



Stock Code: 493

GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司 *

(Incorporated in Bermuda with limited liability)

2024

Environmental, Social and Governance Report



* For identification purpose only



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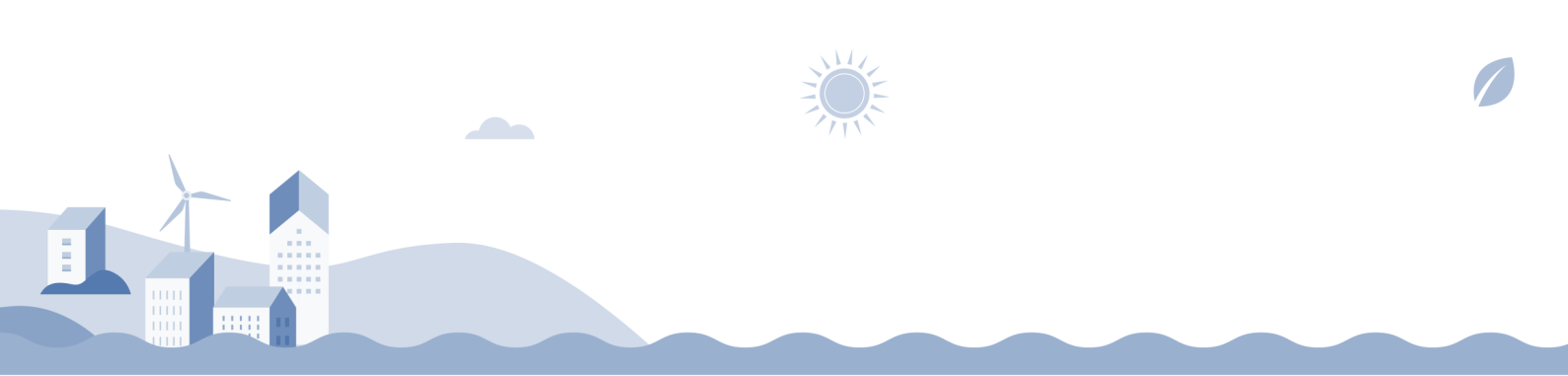
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GOME RETAIL HOLDINGS LIMITED

2024 Environmental, Social and Governance Report

MESSAGE FROM THE SENIOR MANAGEMENT

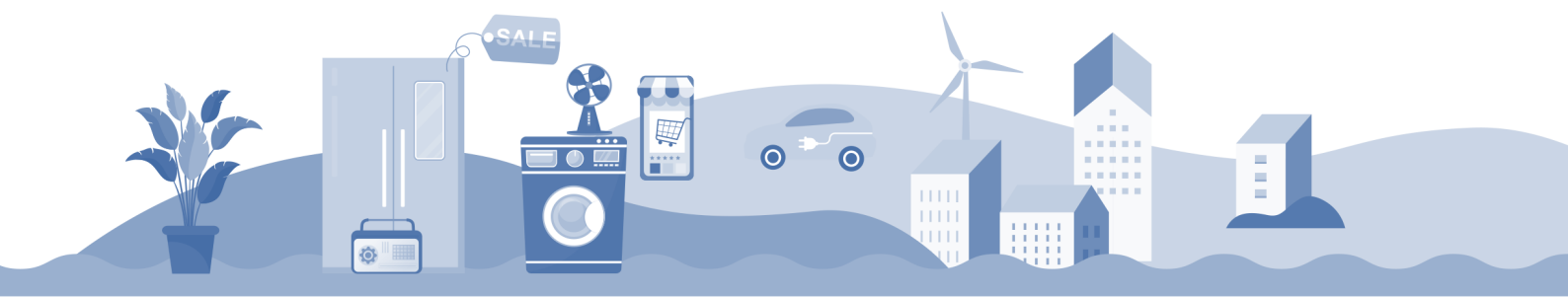
GOME has always been committed to serving the better life of Chinese families since incorporation, adhering to the original philosophy of “Better homes and lifestyles through GOME.” We have focused on the retail industry, deeply cultivated the “Home Living” sector, and steadfastly supported the high-quality development of the real economy. As a pioneering private enterprise that started from scratch after China’s reform and opening-up, the entrepreneurial spirit of “offering what others don’t have, excelling where others do, and daring to be the first” has always been ingrained in GOME’s genes. Over the past four decades, GOME has continuously explored new models and embraced new opportunities with an open and innovative mindset. We uphold the beliefs of “building trust through integrity” and “business without boundaries, mutual integration, and coexistence,” working hand in hand with partners to build a sustainable business ecosystem. We integrate user-centric, technology-driven, and platform-oriented thinking, empowering retail with technology and reshaping value through ecosystems, striving to create a new vision of smart living for Chinese families.

2024 is a pivotal year for fully implementing the spirit of the 20th National Congress of the Communist Party of China and a critical stage for China’s economic recovery and the revival of the consumer market. Despite the global economy is still facing the complex challenges and the recovery of the domestic real estate and related industries is ongoing, driven by national policies to expand domestic demand and boost consumption, consumer confidence is gradually rebounding.

The durable goods market, represented by home appliances and automobiles, has shown strong growth momentum. Facing both opportunities and challenges, GOME has consistently responded with steady steps: on one hand, we continue to resolve debt risks and establish pragmatic cooperation with core partners, laying a solid foundation for business recovery; on the other hand, we accelerate strategic focus and model innovation, leveraging asset-light operations as a base to open up diversified growth curves, forging greater resilience and vitality in adversity.

Over the past year, GOME has closely aligned with policy directions and market trends, deeply integrating its resources and capabilities. We have strategically focused on “retail as the core + home services,” achieving significant progress in business transformation, ecosystem construction, and new business layouts:

Firstly, accelerating the Construction of a franchise empowerment ecosystem: To achieve the strategic upgrade to an asset-light operation model, GOME has accelerated the expansion of franchise and quasi-franchise models, focusing on the “brand licensing + full-format investment” approach. We are building an integrated online and offline open platform, offering integrated solutions covering supply chains, industrial chains, and service chains. Through flexible forms such as equity cooperation and “single-store franchising,” we have rapidly replicated benchmark models nationwide. By the end of 2024, we have signed core franchise partners in key regions including Northeast, Eastern, Northern, Central, and Southwest China, laying a solid foundation for the goal of achieving a “Thousand-Store Alliance” by 2025.



Secondly, full Launch of the Automotive Circulation Ecosystem: Adhering to the development philosophy of “innovation-driven, open and mutual benefiting,” while staying committed to the home appliances retail sector, we have strategically explored new business models to identify new growth points. At the end of 2024, GOME held its Automotive Strategy Launch in Beijing, officially announcing its strategic entry into the automotive retail sector. Leveraging our deep industry insights and nationwide distribution network, we plan to innovate a three-tier automotive sales network comprising “flagship stores, backbone stores, and satellite stores” Starting with the Beijing Xibahe Smart Experience Center, we aim to create a one-stop service scenario integrating display, experience, sales, and delivery. By integrating new cars, used cars, and automotive aftermarket services, and linking online live streaming with cross-border trading platforms, we are reshaping the value of the automotive distribution industry chain, offering consumers a new high-quality automotive lifestyle experience and continuing to explore innovative ways to develop high-quality real economy.

Thirdly, digital operational efficiency leap: New channels such as live-streaming e-commerce and private domain marketing continue to bring benefits. Through technology empowerment and refined operations, we have significantly improved user reach and conversion efficiency. The comprehensive upgrade of the supply chain information platform has further enabled precise supply-demand matching for partners, driving cost reduction and efficiency improvement across the entire chain.

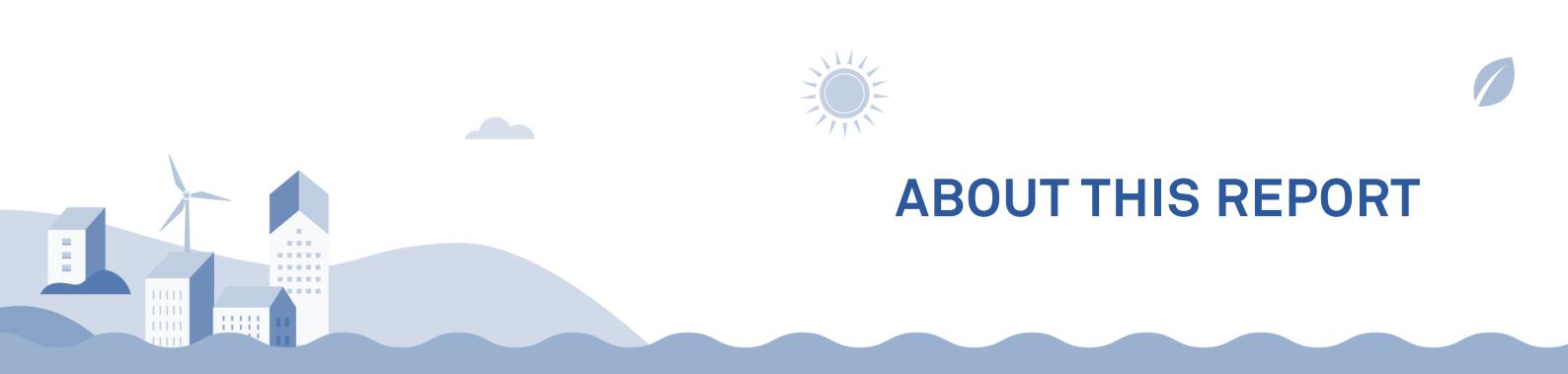
Steady progress leads to long-term success. As a national enterprise with 37 years of experience in the retail sector, while advancing business transformation and innovation, GOME adheres to long-termism, always prioritising social responsibility and quality development. We regard managing the relationship between the company and the environment, society and long-term

governance as critical tasks in our development process. In 2024, we actively responded to the national “dual-carbon” strategy, increasing the promotion of green and energy-efficient products. We accelerated the integration of online and offline services, optimising the user lifecycle experience, and continuously improved our compliance governance system, deepening positive interactions with stakeholders to practice ESG principles through concrete actions.

Currently, China’s economy is entering a new cycle of kinetic energy transformation, with advantageous policies such as trade-in programs and consumption subsidies continuing to be released. Industries like home appliances and automobiles are facing structural opportunities. As we embark on this new journey, GOME will embrace change with an even more open mindset: focusing on core business optimisation and resource allocation, strengthening the value chain of asset-light operations; deepening platform and technological capabilities to build differentiated competitive advantages; and promoting debt risk resolution and the repair of supply chain relationship to clear obstacles for returning to the growth track.

