA
	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	N/A	P44-47

Table 2: Activity Metrics

Metric	Category	Unit of Measure	Index
Annual production	Quantitative	Number of units	NA

Appendix VI: ESG Awards

Social Responsibility / ESG Recognition

Haier Smart Home Listed in China ESG Impact List: Fortune (Chinese edition) released its 2024 China ESG Impact List, with Haier Smart Home appearing again and ranking first in the industry for the 3rd consecutive year.

Haier Smart Home Selected for China Corporate Social Responsibility List: Haier Smart Home received the Responsible Governance Contribution Award at the 2024 Yicai China Corporate Social Responsibility List hosted by Yicai, being the only recognized enterprise in the home appliance industry.

Haier Smart Home Received 2024 "ESG Pioneer 60" Annual Corporate ESG Practice Award: Haier Smart Home was honored with the 2024 "ESG Pioneer 60" Annual Corporate ESG Practice

Award by Shanghai United Media Group's Jiemian News.

Haier Smart Home Won ESG Golden Bull Award: Haier Smart Home received the "ESG Golden Bull Top 100" at the 2024 Golden Bull Corporate Sustainability Forum and the Second Guoxin Cup ESG Golden Bull Awards organized by China Securities Journal.

Haier Smart Home Received Five "Golden Jubilee Awards": Haier Smart Home received five honors from Investment Times, Biaodian Finance Research Institute, and Investment Times Network, including "2024 Company with Extraordinary Investment Value", "2024 Leading Enterprise in Overseas Expansion", "2024 ESG Green Company Star", and "2024 Excellent Information Disclosure Company".

AQUA Vietnam Won "Sustainability Award": AQUA Vietnam under Haier Smart Home won the M4D (Marketing for Development) Award in the corporate sustainability evaluation initiated by RED Communication Research Institute for its "AQUA CARE" campaign.

Haier Europe Obtained FSC "Chain of Custody" Certification: In 2024, Haier Europe obtained the "Chain of Custody" certification issued by the Forest Stewardship Council (FSC), demonstrating FSC's recognition of our supply chain's sustainable development.

Haier Europe Received I-REC Certificate: Haier Europe's Turkey Industrial Park received the I-REC (International Renewable Energy Certificate), proving that 100% of the electricity used for manufacturing and operations throughout 2024 came from renewable

sources.

Haier Freezer Passes Dual SBTi Science-Based Targets Validation:

Haier freezer's carbon reduction targets officially passed the validation of the Science Based Target initiative (SBTi). This includes both the "near-term emission reduction target" and the "long-term net-zero emission target" set based on the Paris Agreement's 1.5°C temperature control target. This milestone marks Haier freezer as the first brand in China's home appliance industry to pass both validations.

Haier Thailand Won "Corporate Social Responsibility Innovation Sustainability Award":

Haier Thailand factory won the 2024 CSR-DIW Continuous Award, which recognized fulfilling corporate social responsibility through innovative approaches and responding to social needs in a sustainable manner.

Brand Recognition

Haier Smart Home Listed in Fortune Global 500: Fortune magazine released its 2024 Global 500 list, with Haier Smart Home appearing for the 7th consecutive year, rising 12 places from the previous year.

Haier Smart Home Received Two Golden Bull Awards: Haier Smart Home won the "Golden Bull Most Valuable Investment Award" and the "Golden Information Disclosure Award" in the 2024 China Securities Journal Golden Bull Awards.

Haier Smart Home Selected for Fortune World's Most Admired Companies: Haier Smart Home has been included on Fortune magazine's "World's Most Admired Companies" list for 6 consecutive years, being the only Chinese company in the home appliance sector to make the list.

Haier Smart Home Received Industrie 4.0 "AI Innovation Pioneer" Award: ROI-EFESO announced the 2024 Industrie 4.0 China award

winners, with Haier Smart Home's Haier Hefei Refrigerator Interconnected Factory winning the Industrie 4.0 "AI Innovation Pioneer" Award for its excellence in AI technology integration. This marked the first time AI innovation was included as an assessment criterion, with the Haier Hefei Refrigerator Interconnected Factory being the only recipient globally.

