

Hisense

2024 Hisense Group

Environmental, Social and
Governance Report



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About The Report



Introduction to the Report

The Report is the third environmental, social, and governance report (hereinafter referred to as "the Report" or "ESG Report") released by Hisense Group Holding Co., Ltd. (hereinafter referred to as "Hisense Group," "Hisense," "Group," "the Group" or "we"), aiming to disclose the Group's highlight practices and relevant performance in environmental, social, and governance areas to stakeholders in an objective, transparent, fair, standardized, and comprehensive manner. The Board of Directors of the Group has reviewed the Report and is responsible for the accuracy and validity of the information contained herein.



Scope of the Report

Unless otherwise stated, the Report focuses on Hisense Group, covering the headquarters and its subsidiaries, with financial data consistent with the scope of the consolidated financial statements in the 2024 Annual Report. Data on environmental, social, and governance issues also covers the headquarters and subsidiaries of Hisense Group. Any discrepancies will be noted in the Report.

The time range covers January 1, 2024, to December 31, 2024 (hereinafter referred to as "the Year" or "Reporting Period"). To enhance the timeliness and completeness of the Report information, some content appropriately refers to previous years or includes forward-looking statements.



Basis for the Report

The Report is prepared with reference to the *Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), the Sustainability Accounting Standards Board (SASB) Standards, the *International Financial Reporting Standards (IFRS) S2 - Climate-Related Disclosures* issued by the International Sustainability Standards Board (ISSB), the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange (SZSE), Appendix C2 of the *Environmental, Social and Governance Report Code* of the Listing Rules of the Stock Exchange of Hong Kong Limited, and the United Nations Sustainable Development Goals (UN SDGs).



Principles of the Report

The Report primarily considers the materiality, quantitative, balance, and consistency principles related to specific indicators of key issue performance disclosure. Hisense Group will continue to adjust and optimize the disclosed indicators in future reports. The qualitative and quantitative information used in this Report all comes from public information, internal documents, or relevant statistical data of Hisense Group. Unless otherwise specified, all monetary amounts mentioned in the Report are denominated in RMB.

- **Materiality:** The Group assesses material issues every year and provides key responses and disclosures for issues with a higher degree of materiality.
- **Quantitative:** The Report adopts quantitative methods to measure applicable key performance indicators and discloses the measurement methods, basis, and scope.
- **Balance:** The Report transparently discloses the work and performance of Hisense Group on various ESG issues for stakeholders to objectively review.
- **Consistency:** Unless otherwise stated, the Report adopts consistent disclosure and statistical methods as in previous years' reports to ensure that the ESG data for the Reporting Period is comparable with historical and future data. If the statistical scope changes, this will be noted in the Report.



Report Retrieval

The Report is published in an online format, available in Simplified Chinese and English versions on Hisense Group official website <https://www.hisense.com/> for checking and downloading.



Contact Information

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Chairman's Statement

|| In 2024, Hisense Group celebrates its 55th anniversary. Over more than half a century, we have navigated through the waves of time, growing from local roots to global presence, from scale expansion to technological leadership, from product innovation to ecosystem construction. Each leap forward has reinforced our development philosophy of adapting to trends and pursuing innovation. In 2024, we set a new goal of “building a world-class enterprise and achieving a world-class brand,” integrating ESG into our six core strategies. We solemnly commit to achieving carbon peaking in our operations no later than 2026 and carbon neutrality in our operations no later than 2050.