Through 37 years of trials and tribulations, GOME has always integrated social responsibility into its business genes. We understand that only by deeply embedding ESG principles into our strategic core to achieve long-term success. Looking ahead, the Group will continue to uphold the philosophy of “co-creation and sharing,” fostering a sustainable business future through more open ecosystem collaboration, cutting-edge technological innovation, and steadfast green commitments with global partners.

Finally, we extend our deepest gratitude to all employees for their perseverance and to our partners for their unwavering support! Let us embrace the warmth of consumer recovery with innovation and write a new chapter of high-quality development through hard work, creating sustainable value for a better life for Chinese families!



ABOUT THIS REPORT

This 2024 Environmental, Social and Governance (“ESG”) Report is issued by GOME Retail Holdings Limited (the “Company”) together with its subsidiaries (the “Group” or “GOME”). It adheres to the principles of materiality, quantitativity, balance and consistency, and discloses the ideology, major progress, achievements and future plans of the Group in terms of environmental, social and governance performance, with a period from 1 January 2024 to 31 December 2024. If there is any inconsistency, it will be explained in the specific content.

The Company has been releasing the ESG Report every year since 2016.

– Reporting Principles

This report is prepared in accordance with the Appendix C2 *Environmental, Social and Governance Reporting Guide* (ESG Guide) in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. It also takes reference to the Global Reporting Initiative (GRI) Standards, the UN Global Compact, and ISO 26000: Guidance on Social Responsibility.

– Reporting Scope and Boundaries

Unless otherwise specified, the policies, statements, and materials in this report cover the whole business scope of the Group, which is the same as that of the annual report issued by the Company.

Unless otherwise specified, RMB is the currency unit used in this report.

– Definition of Terms

Unless otherwise specified, the terms used in this report have the same meanings as those defined in the Company’s 2024 Annual Report.

– Data Source and Reliability Statement

All data used in the report comes from the Company. The board of directors of the Company (the “Board”) is responsible for the truthfulness, accuracy, and completeness of this report.

– Confirmation and Approval

This report has been approved by the Board for release.

– Access and Response to This Report

You can access to the electronic version of this report through the following website:

<https://www.gome.com.hk>

ESG Governance and Participation of the Board

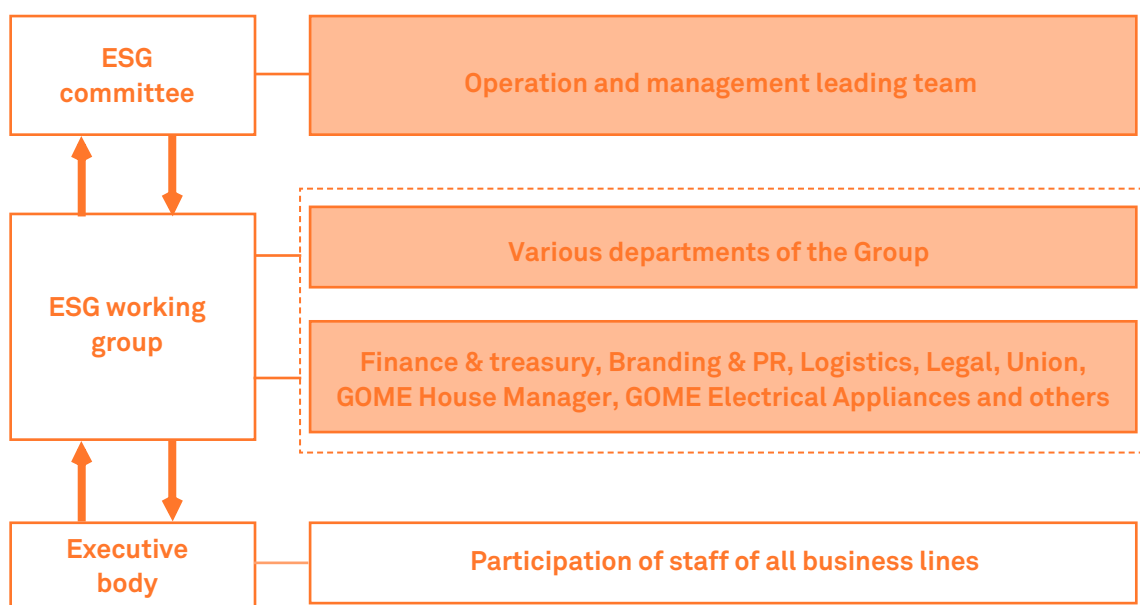
ESG GOVERNANCE AND PARTICIPATION OF THE BOARD

PARTICIPATION OF THE BOARD IN ESG

ESG work is a strategic routine of GOME. The Group has established a sustainable development organisational system across all levels vertically and covering all functional departments horizontally, which comprises three major levels:

- ESG committee: it consists of the top management of the Group. The committee regularly evaluates and provides recommendations on the sustainable growth of the Group, including the progress of major projects, annual budgets and annual work plans. In case of any major emergencies, the committee will hold extraordinary meetings for decision-making.
- ESG working group: it is led by the Board office of the Group and consists of the management of all functional departments. The working group conducts internal discussion and project design for customer review, compliance, environmental protection, health and safety, supplier management and other works. Members of the working group also regularly communicate and directly report to the committee.
- Executive body: Staff of all business lines jointly participate in the daily promotion and coordination of sustainable development work of GOME.

Organisational structure of sustainable development of the Group



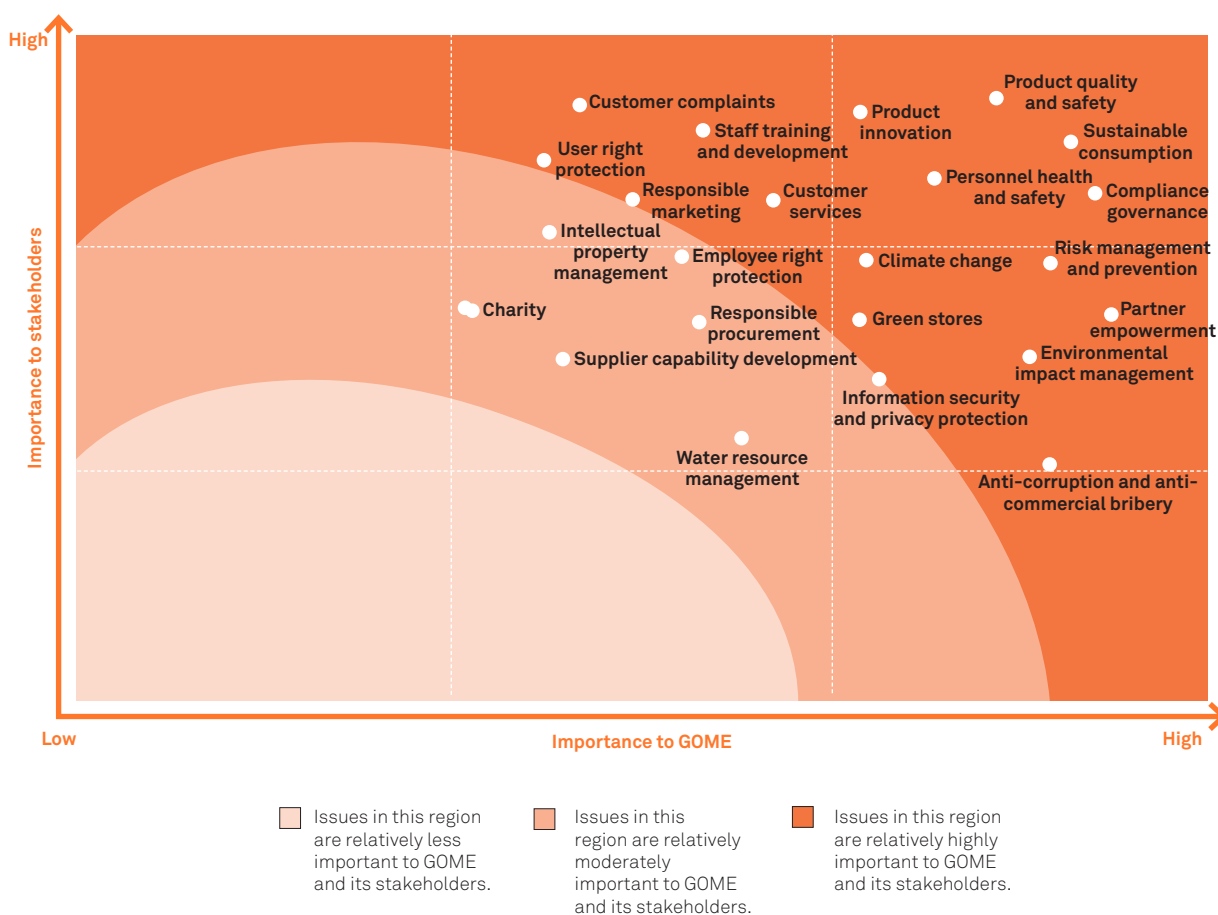
ESG GOVERNANCE AND PARTICIPATION OF THE BOARD



MATERIALITY ANALYSIS

In 2024, GOME continued to comprehensively analyse the concerns of external stakeholders through regular communication, industry associations, customer interaction, investor conferences and others. In addition, according to its strategies, the Group had clarified the concerns of internal stakeholders through internal trainings and meetings. Based on the results of internal and external analysis, the following key issues of the year were identified for targeted management and performance improvement.

Materiality Matrix of GOME





ESG GOVERNANCE AND PARTICIPATION OF THE BOARD

STAKEHOLDER COMMUNICATION

GOME attaches great attention to opinions and suggestions of all stakeholders during the course of daily operation. All functional departments and business segments have also developed and solidified effective communication and participation methods in their daily works.