Haier Smart Home Won GTI Award: During the 2024 Mobile World Congress (MWC2024) in Barcelona, the 5G-A (5.5G) passive IoT-based digital management solution for production materials, jointly developed by Haier Smart Home and China Mobile, won the GTI "Innovative Mobile Service and Application Award".

Haier UK Named on "UK's Top Employers" List: The internationally recognized Top Employer Institute announced its 2024 "UK's Top Employers" list, with Haier becoming the only home appliance company to receive this honor for two consecutive years.

FPA Named New Zealand's best Graduate Employer in R&D and Manufacturing: FPA won the title of New Zealand's best Graduate Employer in R&D and Manufacturing for the second consecutive year, ranking 7th among the 100 selected companies across different industries.

GEA Named "Best Workplace in Manufacturing and Production": GE Appliances was named a "Best Workplace in Manufacturing and Production" by Fortune magazine for creating a fair and friendly workplace environment for employees.

Haier Smart Home Ranked First in Global Major Home Appliance Brand Retail Volume: Data from Euromonitor International, a world-renowned research institution, showed that Haier topped the global major home appliance brand retail volume in 2023.

Haier Smart Home Products Won 39 iF Design Awards: In the 2024 German iF Design Awards, Haier Smart Home's five brands—Casarte, Haier, Leader, Haier Europe, and GE Appliances—collectively

won 39 iF Design Awards.

Haier Smart Home Honored with Malaysia 2024 Superbrands

Status: Haier Smart Home received the 2024 Superbrands Status in Malaysia for our advanced technology and unique products.

Haier Smart Home Freezer Won the Best Recommendation Award of "My Best": In the ranking of "19 Popular Freezers" initiated by MyBest, one of Japan's most famous product comparison websites, Haier Japan's 107L upright freezer JF-NUF107A-W received the highest overall score.

GEA Won "2024 Most Innovative Company" Award: GE Appliances was listed as one of the 2024 Most Innovative Companies in the consumer goods category announced by the global renowned business magazine Fast Company, for its industry-disruptive innovative products.

GEA Named "Smart Appliance Company of the Year": For its outstanding performance in the smart home sector, GEA received the IoT Breakthrough "Smart Appliance Company of the Year" title for the sixth consecutive year.

AQUA Japan Technology Received "Best Award": At the "'Electrical Memorial Day Ceremony" held by the Japan Electrical Association in Hokkaido, AQUA refrigerator's vegetable preservation LED technology received the "Best Award".

Haier UK Service Team's Training Excellence Certified: Haier UK's service team received the City and Guilds' Assured Certification for Training Excellence for the second consecutive year.

Haier Freezer Won Award at Japanese Fashion Exhibition: Haier Japan's 107L Slim freezer was featured at the "Comfortable Living Exhibition" hosted by the renowned Japanese fashion magazine Liniere and won the "Homeware Grand Prize".

Haier Ghana Won "2023 Product of the Year Award": The "Global Business Brands Summit and Awards" hosted by the government

of Ghana was held in the capital Accra, with Haier Smart Home receiving the "Product of the Year 2023" Award as the only home appliance brand.

Haier Thailand Factory Received Thailand National Platinum Award on Promoting Safety, Occupational Health and Working Environment: Haier Thailand Factory was honored with the Platinum Award by the Research Institute of the Thailand Ministry of Labor, reflecting its excellence in occupational safety, health, and work environment management systems.

AQUA Vietnam Won a Double Victory at the Hi-Tech Award: At the Vietnam Hi-Tech Awards 2024 held in Ho Chi Minh City, Haier Smart Home's AQUA won two major awards: "Revolutionary Technology Refrigerator" and "Impressive Technology Washing Machine."