Faced with new challenges of the era, we adhere to the development strategy of “technology-based enterprise with steady operation,” clearly defining “Technology with AI” as the key strategy for implementing the concept of sustainable development in the current year. We embark on the “Year of Full Penetration of AI Technology,” With the dual-track drive of “Intelligence + Green” as the key to breaking the deadlock, we make the AI technology revolution resonate with sustainable development. In the transformation of industries, we convey the “AI” warmth that brings happiness to thousands of households.

||

Leading the future with Intelligence, Refreshing the Green Ecosystem

We embrace intelligence at the core of our mission in advanced manufacturing, integrating technologies such as AI algorithms, digital twins, and energy and carbon digitalization to embed the digitalization of the entire industrial value chain and the low carbonization of the product lifecycle into our manufacturing DNA. On the production side, we promote a low-carbon transition through green intelligent manufacturing, reshaping the entire production process with digital technology to achieve a synergistic improvement in production efficiency and green benefits. Recognized for its outstanding performance in green intelligent manufacturing, Hisense Hitachi's Huangdao Factory has become the world's first multi-split Lighthouse Factory. It has introduced 43 advanced automation technologies, 40% of which are industry-firsts, and set an industry benchmark with “manufacturing precision × ecological warmth.” On the product side, we commit to building a sustainable product matrix that features “low energy consumption, low production resource demand, low raw material usage, and low recycling costs,” establishing a comprehensive waste product recovery system encompassing user end, recycling end, dismantling end, and regeneration end. Over 90% of Hisense's appliance models meet first or second-level energy efficiency standards, making us a benchmark for green products and genuinely driving the industry towards a green and low-carbon transformation. In the industrial chain, we deploy distributed photovoltaic, energy storage systems, and new energy industry ecosystems, empowering social sustainable development with diverse green businesses. Additionally, we establish a sustainable supply chain management system and signed the *Emission Reduction Action Commitment Letter* with strategic suppliers, working together to accelerate the low-carbon development of strategic suppliers and build a green industrial ecosystem.

With AI in Technology, Intelligence Warms Millions of Families

In 2024, we redefined our brand positioning as “people-oriented

technology, ultimate quality” and deepened our user-centered philosophy. We actively embraced AI technology, continuously promoted technological and product innovation, and optimized service platforms and mechanisms. These efforts aim to create exceptional scenario-based experiences for users, conveying warmth and trust to every individual and family. Leveraging outstanding technical innovation capabilities, we successfully won one silver award and two excellence awards in invention, and two silver awards in design at the 25th China Patent Awards, leading the industry in the number of awards received. The developed HiStar Large Model ranks first on the evaluation list. It achieved a leapfrog in digital transformation and intelligent upgrading, and it fully empowered the scene implementation and innovative applications of Hisense's smart life, intelligent energy, network information, and other business clusters and sectors. In doing so, it is leading the way in future industrial development. We strive for ultimate quality as our ultimate pursuit in product quality and craftsmanship. We integrate visual systems with AI algorithms to enhance product quality, while incorporating intelligent manufacturing throughout the entire lifecycle of Hisense products. Leveraging technological power, we achieve a simultaneous improvement of quality and efficiency, ensuring users enjoy high-quality, intelligent products and services from Hisense.

Loving Technology, Feel the Warmth of Hisense

We always integrate “responsibility” into the corporate DNA. This “initial commitment to responsibility” vividly embodies Hisense's warmth. By driving both employee growth and social value, we build a symbiotic and mutually beneficial development ecosystem. Within the company, we have established a comprehensive talent development system, promoted the iteration of job qualification systems, and continuously deepened humanistic care, further activating organizational potential. We successfully won the Ram Charan Management Practice Award “Grand Prize” and the 2024 Forbes China Best ESG Practice Employer, building a community of shared values with respect and warmth. For society, we continuously focus on educational

equity, rural revitalization, environmental protection, global community building, and the care for vulnerable groups, using a sustainable public welfare model to continuously convey warmth and hope. Through various measures such as employment support, educational assistance, sports public welfare, and environmental practices, we build a mutually beneficial and sustainable development ecosystem in many parts of the world, allowing Hisense culture to permeate every corner of the globe.