Stakeholders	Representatives	Concerns	Communication and participation methods
Shareholders and investors	<ul style="list-style-type: none"> Investors 	<ul style="list-style-type: none"> Business operation and fundamentals of the Group Long-term development plans and financial performance Corporate governance and risk controls Investor communication and interaction 	<ul style="list-style-type: none"> Regular information disclosure General meetings Investor roadshows and conferences Hotline and email
Regulatory authorities	<ul style="list-style-type: none"> Governments and competent authorities at all levels Hong Kong Stock Exchange China Securities Regulatory Commission 	<ul style="list-style-type: none"> Operational compliance Protection of rights and interests of customers, employees and other stakeholders Driving economic growth 	<ul style="list-style-type: none"> Participation in relevant meetings Communication with industry associations and other organisations
Customers	<ul style="list-style-type: none"> Consumers 	<ul style="list-style-type: none"> Product quality and pricing policy Information security and privacy protection Quality of customer services Protection of rights and interests of customers Stable operation of products 	<ul style="list-style-type: none"> Pre-sale communication Customer service hotline Website of the Group Customer service center

ESG GOVERNANCE AND PARTICIPATION OF THE BOARD



Stakeholders	Representatives	Concerns	Communication and participation methods
Employees	<ul style="list-style-type: none"> ■ Full-time employees ■ Part-time employees 	<ul style="list-style-type: none"> ■ Extensive skill training ■ Open and transparent career path ■ Employee activities ■ Workplace health and safety 	<ul style="list-style-type: none"> ■ Online communication platforms ■ Employee representative meetings
Partners	<ul style="list-style-type: none"> ■ Suppliers ■ Franchisees ■ Communities 	<ul style="list-style-type: none"> ■ Open and transparent selection procedures ■ Stable financials and payment policies ■ Strategic partnerships ■ Fair, just, open and transparent procurement environment 	<ul style="list-style-type: none"> ■ Partner meetings
Communities	<ul style="list-style-type: none"> ■ Surrounding villages and towns ■ Surrounding urban communities 	<ul style="list-style-type: none"> ■ Community ecology and humanity ■ Sharing of corporate development merits 	<ul style="list-style-type: none"> ■ Rural industry revitalisation projects ■ Community integration activities

02

Persisting in Orderly Development and Ensuring Operating Compliance

GOME has always been unequivocal, steadfast and consistent in advancing integrity building and anti-corruption efforts. Upholding the principle of “effective prevention and resolute punishment,” the Group continuously strengthens compliance through measures such as implementing regulatory systems, conducting compliance training and enhancing risk prevention.

OUR ACHIEVEMENTS

- resolve rate of the reported frauds reached 88.89% in 2024
- organised 1 session of directors, supervisors and senior management training on combating corruption, compliance and risk management

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



PERSISTING IN ORDERLY DEVELOPMENT AND ENSURING OPERATING COMPLIANCE



COMPLIANCE AND RISK MANAGEMENT

In 2024, the Group maintained overall control on anti-corruption, anti-commercial bribery, internal controls and whistle-blowing through the establishment of the Surveillance Center (responsible for the administration of the Headquarters Supervision Office and the Regional Supervision Office) and the Supervision and Management Department.

Surveillance Center

Located in the headquarters, the Surveillance Center is responsible for each business sector, business entity and branch of the Group: 1) conducting pre-audit, audit and post-audit supervision of various economic matters, and investigating and recovering any dereliction of duties and losses incurred; disclosing, rectifying and following up any system loopholes and system deficiencies of the Company; 2) handling, investigating and supervising violations of regulations, laws and disciplinary behaviours involving economic matters for employees at all levels. In addition, it is also responsible for liaising and cooperating with national public security, procuratorate, legal and supervision agencies, as well as national network security departments and professional associations to carry out relevant supervision and security management works.

Supervision and Management Department

Located in the headquarters, the Supervision and Management Department is responsible for the comprehensive management of the Surveillance Center, as well as the formulation of the internal anti-corruption system of the Surveillance Center, investigation of violations of regulations, disciplinary behaviours and information management.

INTERNAL AUDIT AND CONTROL AND RISK MANAGEMENT

Established in 2003, GOME surveillance system, which is led by the Chairman, is aimed to safeguard the interests of the Company and take full responsibilities of supervision including integrity construction, anti-fraud, improvement on internal controls, sales and cost cycle monitoring and anti-corruption. In 2024, the Group continued to focus on improving risk weaknesses and systematically improved risk management capabilities by focusing on four aspects: system risk control, system regulation, contract management and asset security.

In terms of improving system risk control, specific approvers at the approval level were found to have misused promotional resources due to system loopholes and a lack of effective risk control. Following an audit, recommendations for system risk control and improvements were proposed. Additional system risk control measures have been implemented to mitigate losses caused by non-compliant operations.

In terms of system regulation, there were issues such as time differentiation for the release of senior management compensations, lack of transparency in employee activity expenses and project reward allocations, and failure to strictly adhere to regulatory standards, which posed certain management risks. After the audit identified these issues, the management took them seriously and actively implemented corrective measures, communication, and awareness campaigns to mitigate the adverse impact on the Company.



PERSISTING IN ORDERLY DEVELOPMENT AND ENSURING OPERATING COMPLIANCE

In terms of contract management, the administrative department's lax review of tendering processes and subsequent supply price approvals during supplier contract renewals, as well as failure to strictly comply with contract terms, posed certain risks. After the audit identified these issues, the administrative department strengthened contract execution inspections, addressed loopholes, further controlled costs, and pursued accountability and compensation for losses incurred by the Company.

In terms of asset security, issues such as unclear responsibilities during the disposal of administrative assets by regional branches, substantial losses of live-streaming equipment, and the removal and concealment of store air conditioners posed certain risks. After the audit identified these issues, management and rectification recommendations were proposed. The regional branch management took these issues seriously, strengthened asset security management to ensure the safety, completeness, and accuracy of assets, and pursued accountability and compensation for losses incurred by the Company.

ANTI-CORRUPTION AND COMMERCIAL BRIBERY

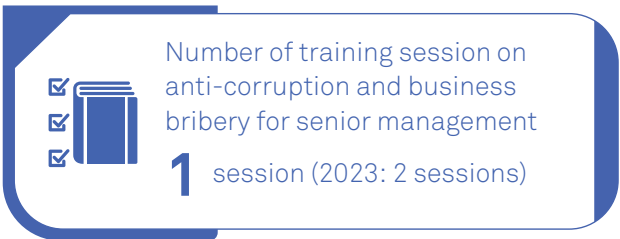
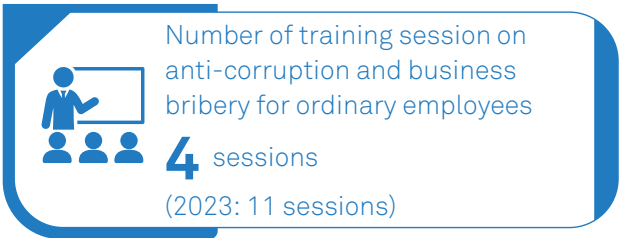
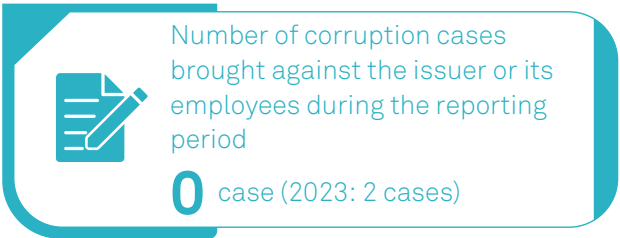
GOME has actively responded to national policies and updated its contract templates and operating procedures in a timely manner according to new regulations and regulatory requirements. The legal departments of each business line provide opinions on legal matters and handling measures in respect of any changes of policies, revise existing rules or systems, and provide corresponding trainings to business departments. In addition, at the end of each year, the code of the contracts will be updated and revised based on the actual situation in the past year.

The Company reviews and revises the red line management regulations of employees every six months, and organise trainings on the "Red Line Management Approach of GOME Retail Holdings (《國美零售控股紅線管理規定》)" and "Penalty Measures of GOME Retail Holdings (《國美零售控股處罰條例》)" for the employees of the Surveillance Center. GOME has formulated strict requirements against any bribery, fraud, extortion, money laundering and other behaviors which are not in compliance with business ethics, and has actively improved employees' awareness of legal compliance and business ethics. Furthermore, the Group organises trainings on integrity for its directors, supervisors and senior management members through meetings. The Group organised 2 sessions of training during the year, which played an important role in providing warning and education and developing a culture of integrity.

By joining the Anti-Fraud Alliance of China and the Trust and Integrity Enterprise Alliance, GOME is able to prevent and address frauds and corruptions and create an honest corporate and social environment together with its partners.

PERSISTING IN ORDERLY DEVELOPMENT AND ENSURING OPERATING COMPLIANCE

COMPLIANCE INDICATOR



WHISTLE-BLOWER PROTECTION

GOME has established the same whistle-blowing channels to handle both reports on matters and reports on persons and effective protection measures have been in place to protect whistle-blowers.

In respect of the management of whistle-blowing process, the management office of the Surveillance Center receives and registers complaints for preliminary screening. The pre-processed complaints will be then classified based on regions and the positions of complainees within 7 working days in the principle of “investigation on all complaints and report on all investigations” and handed over to the investigation department. For serious or urgent complaints, the management office of the Surveillance Center will make suggestions and report to the Surveillance Center in a timely manner. The investigation department will issue verification reports, make suggestions based on the Company’s regulations, pass to the management for approval, and revert the final results to the whistle-blower. In 2024, a total of

18 valid complaints were received, and 16 were investigated and resolved, with a resolve rate of 88.89%.

The Group has established various whistle-blowing channels, including email, telephone hotline, social media and mailbox, to ensure the whistle-blowing channels are effective. In addition, the homepage of our online office platform also has an anti-corruption reporting portal, “Window of Integrity”. When any employee finds that someone violates the regulations of the Group, he/she can report to the Surveillance Center through the “Window of Integrity” at any time.

Telephone hotline: 010-59287172
Email: gomejb@163.com
Social media account: GOME Surveillance Center
Text message: 18910160790
Mailbox: 36/F, Block B, Pengrun Building, No. 26 Xiaoyun Road, Chaoyang District, Beijing (Postal Code: 100016)

03

Promoting Talent Training and Facilitating the Development of Employees

GOME adheres to the employee management philosophy of “integrity prevailing over competence” and “talent localisation” to develop its talent management mechanism which covers talent recruitment, talent training and employees’ health and safety. With continuous optimisation and improvement, this mechanism will offer better career paths and attractive welfare to the employees.

OUR ACHIEVEMENTS

- In 2024, GOME Love Mutual Fund provided subsidies amounted to RMB17,500 and benefited 6 times which cover 4 employees in aggregate
- In 2024, GOME had a total of 606 employees, including 301 females and 305 males

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES



TALENT RECRUITMENT AND TRAINING

GOME strictly abides by the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and other relevant laws and has established its recruitment systems accordingly. In order to fully comply with the principles of openness, fairness and impartiality, and to ensure that all departments and positions attracts the required talents in a timely and effective manner, and to facilitate the stable and rapid development of the Group, GOME updated and refined the mechanisms and rules in 2024, including “Recruitment Management System (《招聘管理制度》)”, “Recruitment System Operation Regulations (《招聘系統操作規範》)” and “Interviewer Management Regulations (《面試官管理規範》)”. The original “Nepotism Avoidance Principles (《親屬迴避原則》)”, “Background Investigation Management Regulations (《背景調查管理規範》)” and “Headhunting Channel Management Regulations (《獵頭渠道管理規範》)” have all been modified and merged into the Group’s recruitment management system, and an HRBP operation manual has been added to ensure better implementation of the system.