AQUA Won "Well-known Brand of Vietnam 2024" Award Again: At the 2024 "Well-known Brand, Competitive Brand of Vietnam" award ceremony organized by Vietnam Intellectual Property Association, Haier Smart Home's AQUA received this honor as the only home appliance brand.

AQUA Refrigerator Won Japan Electrical Manufacturers' Association Technology Award and Industrial Design G-mark Award: AQUA refrigerator under Haier Japan won dual awards in technology and industrial design from the Japan Electrical Manufacturers' Association, demonstrating its excellence in differentiated technology development for product experience and distinctive design innovation.

GEA Dishwasher Factory Won American "2024 Plant of the Year" Award: GEA's dishwasher factory in Louisville, Kentucky (Appliance Park Building 3) won the "2024 Plant of the Year" award from ASSEMBLY magazine, recognizing the factory's significant achievements in digital and automation technologies in recent

years.

FPA Customer Service Team Ranked First in Industry User

Experience Research: Results from the SenseCX Best Practice Quality Assurance Program released by Australian user experience professional agency CSBA showed that FPA's customer service center ranked first in the home appliance industry research.

GEA Product Selected for Oprah's 2024 Favorite Things Holiday

Gifts List: The CAFÉ Couture oven with air frying function was selected for Oprah's Favorite Things list.

Haier FUWATO Dryer Received Dual Awards in Japan: Haier Japan's FUWATO, the industry's first heat pump tumble dryer in Japan, received both the Best Buy Award from "Kaden Hihyo" (Home Appliance Review) and the 17th Japan Parenting Award for its outstanding performance and user-friendly design.

Haier Freezer Won Indian National Energy Conservation Award:

Haier freezer won the "Appliance of the Year" award from the Bureau of Energy Efficiency (BEE) at the 34th National Energy Conservation Awards (NECA 2024).

Haier Japan AQUA Heat Pump Washer-Dryer Won 2024 Energy

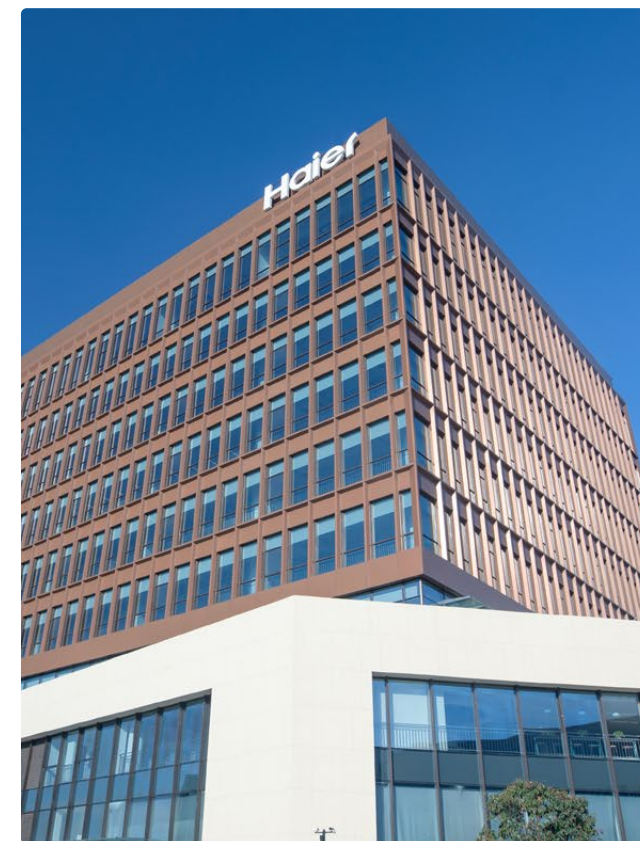
Saving Award: Japan's AQUA 10kg heat pump washer-dryer was awarded the 2024 Energy Saving Award by the Energy Conservation Center, Japan (ECCJ), one of Japan's highest honors in energy efficiency.