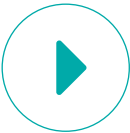
In the past year, riding on the global development of Hisense, we have accelerated the promotion of the concept of “Technology with AI” to our global R&D, production, and sales headquarters. Guided by the “Local for Local” strategy, through the deep integration of localized R&D and innovation, local manufacturing, and global market services, we have established a “7+1” global regional center, driving the transition from “China managing the world” to “the world managing the world.” At the same time, we have collaborated with global partners to deepen value co-creation, becoming the official global partner of the 2025 FIFA Club World Cup, enhancing our brand influence and shining on the world stage. From technology export to ecosystem export, Hisense is using Chinese wisdom to reshape the global industrial value coordinate system, radiating the brand momentum of “connecting the world” globally.

2025 will be the Year when Hisense's products fully apply AI, as well as the Year when the industrial ecosystem is comprehensively empowered by AI. We will promote integrated AI implementation in research, production, sales, supply, and service through platform leadership, benchmarking, and mechanism upgrades, accelerating the intelligent upgrading and digital transformation of industries. Standing at a new starting point, we will forge ahead on the journey to “building a world-class enterprise and achieving a world-class brand,” setting a unique Hisense example for global sustainable development!

Shaoqian Jia

Chairman of Hisense Group and Director of ESG Committee

Hisense Profile



Hisense Group was founded in 1969, with its headquarters located in Qingdao, China. We own five listed companies: Hisense Visual Technology Co., Ltd., Hisense Home Appliances Group Co., Ltd., Sanden Corporation, Xiamen Changelight Co., Ltd., and Shijiazhuang Kelin Electric Co., Ltd. The Group also possesses multiple brands including Hisense, Toshiba TV, RonShen, Kelon, gorenje, and ASKO.

Hisense adheres to the development strategy of “technology-based enterprise with steady operation,” continuously striving for industrial transformation and upgrading. The Hisense smart life business group leverages its unique advantages of multiple brands and full product lines, accelerating towards high-end, intelligence, and scenario-based upgrading, advancing its market position to the forefront globally. The Hisense smart energy, semiconductor, and automotive electronics industries, as strategic sectors and growth engines positioned according to global industrial trends, have established new developmental advantages.

Corporate Philosophy



Corporate Vision

Be a century-old company and become the most reliable brand in the world.



Corporate Style

Pioneering and Enterprising,
Efficient and Decisive



Corporate Mission

To pursue scientific and technological innovation.
To take the lead in advanced manufacturing with intelligence as the core.
To bring happiness to millions of families with high-quality products and services.



Development Strategy

Technology-based enterprise with steady operation



Values

Integrity, Practicality, Innovation,
Customer Focus, Sustainability



Corporate Spirit

Respect, Dedication,
Innovation and Efficiency

Hisense

Hisense Visual (600060)	Hisense Home Appliances (00921) (000921)	Sanden Corporation (6444)	Shijiazhuang Kelin Electric (603050)	Xiamen Changelight (300102)
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Development Process

1969 – 1983

Stage of Self-reliance

In 1969, the predecessor of Hisense, the State-run Qingdao Radio No.2 Factory, was established, embarking on a journey of hard work from scratch. From producing radios to manufacturing Shandong's first 14-inch electron tube black and white TV set, the company achieved breakthrough development.

1969

- Hisense's predecessor, Qingdao Radio No.2 Factory, was established to produce semiconductor radios.



1979

- Qingdao Television Factory was established and designated as a fixed-point TV production factory.

1970

- The Qingdao Radio No.2 Factory developed Shandong Province's first 14-inch electron tube black and white TV set, filling the gap within the province.

1984 – 1991

Laying the Foundation Stage

By introducing and strictly improving quality to solidify the foundation of enterprise development, the "Qingdao" brand TV has become a national famous brand, with Qingdao Television Factory ranking among the top 20 of China's top 100 electronic enterprises.



1984

- Introducing world-class color TV production lines at the time, the first generation of Qingdao brand color TVs was launched, achieving the "Qingdao's First Speed" with negotiations, signing, installation, production, and effectiveness all completed in the same year.