In respect of staff recruitment, the Group attaches great importance to diversified employee composition and stringently prevents discrimination in terms of race, gender, origin, age and disability. The Group strictly prohibits recruiting minors under the age of 16 in accordance with the Order No. 364, “Prohibition of Child Labour (《禁止使用童工規定》)”, issued by the State Council. From time to time, we will organise trainings on laws and regulations regarding human resources management system, consolidate legal knowledge and strengthen legal awareness of its employees, and fundamentally prevent the potential legal risks of using child labour. In 2024, over 47 senior executive and key personnel from the fields of automobile sales, logistics, supply chain and technological research and development were recruited by the Group.

In the context of the digital age, the industry or company’s demand for talent has accelerated. GOME is committed to cultivating a development model for future-oriented management talent. The training system of GOME is based on its business strategies, covering training programs for professional talent, key position talent capability and performance improvement, and leadership development for talent succession. It combines job systems, qualifications, learning programs and competency assessments to help its talent development system become systemised, standardised, digitalised and transparent. The Company’s regular training programs include training programs for new employees, three-month training programs for new executives, leadership training for employees in their positions (talent development program) and professional skills training.

GOME has always attached great importance to the precipitation, reuse and sharing of knowledge, and transformed courses, classic cases, learning materials, experiences and other contents in the training process into online resources. Through the functions of the course library, case library, learning project class and BBC circle in the “GOME E-learning” digital learning platform, key stages and focuses are accumulated and organised, and guidance and empowering contents are quickly disseminated to the whole country, creating a positive learning atmosphere and organisational culture.

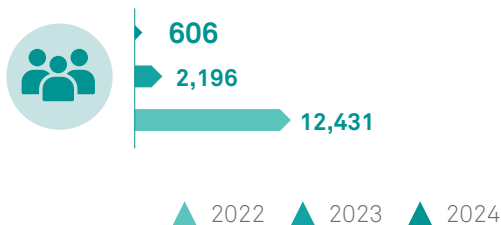
PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES

case

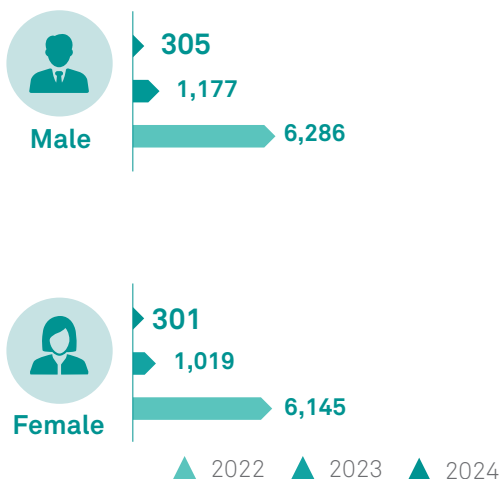
Comprehensively promote the use of AI tools to enhance organisational efficiency

GOME has always adapted to trends and actively embraced the fourth technological revolution represented by artificial intelligence and new energy, driving the Company's digital transformation. We require all employees to actively learn and proficiently use AI tools, while providing introductions to the functions and application scenarios of various AI tools available on the market, as well as detailed training and guidance on their usage. Additionally, we have implemented corresponding incentive and benchmarking promotion mechanisms to deeply encourage the widespread use of AI tools among employees, cultivate individual competitiveness, and enhance organisational efficiency.

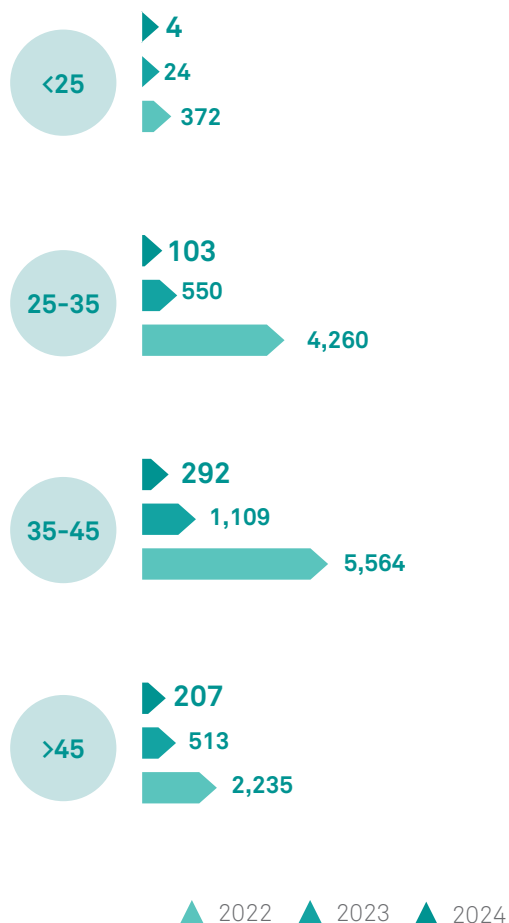
Total number of employees (person(s))



By gender (person(s))



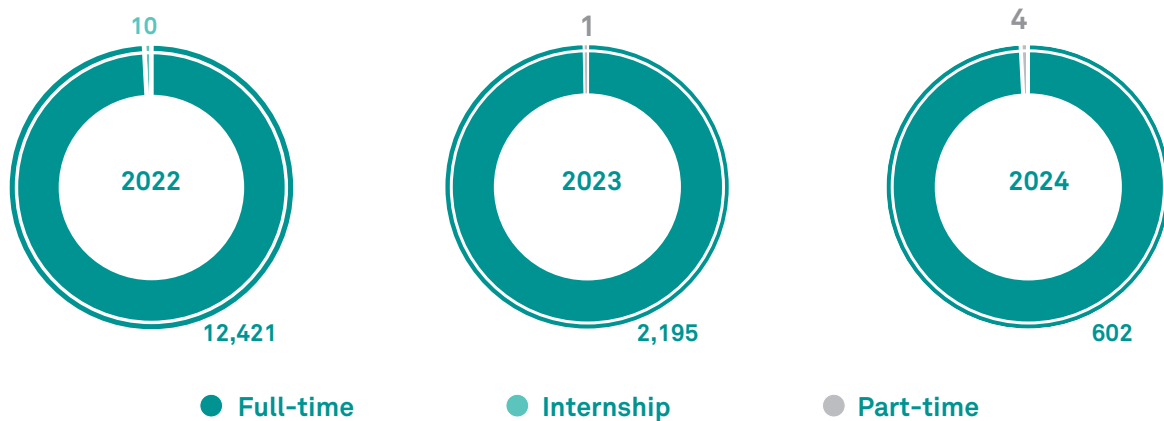
By age (person(s))



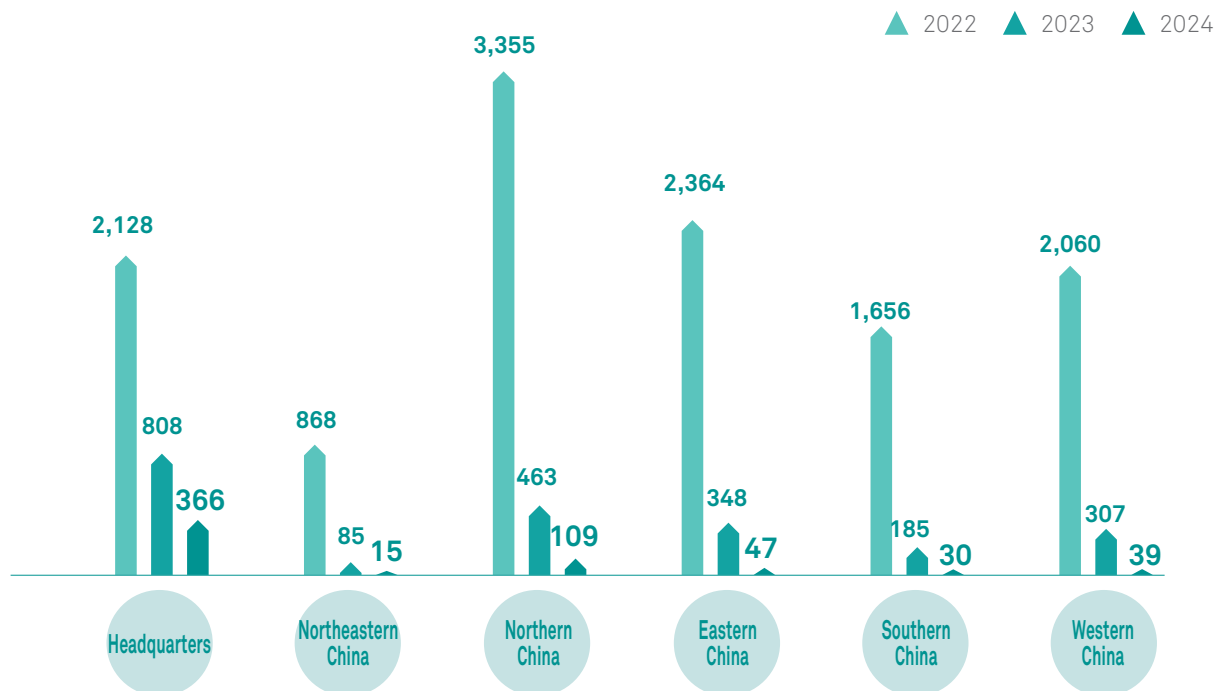
PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES



By employment type (person(s))



By region (person(s))



PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES



Total number of employees trained

2024: 1,737 times

2023: 5,686 times

Percentage of employees trained

2024: 88.00%

2023: 82.92%



Total number of
training hours of
all employees

2024: 4,343 hours

2023: 12,509 hours



Male employees trained

2024: 269 persons

Percentage 88.00%

2023: 953 persons

Percentage 80.97%

Average number of training hours of
male employees

2024: 8.4 hours/person

2023: 6.4 hours/person



Female employees trained

2024: 261 persons

Percentage 87.00%

2023: 868 persons

Percentage 85.18%

Average number of training hours of
female employees

2024: 8 hours/person

2023: 7.3 hours/person



Number of the
management trained

2024: 142 persons

Percentage 100%

2023: 223 persons

Percentage 100%

General employees trained

2024: 389 persons

Percentage 84.00%

2023: 1,598 persons

Percentage 80.99%

Average number of
training hours of
management

2024: 10 hours/person

2023: 8.8 hours/person

Average number of
training hours of
general employees

2024: 7.5 hours/person

2023: 6.6 hours/person

PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES

PROTECTION OF EMPLOYEES' RIGHTS

Interaction and communication with employees

GOME has always valued the opinions of its employees and has paid close attention to their needs. Specific communication models have been formulated for different employees:

For general employees, GOME communicates with its employees at each key moment in their career and maintains regular monthly communication with its employees;

For incumbent senior management, GOME carries out regular interviews with them while conducting special interviews based on projects. GOME summarises and reviews the interviews, and makes improvements accordingly.