Haier Won Flipkart "Best Overall Performance Award": India's largest e-commerce platform Flipkart presented Haier India with the "Best Overall Performance Award" in recognition of the excellent user experience provided during two major shopping seasons.

AQUA Vietnam Won Two Major "2024 Tech Awards": At the annual 2024 Tech Awards ceremony hosted by mainstream Vietnamese media VnExpress, AQUA UV Smart Air Conditioner won the "Most

Popular Smart Bacteria-Killing Air Conditioner" award, and AQUA washing machine won the "Most Popular Washing Machine Brand" award.

Haier X11 Series Received UK Quiet Mark Certification: The Haier X11 series (including washing machines and tumble dryers) received the "Quiet Mark" certification from the UK Noise Abatement Society. The certification indicates that the noise level of the Haier X11 series is lower than 70% of similar products on the market.



Appendix VII: ESG Ratings

Rating Type	Performance	
MSCI ESG Rating	AA	In 2024, Haier Smart Home was upgraded from A to AA in MSCI ESG ratings, the highest level in China's home appliance industry.
Hang Seng Index	/	Haier Smart Home was selected as a constituent stock of the HSI ESG Enhanced Index, HSI ESG Enhanced Select Index, and HSCEI ESG Enhanced Index.
Morningstar Sustainalytics ESG Rating	Medium risk 27.9	In 2024, Haier Smart Home received a Medium rating from Morningstar Sustainalytics with a risk score of 27.9.
Wind ESG Rating	A	In 2024, Haier Smart Home received an A rating from the Wind ESG assessment, ranking second among household durable consumer goods companies.
CSI ESG Rating	AA	In 2024, Haier Smart Home received an AA rating from China Securities Index (CSI) ESG ratings for A-share listed companies.

Appendix VIII: Third-Party Evaluation from China Household Electrical Appliances Association

2024 has been an extraordinary year. Amid complex and challenging internal and external environments, the principles of seeking progress while maintaining stability have become the keynote of China's economic work, illuminating the path for innovation and development in China's home appliance industry.

As an exemplar of Chinese brands entering global markets, Haier Smart Home has consistently upheld the quality standards befitting a national brand, boldly scaling the heights of technological innovation, and proactively embracing the waves of information and digital transformation to achieve ecological win-win outcomes.

Over the past year, Haier Smart Home has leveraged national-level innovation platforms to accelerate independent research in common industry technologies such as industrial intelligence, data intelligence, and AI domain-specific models. The Company has promoted deep integration of technological and industrial innovation, using high-quality data to build smart home large models that facilitate the upgrading

of the home appliance industry. Actively responding to the nation's "Two New" policies, Haier has swiftly implemented national trade-in programs and introduced industry-original intelligent products and smart home solutions based on user needs, bolstering consumer confidence with new technologies and products. The Company has also steadfastly advanced the national "Dual Carbon" strategy, embedding green and low-carbon concepts throughout the entire product lifecycle and innovatively applying energy-saving and environmentally friendly technologies, playing a pivotal leadership role in promoting the industry's green and low-carbon transformation.

This report focuses on core industry issues such as low-carbon intelligent products, green manufacturing, and high-standard quality assurance, fully showcasing Haier Smart Home's growth, achievements, and responsibilities over the past year. It represents a highlight of the high-end, smart, and green transformation of China's home appliance industry, demonstrating the image of a responsible home appliance

enterprise worthy of encouragement.

Marching forward triumphantly, no mountain or sea is too distant; riding the momentum, no sun or moon sets limits. We hope that in the coming year, Haier Smart Home will continue to build on its achievements, accurately grasp global development trends, further explore product carbon reduction potential, and introduce more green and low-carbon innovative products. We encourage the Company to actively fulfill its social responsibilities and work together with upstream and downstream partners across the value chain to advance high-quality productivity, contributing to the development of a strong manufacturing nation and the building of powerful national brands!

China Household Electrical
Appliances Association