1992 – 2000

Diversified Rapid Development Stage

Establish the business philosophy of "technology-based enterprise with steady operation," boldly attempt capital operations to achieve low-cost expansion of the enterprise, accelerate industrial structure adjustment, and enter a stage of diversified rapid development.

1993

- "Qingdao" has been officially renamed to "Hisense."

1996

- Hisense South Africa Co. was established, marking the official start of Hisense's internationalization.



1995

- Hisense research institute has been upgraded to a national-level technology research center, laying a solid foundation for the development model of technology incubation industry.

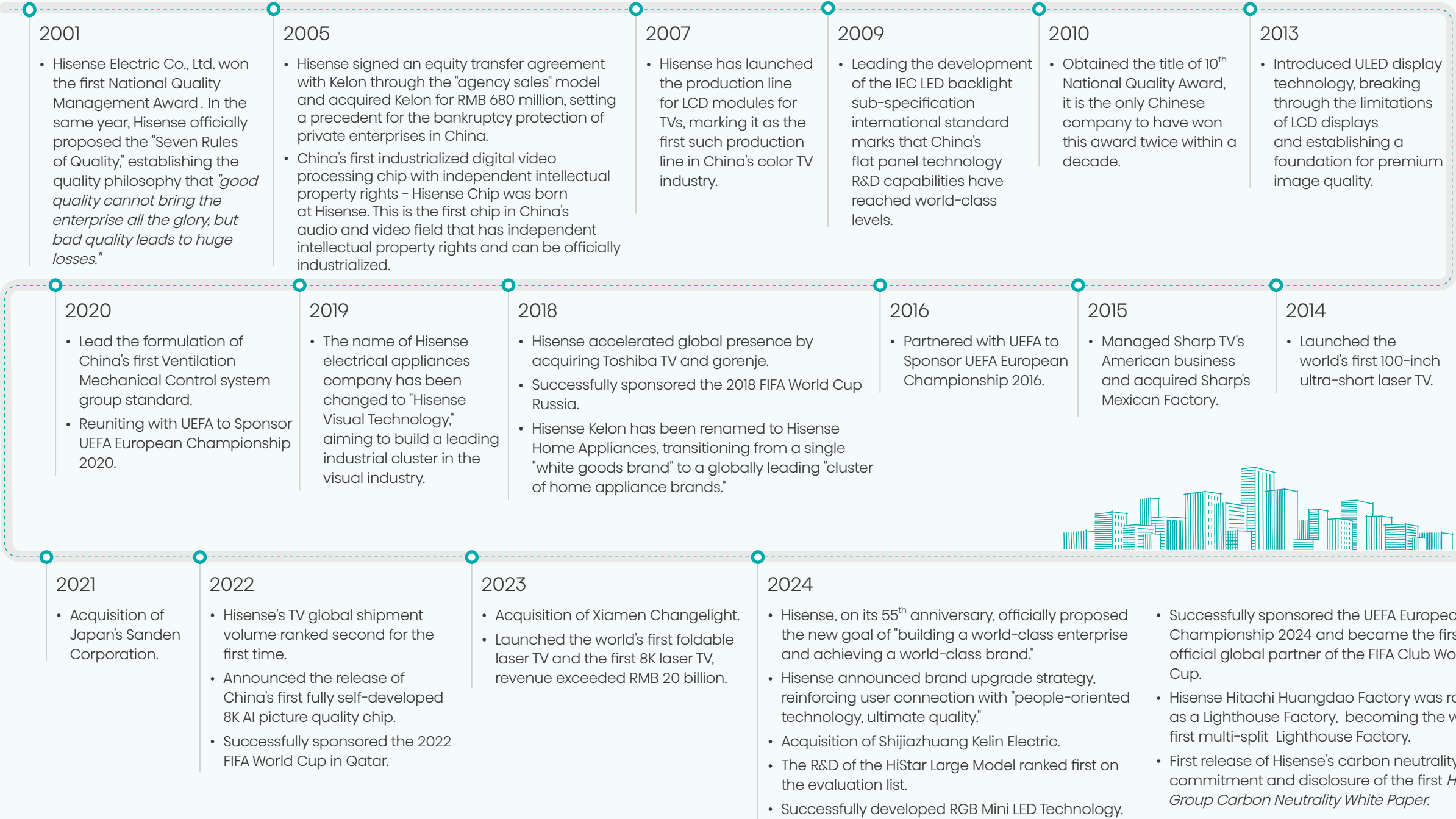
1997

- Hisense's core television industry assets have been spun off and listed on the Shanghai Stock Exchange, thereby transforming Hisense Electric into a public company.
- China's first generation of inverter air conditioners was born at Hisense.

2000 - Present

Industry Enhancement and Comprehensive Internationalization

Transforming the product line towards high-end, extending the industrial chain to high technology, shifting the industrial structure to high-tech, and complementing the home appliance sector with the technology sector. This accelerates the progress towards becoming a world-class enterprise.



Industrial Layout

With technological innovation as its foundation, Hisense Group continues to explore the transformation and upgrading of industries. Relying on the relentless commitment to innovation-driven development and active exploration of diversified development, we have built an industrial pattern featuring coordinated development in smart life, intelligent energy, automotive electronics, and semiconductors, continuously forging dual competitive advantages in technology and market.

Smart Life

Display

Laser

Air Conditioner

Refrigerator

Washing and Care

Kitchen Appliances