GOME has always attached great importance to employee psychological counseling. The GOME's social media, internal OA system and the GOME Employees' Home often provide positive education and psychological counseling. Employees are encouraged to voluntarily visit the mediation room based on their own needs, and are received by party committee/work union staff. Professional psychological counselors are invited to give lectures and counseling.



Employees' health and security

The Group also attaches great importance to fire safety in the office. Every quarter, we work with the property engineering department and the security department to inspect the fire prevention equipment and facilities in the office building, so as to identify problems and rectify them promptly to ensure the fire safety of the office building. During the fire safety month in 2024, the Group carried out lectures on fire prevention and organised fire drills and other activities for employees.

HEALTH AND SAFETY INDICATOR



Total number of lost days due to work injuries

The number of deaths on duty

The rate of death on duty

2022	2023	2024
228 days	667 days	537 days
0	0	0
0%	0%	0%



PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES

CAREER DEVELOPMENT AND PROMOTION

GOME believes that the development of talents is vital for the development of the Group. The Group provides employees with competitive remuneration packages and has formulated a clear career development blueprint for them to achieve a win-win situation between their career development and the growth of the Group.

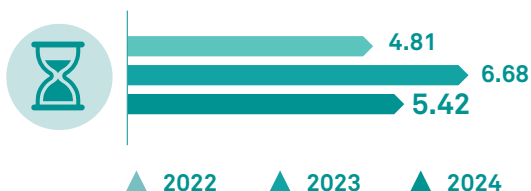
In terms of remuneration, the Group continued to conduct remuneration review and adjustment in 2024, updated the overall remuneration bandwidth and urban remuneration difference coefficients, and improved various welfare standards in accordance with the welfare system.

In terms of incentives, GOME has established short-term and long-term comprehensive incentive mechanisms. In terms of the short-term incentive system, the Group uses annual income as the short-term incentive traction, and implements the corporate commission (organisational performance) and individual commission (individual performance) system in the performance appraisal to further refine the assessment standards. GOME has implemented the “Scores Application Administrative Regulations (《積分應用管理規定》)”. By fully mobilising employees’ enthusiasm through positive incentives and negative incentives, GOME encourages employees to actively participate in various tasks. In addition, an incentive mechanism of “sales revenue commission + net profit distribution + individual rewards and penalties” has been introduced at the end of the year to closely link employees’ remuneration with the Company’s performance. The Group actively promoted long-term incentive policies in 2024. By leveraging professional talents, which guided the formulation of enterprise long-term incentive plans and corresponding management measures based on the actual conditions of each company, and pushed for their practical implementation.

In terms of talent training, based on the current situation of its operation and management, GOME identified and cultivated backbone talents with great potential and quality. In 2024, GOME reviewed its core backbone talents, and carried out key trainings and retention incentives for them. For key positions and high-potential personnel, GOME had carried out hierarchical training and cultivation.

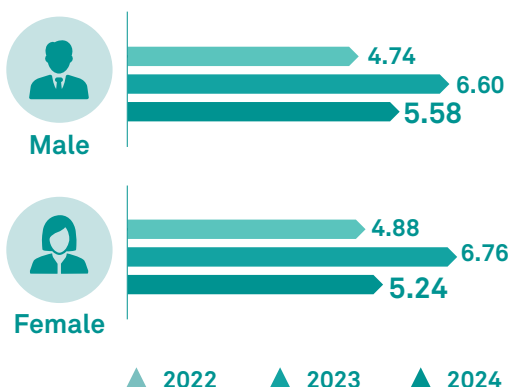
PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES

Total turnover rate of employees¹ (%)

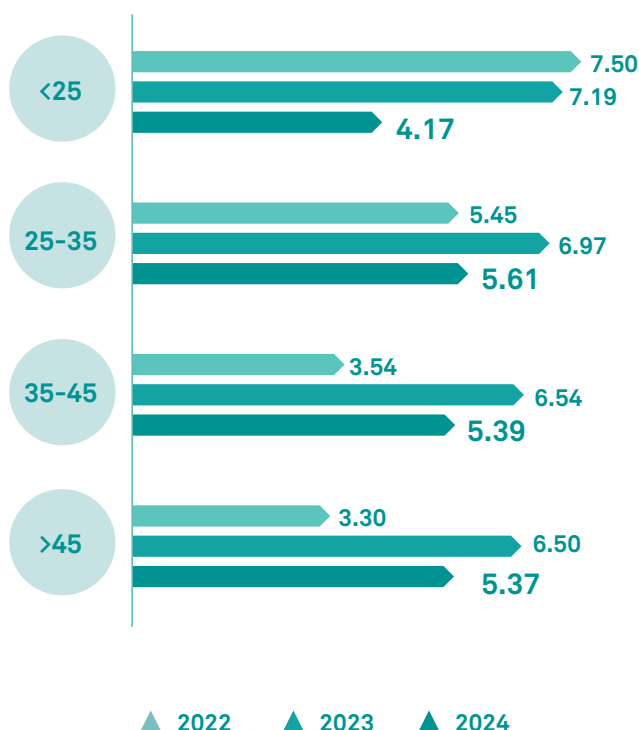


¹ Turnover rate = Number of employees leaving/number of employees leaving + total number of employees

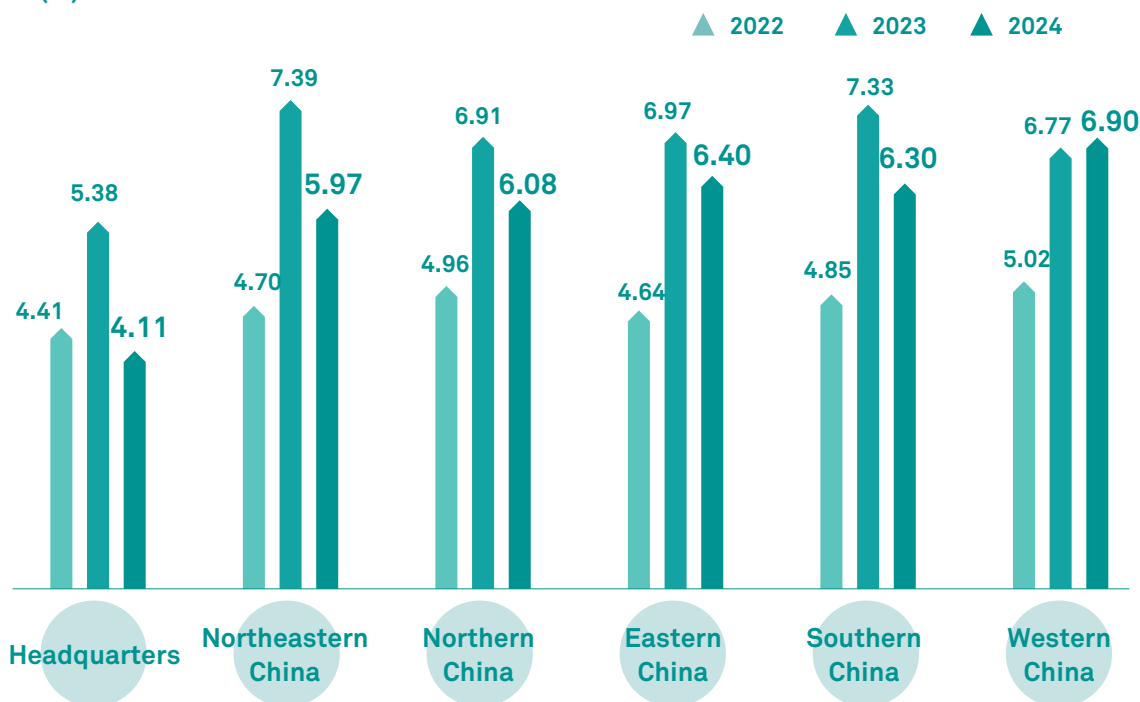
By gender (%)



By age (%)



By region (%)

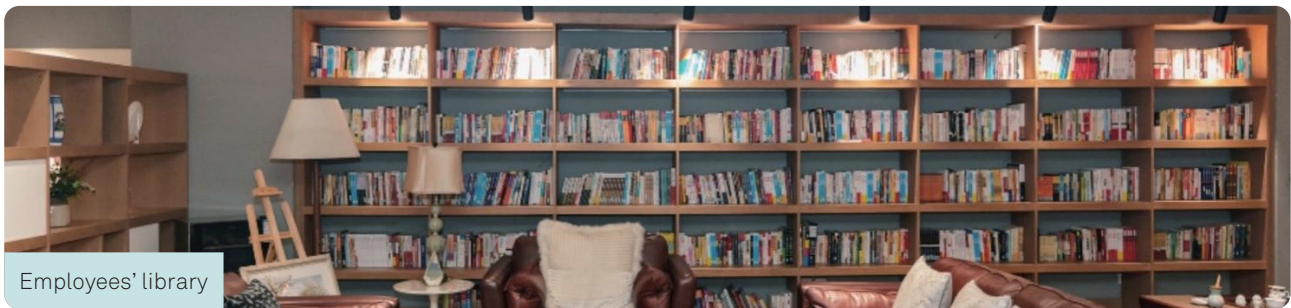


PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES

STAFF WELFARE AND CARE

Welfare system of the Group

GOME has been committed to consolidating the welfare of its employees. The Group issued the revised “Employee Welfare Management Regulations (《員工個人福利管理規定》)” in 2024. As for paid leaves, GOME provides employees with public holidays, marriage leave, maternity leave and parental leave according to the law. In addition, it strictly implements the “Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》)”, which promotes efficient work, encourages employees to complete tasks within working hours, and does not advocate working overtime. If overtime work is required, the overtime approval process shall be strictly implemented. As for working environment, the labour union of the Company regularly maintained and further improved the environment of the employee centre (職工之家) to provide employees with facilities and benefits, including library, nursery room, restaurant, activity rooms. For subsidies, employees are entitled to transportation subsidies and personal development subsidies; employees working in remote areas are entitled to re-location subsidies and home-visiting subsidies; employees working overtime are entitled to meal and transportation subsidies.