Intelligent Energy

Smart Grid

Intelligent Power Generation and New Energy

Comprehensive Energy Services

Industrial Temperature Control

Automotive Electronics

Intelligent Cabin

Vehicle Thermal Management System

Automobile Air Conditioning Compressor

Automobile Air Conditioning System

Semiconductor

Optical Chip

Optical Communication Components

Video Image Processing Chip

LED Chip

Power Semiconductors

Others

Smart Building

Smart Transportation

Healthcare

Finance

Real Estate

Brand Matrix

Hisense Group Brand Matrix

Hisense

ronshen

ASKO

gorenje

KELON

HITACHI
日立 中央空调

TOSHIBA

SANDEN

YORK
VRF

Vidda

乾照
CHANGELIGHT

科林电气
KE ELECTRIC

Awards and Honors

In 2024, Hisense Group, with an open and progressive mindset, actively integrated into the industry ecosystem and engaged in deep interactions with various sectors. The Group continued to focus on brand building, product innovation, and sustainable development, winning numerous prestigious awards. These achievements have earned widespread recognition and affirmation from the market and the industry for Hisense Group’s multi-faceted practices, fully demonstrating the Group’s strong development momentum in the new era.

Brand Influence

Selected for the Top 50 Chinese Global Brands Builders List for eight consecutive years and ranked among the top **10** Chinese global brands

Selected for the 2024 Top **500** Chinese Enterprises

Ranked **1st** in the Smart Home Appliances category of the 2024 China Brand Global Trust Index of China Brand

Awarded 2024 Forbes China Globalization Brands Top **30**

Ranked **7th** in the Top 100 Enterprises of Electronic Information Competitiveness for 2024

The Group’s subsidiary Hisense Visual Technology Co., Ltd. was honored as a **National Intelligent Manufacturing Benchmarking Enterprise**, becoming the **1st** company in the black home appliances industry to receive this distinction.