Employees' library

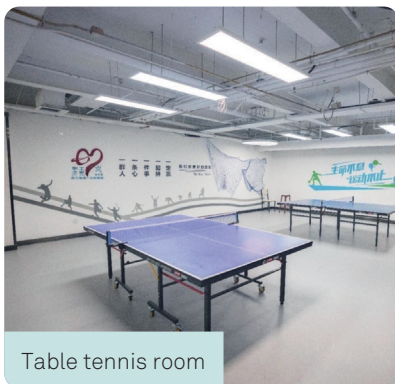


Table tennis room



Gym room



Nursery room

PROMOTING TALENT TRAINING AND FACILITATING THE DEVELOPMENT OF EMPLOYEES



Work and Life Balance

To enrich employees' daily life and realise the cultural ideology of "Better home and lifestyle through GOME", the Group has promoted its corporate culture and values through organising various activities that celebrate and commemorate traditional/ethnic festivals embodying similar values. Employees will receive gifts and benefits specially prepared by the Group on their birthdays and on traditional festivals. The Group published soft promotional articles on WeChat public accounts during the New Year Day, Spring Festival, Dragon Boat Festival and Mid-Autumn Festival in 2024. Combining the Company's strategic direction, festival atmosphere and employee status, the Group made themed promotions to encourage all employees to enjoy these pleasure moments together and create a better life together.

Support for employees – GOME Love Mutual Fund

GOME Love Mutual Fund, short for Employee Love Mutual Aid Fund of GOME Retail Holdings Limited, was initiated and established by GOME Retail. It is an internal love fund for mutual aid among employees who voluntarily participate, and it is an important platform for implementing GOME's core value of "dedication and gratitude". Employees can join voluntarily. If an employee or their relatives encounter an accident, such as illness, economic setbacks or a traffic accident, they can receive a certain proportion of the donated funds from GOME Love Mutual Fund to alleviate economic pressure or supplement education assistance for underage children. The GOME Love Mutual Fund gathers the strength of the GOME family, reflecting the love and responsibility of GOME employees to help others, help themselves, care for colleagues, and show compassion to fellow citizens. It is also an important and beneficial supplement to GOME's corporate welfare. In 2024, the expenditures of GOME Love Mutual Fund amounted to RMB17,500 and benefited 6 times which cover 4 employees.

Case

GOME Love Mutual Fund provided a one-time grant of RMB5,000 to an employee with seriously ill family members

In April 2024, an employee surname Zhou from the financial system, applied for the Love Mutual Fund to alleviate the financial strain caused by a serious illness of his immediate family member. Since 2017, one family member has been suffering from a blood-related disease, requiring long-term medication and conservative treatment, with another family member was diagnosed with late-stage cancer in 2023, also necessitating ongoing medication. The medical expenses are substantial, and both family members are unable to work. Therefore, GOME activated the Love Mutual Fund and provided a one-time cash grant of RMB5,000 to Zhou to overcome difficulties.

04

Protecting Customers' Rights to Create Better Lifestyle

Focusing on the retail and home services industries, GOME implemented strategic focus and business transformation and upgrading in response to the external market downturn and internal debt crisis in 2024.

OUR PROGRESS

- 5 self-constructed logistic bases

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS



PROTECTING CUSTOMERS' RIGHTS TO CREATE BETTER LIFESTYLE



RESPONSIBLE SUPPLY CHAIN

Enhancing the Logistic System

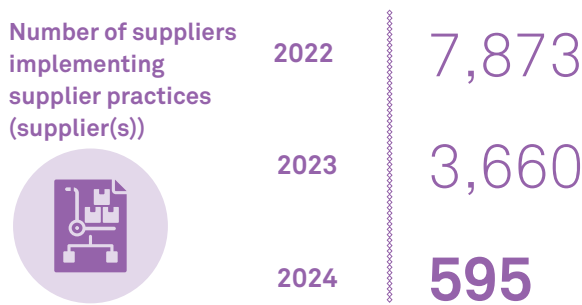
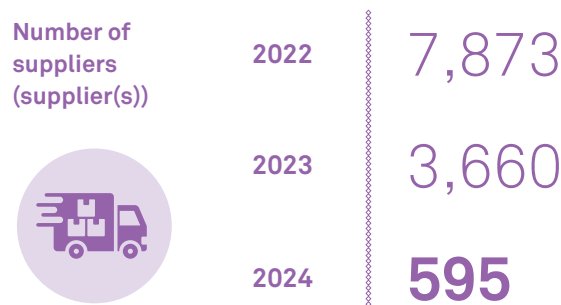
Logistic base is an important infrastructure of warehousing and distribution. As of December 2024, GOME had 5 self-constructed logistic bases in five cities in China; 5 operating logistic bases (located in Shenyang, Xi'an, Tianjin, Shanghai and Nanjing, respectively) with a total warehouse area of approximately 321,000 sq.m., office area of approximately 35,400 sq.m.; and dormitory area 14,100 sq.m.

For logistic service strategy, GOME focuses on small and medium, large and cold chain network to carry out unification of warehousing, delivery and large installation. Through optimising our own operating capability, we will become a more socialised, standardised and professional logistic platform and big data/cloud warehousing platform. This will also improve our turnover efficiency and intelligence level which achieves intelligence logistic that provides in-depth services and experience for our end customers.

GOME sets speedy delivery, full coverage and installation with delivery as its service standard and promptly response to users by monitoring the logistic delivery time and effectiveness. GOME also solves customer inquiries on its products, services and after sales issues via real person audio of video shopping guides and interaction through video, which truly satisfied full-process service experience of its users.

All Round Management of Suppliers

To ensure suppliers recognise our development targets, strategies and implementation, we require our suppliers to enter into integrity corporation agreements. GOME also attaches great importance on the communication with suppliers and its effectiveness and has developed a supplier management system. In addition, the Group has enhanced relevant trainings and exchange activities with its suppliers and arranged product trainings for its suppliers in respect of launch of any new product and intensive promotion. In addition to contract negotiation, the Group also negotiates with its manufacturers on daily promotion, product inventory, resources allocation, slow-moving/defective/outstanding clearance.





PROTECTING CUSTOMERS' RIGHTS TO CREATE BETTER LIFESTYLE

Relevant indicators of suppliers (supplier(s))



Enabling Franchisers with Diversity

In 2024, the Group further optimised the expansion of its stores by providing franchisers resources support including showcases, salespersons and materials through trainings, furnishings of stores and promotional events.

In addition, GOME formulated a training system, providing weekly trainings on supplier policies and product knowledge and monthly trainings on the Group system via online and offline channels. These trainings cover products, case studies and marketing techniques. Regional subsidiaries may arrange trainings by themselves, such as monthly visits by senior management, one-on-one business mentorship, monthly inspection on franchisers and on-site tutorials by top salesperson.

Strictly Control the Quality of Supply

GOME has consistently adhered to the core principle of integrity in business operations since incorporation, upholding the commitment to genuine products and maintaining high standards and strict requirements for product quality control. GOME is dedicated to build a cost-effective product system, raising supplier entry standards, and ensuring product quality from the source of procurement to meet consumer demands, thereby creating a trustworthy consumer platform. Simultaneously, GOME has standardised key processes such as platform qualification criteria, product sampling, counterfeit accountability, and violation management, strictly controlling merchant qualifications and product quality.



PROTECTING CUSTOMERS' RIGHTS TO CREATE BETTER LIFESTYLE

In 2024, GOME strictly complied with laws and regulations such as the “Product quality law of the People’s Republic of China (《中華人民共和國產品品質法》)”, and formulated internal policies including the “GOME Product Quality Control Standards (《國美商品品質管制規範》)”, “GOME Food Safety Management Standards (《國美食品安全管理規範》)”, “GOME Cosmetics Safety Management Standards (《國美化妝品安全管理規範》)”, “GOME Platform Merchant Product Sampling Management Standards (《國美平台商家商品抽檢管理規範》)”, and “GOME Supervision Mechanism and Handling Measures for Counterfeit and Substandard Products (《國美三無假冒偽劣產品監管機制和處理辦法》)”. These measures continuously advance quality control efforts to ensure the safety of products.

In terms of consumer rights protection, GOME introduced a “Compensation First” policy. Upon receiving consumer complaints about counterfeit goods, parallel imports, imitation products, second-hand goods, refurbished goods, repaired goods, imported products without customs declaration, falsely labeled materials, or substandard products, GOME compensates consumers first, effectively protecting their rights and interests.

For products with severe defects, GOME traces the source and circulation of such products, ensures proper returns and exchanges, or recalls, and implements corrective and preventive measures to prevent similar incidents from recurring, fully protecting consumer rights and safety. In 2024, GOME had no product recalls due to health or safety issues.

Upgrading Marketing Experience

GOME has always been guided by national policies and industry standards, consistently placing “consumer-centric” principles at the core of its marketing activities. In marketing, advertising, and sales practices, GOME adheres to laws, regulations, social norms, and ethical standards, ensuring the authenticity and accuracy of information.

In 2024, GOME strengthened the management of advertising content by formulating internal regulations such as the “GOME Platform Product Page Information Management Standards (《國美平台商品頁面信息管理規範》)” and “GOME Platform Product Advertising Language Standards (《國美平台商品廣告語規範》)”. These regulations clarify advertising guidelines for key categories such as health foods, medical devices and beauty and personal care products, standardise intellectual property information management and employ measures such as pre-screening sensitive words to block illegal advertisement in advance, proactive content audits and regular compliance training to ensure that advertising content is truthful, accurate and compliant, eliminating false advertising.

Additionally, GOME has always upheld its reputation for “low prices” by selecting high-quality products and providing excellent services. Combined with newly launched entertainment-driven marketing, GOME has created key holiday and IP marketing campaigns such as the “New Year Shopping Festival,” “Black Friday,” and major promotions during Labor Day, 618, National Day, Double 11, and Double 12. While conducting hotspot marketing activities, GOME proactively assesses and mitigates potential risks, striving to provide consumers with the best marketing experience.