The Hisense Hitachi Huangdao was recognized as a **Lighthouse Factory**, becoming the **world’s 1st** multi-split Lighthouse Factory

The Group’s subsidiary, Qingdao Hisense Commercial Display Co., Ltd., was awarded the **National Quality and Integrity Benchmarking Enterprise Certificate** by the China association for quality

The Group’s subsidiary Juhaakan Technology Co., Ltd. has been awarded the **2024 Global Unicorn Enterprise** plaque by the Global Unicorn Enterprises 500 Evaluation Committee

ESG Leadership

Selected for the 2024 Fortune China **ESG Impact List**

Awarded the **2024 Forbes China’s Best ESG Practice Employer** Honor

Hisense Home Appliances Group entered the Forbes 2024 China **ESG 50 List**

Hisense Home Appliances Group Co., Ltd. received an MSCI ESG Rating of **BBB** and a CDP Climate Change Questionnaire rating of **B**

Hisense Visual Technology Group Co., Ltd. received the Wind ESG rating of **AAA** and the CDP climate change questionnaire **B**

Gorenje was awarded the EcoVadis **Silver Medal**

Product Innovation

- Won **52** Awards at CES 2025.
- Won **1** silver award and **2** excellence awards in invention, and **2** silver awards in design at the 25th China Patent Awards.
- The **"Research and Application of Key Technologies for Ultra-High Definition Full-Color Laser Display Quality Improvement"** project under Hisense Laser Display Co., Ltd. won the first prize of quality technology award presented by China Association for Quality.
- Several of our home appliance products won the **2024 German Red Dot Award 2024 German IF Award**, and **International CMF Award** among other international industrial design awards.
- The Hisense laser TV 100L8K, the Hisense 600 vacuum suite fully integrated refrigerator, and the RonShen 506IDP dual clean Pro refrigerator won the **AWE award** granted by the China Appliance & Electronics Expo (AWE 2024).
- The AI HiStar Large Model released by Hisense ranks **1st** in the home appliance category on the C-Eval evaluation list.
- The "Indoor Microclimate Environment Intelligent and Efficient Control of Multi-Split and Ventilation Systems" by Hisense Hitachi won the First Prize of the **Science and Technology Progress Award** presented by the China National Light Industry Council.
- The Group’s subsidiaries Qingdao Hisense Broadband Multimedia Technology Co., Ltd. and Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd. were awarded the title of **Champion Enterprise in Manufacturing** by the ministry of industry and information technology.
- Five products under the brand — U7, U8, E7 PRO, PL2, and C1 —won the **2024-2025 EISA Awards**.
- The project "Key Technologies and Applications of Cloud-Edge Collaborative Large-Scale HD Video Service System for Hundreds of Millions of Users" under Juhaakan Technology Co., Ltd. won the **Science and Technology Award - First-Class Prize of Technological Progress** awarded by the Chinese Institute of Electronics.
- The ultra-high-definition display main control SOC chip HT7315, developed by Qingdao Hi-image Technologies Co., Ltd., won the **Strong Chip China 2024 New Star Product Award**.

Sustainable Development Management

Hisense Group has always regarded sustainable development as a crucial component of its corporate strategy, continuously strengthening management foundations and improving the ESG management system that integrates strategic guidance, mechanism assurance, and practical collaboration. By refining top-level design, enhancing stakeholder communication, and conducting Double Materiality assessments, we continuously improve our sustainable development management level, thereby enhancing our comprehensive competitiveness in the global market.

Hisense's commitment to sustainable development

|| We always adhere to the principle of “technology for good, business for good,” interpreting ESG concepts with a long-term perspective. We commit to achieving carbon peaking in our operations no later than 2026 and carbon neutrality in our operations no later than 2050. ||