Expanding into Lower-Tier Markets

In 2024, the Group focused on expanding into lower-tier markets. GOME adopted strategies such as franchising, quasi-franchising and offering high-quality products at reduced prices to better serve consumers and meet their diverse needs for personalised, practical and cost-effective home appliances. Leveraging its offline platform advantages, GOME upgraded stores with new business models, categories and scenarios based on city, commercial district attributes, target demographics and sales scale. This transformation shifted the focus to solution-based and experiential display models, creating aircraft carrier-type stores with unique characteristics.



PROTECTING CUSTOMERS' RIGHTS TO CREATE BETTER LIFESTYLE

In addition, the Group put great efforts in establishing and developing its community and promoted “One Store One Webpage” for all of its stores across the country. The digitalisation of stores and online transformation and upgrading of stores have been gradually completed and expand its business coverage to all online and offline O2O scenarios. Besides, GOME has promoted trade-in offers in its new retail stores. The new retail stores may elect to participate in the trade-in offer promotion and door to door cleaning services, so as to expand the local daily life service market. As of the end of 2024, the Group had a total of 163 offline stores, including 4 city display stores, 3 flagship stores, 1 boutique store and 155 new retail stores.

Open Up Communication Channels

At GOME, we place user needs at the core of our operations. We are committed to drive high-quality development through premium services, continuously optimising our service management models and customer service programs to deliver warm and ultimate service experiences to our consumers.

GOME has established a well-trained, professional customer service team. Through multiple channels such as 400 prefix hotlines, online customer service, email, Weibo and WeChat, we have built a multi-touchpoint, scenario-based and intelligent customer service system. By offering services that cover the entire lifecycle, all channels, all scenarios and all timeframes, we comprehensively address the needs of consumers for a better life.

Adhering to the original intention of “Better homes and lifestyles through GOME”, GOME launched the “Five Hearts” service commitment in 2024, protecting consumers with high quality, truly low prices and good services. The services include: “Quality Assurance Mind” authentic genuine products, triple compensation for fakes; “Price Guarantee” price matching and double compensation for the difference; “Package Purchase” free door-to-door design, in one delivery; “Worry-free Delivery” fast delivery, compensation for late delivery; “After-sales Assurance” online + offline, 7 days no-reason return and exchange.

In terms of elderly-friendly services, GOME has continuously optimised the “GOME APP Senior Mode” by streamlining functionalities and information presentation formats, while supporting family member account binding and order payment on behalf of elderly users. Additionally, the company has established a dedicated customer service team for seniors and upgraded service standards with elderly-friendly adaptations, effectively assisting elderly in utilising smart technologies to facilitate their daily lives.

Furthermore, GOME’s customer service center is continuously improving the problem-solving capabilities and efficiency of our customer service team. We focus on preemptive issue prevention and have implemented a daily clearing mechanism for customer service tasks to shorten response times. Weekly analyses of typical and clustered complaints across different online and offline businesses, industries and segments are conducted. We collaborate with relevant departments to address issues such as logistics fulfillment, complaint resolution times and user feedback, forming a PDCA (Plan-Do-Check-Act) closed-loop for continuous service quality improvement.

PROTECTING CUSTOMERS' RIGHTS TO CREATE BETTER LIFESTYLE



In 2024, the overall complaint ratio of GOME was 0.039%. Our customer satisfaction ratio reached 98.1%.

Indicators of product responsibilities	Unit	2022	2023	2024
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0
Number of products and service related complaints received	case(s)	11,690	7,168	3,897

USER PRIVACY SECURITY

In the digital era, consumer privacy protection and data security have become increasingly critical foundations for trustworthy consumption. Faced with the challenges and risks brought by digital transformation, GOME is continuously improving its corporate governance mechanisms while establishing clear data security principles and building robust organisational safeguards to protect user privacy and data security.

In accordance with nationally enacted laws such as the “Personal Information Protection Law (《個人資訊保護法》)”, “Data Security Law (《資料安全法》)”, and “Cyber Security Law (《網路安全法》)”, GOME has developed a privacy protection checklist and governance framework tailored to its online business operations. In 2024, GOME integrated privacy protection and data security into its comprehensive risk management system. The company established a data security management team and a data security execution team, formulating the “User Information Security Management Regulations (《使用者資訊安全管理規定》)” to standardise the processes of user information collection and usage. This ensures the prevention of illegal collection and abuse of personal information, safeguarding against leaks, loss or damage of user data, and guaranteeing the security of user personal information.

Regarding potential risks arising from new technological developments, GOME adheres to the principles of informed consent, minimal necessity, and comprehensive security capabilities when collecting personal privacy data through its app. Additionally, the company has implemented strict permission approvals for accessing and querying personal privacy data on its big data platform, limiting the use of big data profiling to prevent data abuse. In 2024, GOME had no major data breaches.

For entertainment-related projects, GOME ensures that the services provided are positive, healthy, and socially beneficial by refining user agreements, optimising application interfaces and business processing logic, and implementing audio, video and text monitoring. For the small amount of non-compliant data submitted by users during service interactions, GOME employs AI image recognition, text recognition and voice recognition technologies to promptly detect and block such content.

05

Responding to Climate Change and Persisting on Green Development

Amid active global response to climate change and the acceleration of “carbon peaking and carbon neutrality” in China, GOME always adheres to the concept of sustainable development. It has taken initiatives in green operation, green packaging, green logistics and green supply to reduce carbon emissions. As a leading retail enterprise in China, GOME always sticks to the value of sustainable consumption, complies with national laws and regulations and promotes the realisation of the national carbon neutrality goal.

OUR ACHIEVEMENTS

- In terms of greenhouse gas emissions, the total carbon dioxide emission was approximately 2,500 tons in 2024, reducing by over 90% as compared with the corresponding period last year
- In terms of use of energy, the total power consumption was approximately 6,330,000 kWh in 2024, reducing by over 90% as compared with the corresponding period last year
- In terms of use of water, the total water consumption was approximately 35,000 cubic metres in 2024, reducing by over 90% as compared with the corresponding period last year

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



RESPONDING TO CLIMATE CHANGE AND PERSISTING ON GREEN DEVELOPMENT



The principal activities of GOME are the operations and management of retail stores for electrical appliances, consumer electronic products and general merchandise, as well as a full category of online sales network in the People's Republic of China (the "PRC") through self-operated and platform models. Therefore, GOME does not generate emissions or pollutants directly from production during its operation. It generates emissions indirectly during its operations due to the use of resources such as electricity and gasoline, details of which are set out in the following chapters.

GREEN OFFICE

GOME has set a long-term green operation and development plan and a green office management plan. Through paperless office and online meetings to reduce travel, the Group has implemented green operations to achieve low-carbon emission reduction and green development. In the course of ordinary operation, the Group has continued to implement the nationwide "e-signature" project. Labour contracts or employment agreements were changed to electronic version instead of paper version, so as to promote the progress of paperless office. Office paper must be used on both sides before being discarded (except in special circumstances), and dedicated staff is responsible for the distribution and use of paper and office supplies to reduce waste. In addition, we actively promote efficient management of cloud resources and reduce costs and increase efficiency to further achieve the goal of carbon neutrality.

LOW-CARBON (WATER AND ENERGY SAVING)

The Group advocates energy saving and water saving among its employees. Energy saving reminders are posted next to light switches. Regulated water and power consumption in all branches is clarified and supervised through policy publicising, notices, trainings and regular and irregular inspection. Rooftop day-lighting bands are used in all self-built and leased warehouses. During the daytime, the use of lightings is reduced. In addition, all lightings in warehouses are replaced with safe and environmentally friendly energy-saving lightings. In 2024, the total water and power consumption of GOME decreased by over 90% as compared with the corresponding period last year.

In line with the green environmental protection requirements of recycling, reusing and reducing one-off consumption of packaging materials, GOME clearly prohibits excessive packaging in the course of business. Packaging materials are reused to improve the level of recycling. For waste materials, packaging and consumables that cannot be reused, they are processed centrally to reduce pollution.

For small commodities, GOME stipulates the standards for express packaging, and uses more environment-friendly bags but less cartons and prohibits excessive packaging. GOME also stipulates the standards for packaging materials and procures packaging boxes and consumables which comply with national environmental protection standards.

For medium and bulky commodities, GOME arranged re-useable environmental-friendly plastic boxes for the transport and delivery of commodities to stores.



RESPONDING TO CLIMATE CHANGE AND PERSISTING ON GREEN DEVELOPMENT

For bulky commodities, GOME issues internal notices stipulating the standards for delivery of commodities and the requirements for stacking commodities, so as to minimise damage to packaging and increase the possibility of recycling. Inventory is stacked in warehouses according to the five-distance requirements to avoid high stacking and damage to packaging. It is required to use the original packaging for delivery. Upon the delivery to a customer, the packaging materials will be recycled and reused.

GREEN SERVICES

Environmental protection and energy conservation are critical to peak carbon dioxide emissions and carbon neutrality. In response to the national green and low-carbon development requirements and to fully utilise the functions of the platform, GOME carries out online and offline promotion initiatives and sets up green stores. In addition, GOME uses live voice and video interactive shopping guides to serve its consumers. Through various intensive means, the overall use of resources such as water and electricity has been reduced, and environmental pollutions such as exhaust gas and noise caused by personnel travel have also been mitigated, allowing us to provide customers with better shopping experience.

GOME has expanded its used product collection business under “GOME House Manager” for a long term. GOME House Manager has implemented the concept of “exchange old for new” for home appliances for several consecutive years. It promotes the exchange of old home appliances for new ones through activities such as “anniversary”, “shopping festival” and “exchange old for new” campaigns. Moreover, RMB100 discount for

purchase amount of over RMB1,000 was offered to stimulate consumer demand for green appliances, which effectively promote high efficiency and reduce consumption. By continuously stimulating consumer demand for green electrical appliances, energy conservation and emission reduction have been effectively promoted.

FACILITATING GREEN DEVELOPMENT

Climate change is a huge global challenge. With an important role in economic development, retail e-commerce enterprises shall continuously explore low-carbon sustainable business models in response to China’s climate goal to peak carbon dioxide emissions and achieve carbon neutrality. GOME continued to promote “energy conservation and emission reduction” and “green consumption” in cooperation with other brands to improve the sales of 1st and 2nd Grade energy efficiency commodities. GOME stores also continued to launch “green home appliances” experience activities. In-store experience and trial were arranged to stimulate consumer demand for green home appliances, creating a “green store” consumption scenario.

GOME popularised green consumption as well as green and low-carbon travel through various ways such as energy-saving technology product display and promotion, energy-saving knowledge lectures and special store events, which invited extensive participation by consumers. The concept of green consumption was spread through the GOME APP and live broadcasts.

RESPONDING TO CLIMATE CHANGE AND PERSISTING ON GREEN DEVELOPMENT



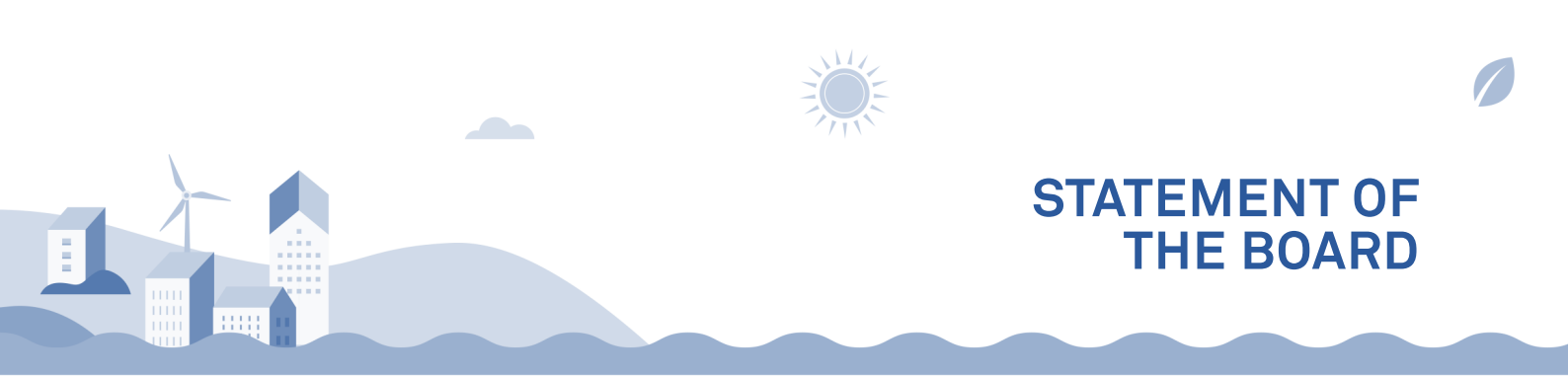
Emission indicator	Unit	2022	2023	2024
Greenhouse gas emissions	tCO ₂ e	197,000	30,400	2,500
Scope 1: Direct greenhouse gas emissions	tCO ₂ e	15,000	400	200
Scope 2: Indirect greenhouse gas emissions	tCO ₂ e	182,000	30,000	2,300
Scope 1: Direct greenhouse gas emission intensity	tCO ₂ e/million of turnover	0.86	0.62	0.42
Scope 2: Indirect greenhouse gas emission intensity	tCO ₂ e/million of turnover	10.4	46.38	4.85
Total hazardous wastes	kilogram	0.5	0.4	0.4
Total non-hazardous wastes	ton	7.8	7.1	6.5
Hazardous waste intensity	gram/million of turnover	0.03	0.62	0.84
Non-hazardous waste intensity	gram/million of turnover	447.13	10,975.42	13,718.87
Hazardous waste target ¹	kilogram	0.5	0.4	0.4
Non-hazardous waste target ²	ton	7.8	6.5	5.9
Nitrogen oxides (NO _x)	kilogram	1,238.39	4.36	5.3
Sulfur oxides (SO _x)	kilogram	81.47	0.002	0.001
Particulate matter (PM)	kilogram	108.56	0.41	0.46

Use of resources indicator ³	Unit	2022	2023	2024
Total power consumption	kWh	372,337,000	95,841,000	6,330,000
Power consumption intensity	kWh/million of turnover	21,344.12	148,154.27	13,360.07
Gasoline consumption	litre	5,542,000	170,000	78,000
Gasoline consumption intensity	litre/million of turnover	317.69	262.79	164.63
Total water consumption	cubic metre	2,100,000	541,000	35,000
Water consumption intensity	cubic metre/million of turnover	120.38	834.75	73.87

¹ GOME targets to reduce the hazardous waste of its headquarter to 0.4 kg by 2025.

² GOME targets to reduce the non-hazardous waste of its headquarter to 5.9 tons by 2025.

³ The principal business of the Group is retailing, not manufacturing of products. Therefore, the Group is not involved in the use of packaging materials of related finished goods.



STATEMENT OF THE BOARD

GOME attaches great importance to the value of Board's participation and leadership in ESG management. We have set up an ESG Committee under the Board which comprises senior management members of the Group and is responsible for convening regular meetings to review and make decision on the ESG strategies. The ESG Committee is also responsible for formulating the overall ESG strategy of the Company, identifying and evaluating risks, reviewing management policies, plans and objectives, reviewing and considering performance appraisals. The ESG Committee implements and executes the policies with the assistance of ESG office of the Group and professional companies.

In the view of overall social and economic environment and based on the development strategies of the Company, GOME's ESG management team evaluates the importance of ESG issues and discusses and determines the risks and opportunities of the Company arising in the environment, social and corporate governance. The management of, and enhancement on, key issues will be regarded as the strategies of sustainable development in the year.

GOME pays close attention to the following issues:

- **Compliance operation:** The Group has continuously enhanced its governance and risk management and control to build a company of integrity. The Group has also integrated ESG into its strategic management and business process to ensure the sustainable growth of its business.
- **Sustainable Consumption:** Sustainable consumption is the core of GOME's sustainable development, which involves the impact management on our operation and management and communication and education on the consumption habits of consumers. GOME has been putting great efforts in promoting sustainable consumption.
- **High-quality life:** Creating a high-quality life for the public is always an objective of the Group. To achieve the objective of "Better Lifestyle", we have refined our strategies to cover more consumption scenarios, attached great importance to the protection of users right and interests and have established a comprehensive customer service system to effectively respond to customers' needs.
- **Employee development:** Regarding its employees as the most important assets for its development, the Company protects the rights and interests of its employees and provides them with abundant growth opportunities, so as to achieve sustainable development of both of the Company and its employees.
- **Clear Water and Green Mountains:** The Company believes that clean water and green mountains are invaluable assets and puts great efforts in minimising the impact of its operations on the environment and creating green outlets to make contribution to environmental protection.

This report, which discloses all the detailed management approaches and practice of GOME of the above issues and other ESG issues, has been reviewed and approved by the Board.

ESG REPORTING GUIDELINES INDEX OF THE HONG KONG STOCK EXCHANGE



Description		Where to Find
Aspect A1: Emissions		
General Disclosures	Information on: (a) the policies; and (b) 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.	Section 5
KPI A1.1	The type of emissions and respective emissions data.	Section 5
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 5
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 5
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 5
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Section 5
KPI 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.	Section 5
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 5
KPI 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).	Section 5
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Section 5
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section 5
KPI 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.	Section 5
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Section 5
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Section 5
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Section 5
Aspect 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.	Section 5
KPI 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.	Section 5

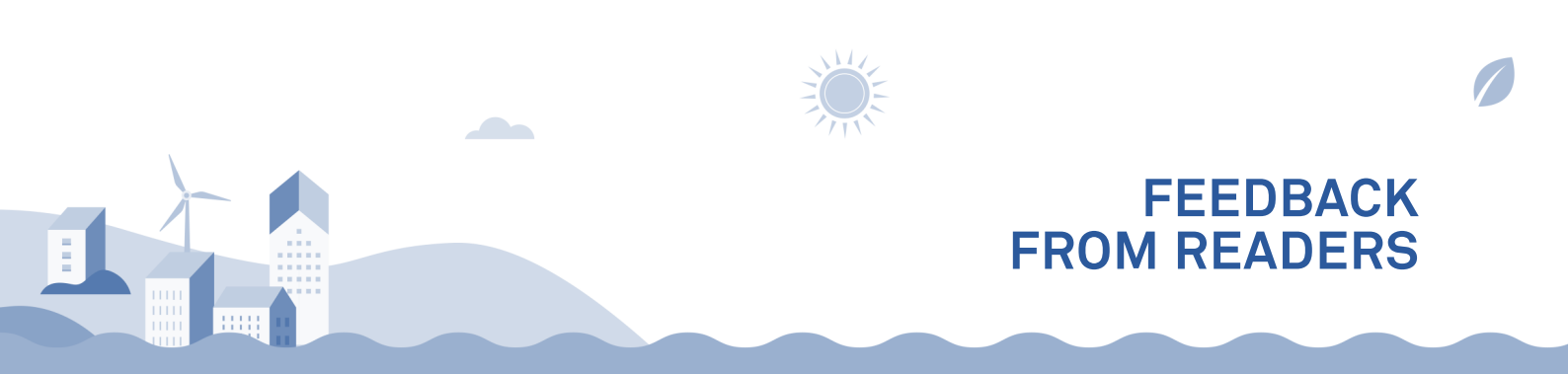
ESG REPORTING GUIDELINES INDEX OF THE HONG KONG STOCK EXCHANGE

Description		Where to Find
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Section 3
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Section 3
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Section 3
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Section 3
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Section 3
KPI B2.2	Lost days due to work injury.	Section 3
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Section 3
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Section 3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Section 3
KPI B3.2	The average training hours completed per employee by gender and employee category.	Section 3
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Section 3
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Section 3
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Section 3

ESG REPORTING GUIDELINES INDEX OF THE HONG KONG STOCK EXCHANGE



Description		Where to Find
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Section 4
KPI B5.1	Number of suppliers by geographical region	Section 4
KPI 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.	Section 4
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section 4
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section 4
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Section 4
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Section 4
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Section 4
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 4
KPI B6.4	Description of quality assurance process and recall procedures.	Section 4
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Section 4
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Section 2
KPI 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.	Section 2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section 2
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Section 2
Aspect 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.	Section 5
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Section 5
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Section 5



FEEDBACK FROM READERS

Dear Readers,

Thank you for reading this report. In order to provide you and other stakeholders with professional and valuable information regarding sustainable development of the Company, we are looking forward to your valuable comments to help us make continuous improvements to this report.

Your comments: (Please tick the appropriate columns)

Comment	Agree	Strongly agree	Average	Disagree	Strongly disagree
Do you think whether this report has fully disclosed all information you wish to know?					
Do you think whether the contents and descriptions of this report are clear?					
Do you think whether the performance of our social responsibilities has been fully disclosed?					
Which part of the report are you most interested in? (Please specify)					
What information you wish to know but does not reflected in this report? (Please specify)					
What advice do you have for the sustainable development report to be issued in future? (Please specify)					

Contact Details (Optional. Your personal information will be kept confidential)

Name: Telephone No.:

Email:

You can contact us through the following means:

Address: Suite 2915, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Email: info@gome.com.hk

Thank you for your concern.