As of now

We have been selected for the

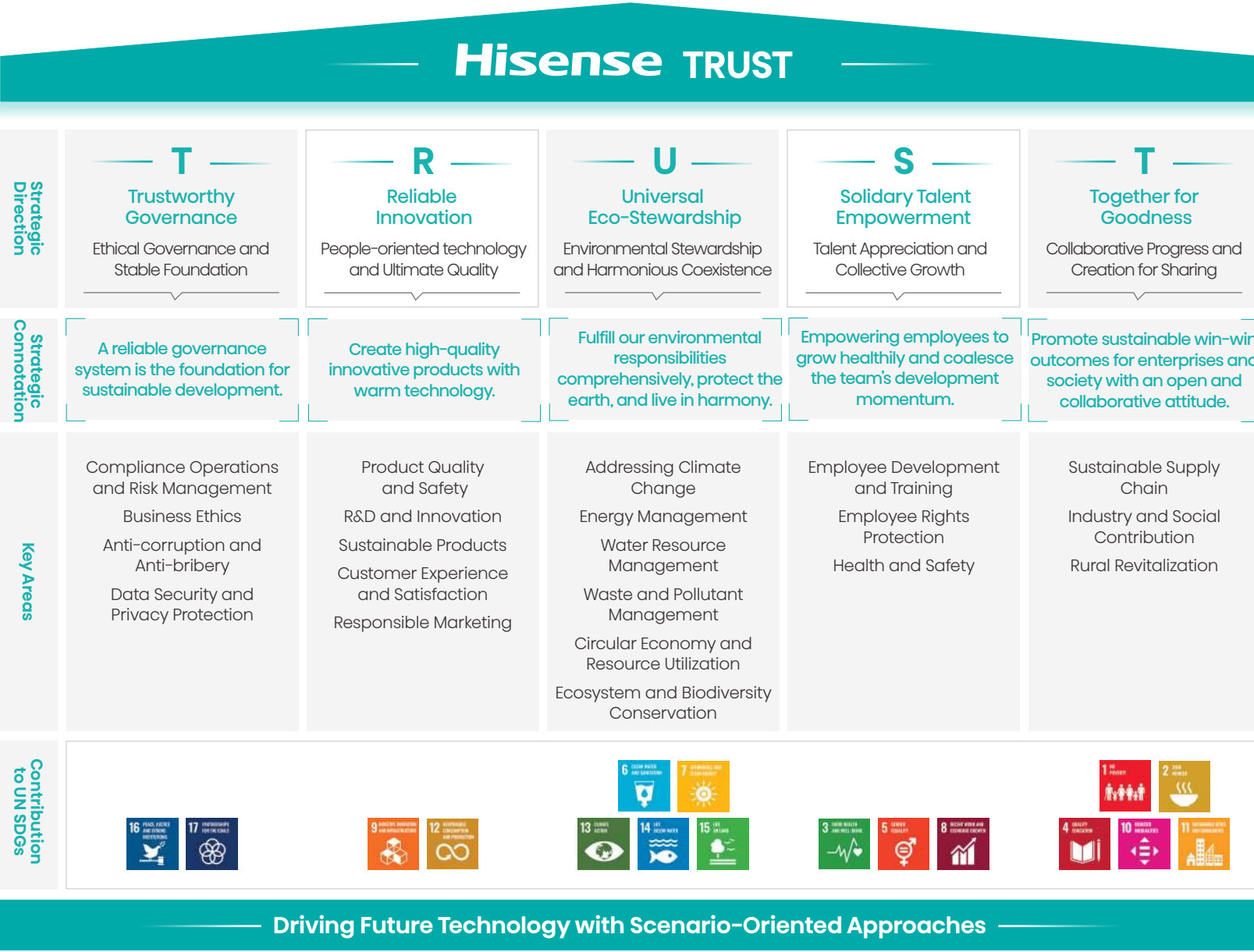
Fortune China ESG Impact List

four times



Top-level Design for Sustainable Development

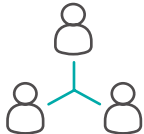
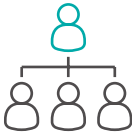
Hisense Group upholds the vision of “to be a century-old company, and to become the most reliable brand in the world,” aligning with the United Nations Sustainable Development Goals. By integrating our business positioning and industry responsibilities, we have established the “Hisense TRUST” sustainable development strategy model, contributing to a smarter, more diverse, ecological, inclusive, and green future.



Sustainable Development Management Strategy

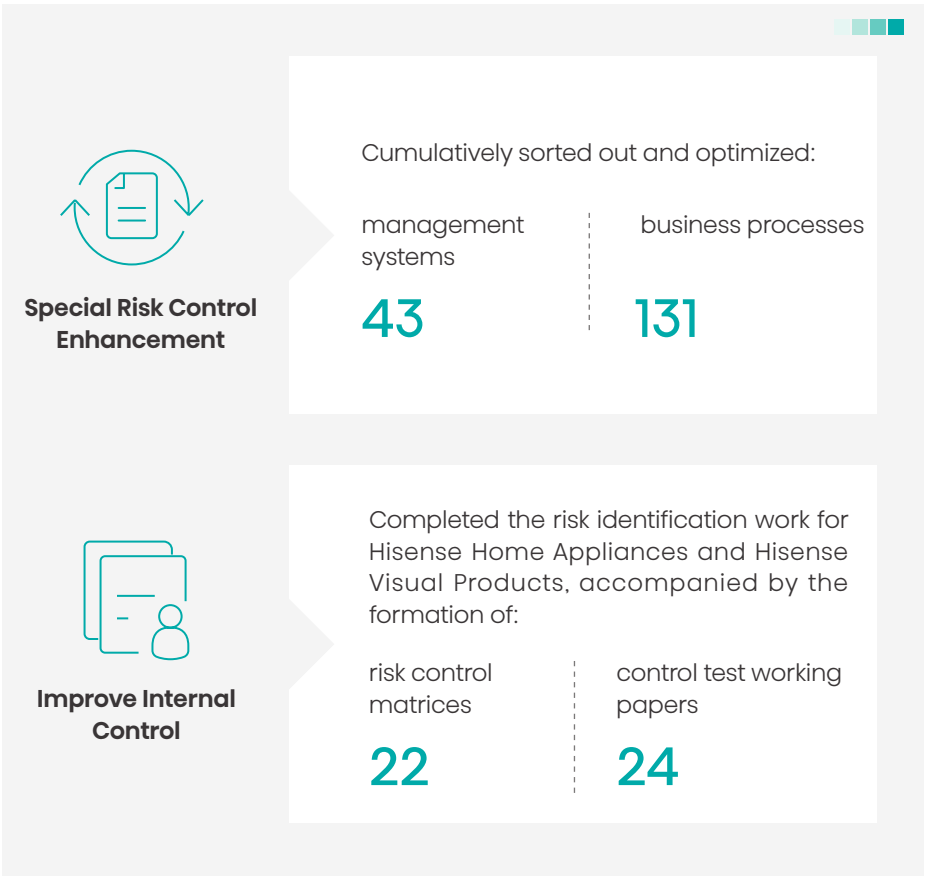
To support the implementation of the top-level design for sustainable development and enhance governance capabilities and execution efficiency, we continuously improve the three-tier management structure of “decision-making level – management level – execution level.” Based on the “Rules for the Operation of the Board of Directors’ Specialized Committees of Hisense Group Holdings Co., Ltd.,” we clarify responsibilities, strengthen coordination and collaboration, ensure the orderly and efficient advancement of the ESG strategy.

ESG management framework

Hierarchy	Communication Mechanism	Main Responsibilities
Decision-making level	 Board of Directors At least one meeting is held annually.	- As the highest decision-making body for ESG, it coordinates the supervision of making of strategy, policy, targets, systems, and formulation of annual plans; - Review and oversee the process of ESG-related risks, opportunities, and implementation of response measures; - Guide major direction in sustainable development, promoting the integration of strategy and operational policies; - Review ESG information disclosure and other important matters.
Management level	 ESG Committee Convene meetings as necessary and report to the Board of Directors on a regular basis.	- Under the authorization of the Board of Directors, promote the integrated advancement of ESG governance, and formulate strategies and annual work plans; - Review key issues, identify and address ESG-related risks and opportunities; - Coordinating resources and costs to promote the implementation of work; - Organize information collection and disclosure to ensure the content is true and compliant.
Execution level	 All functional and business departments Each department works in division and collaboration, reporting to the ESG Committee on an irregular basis.	- Implement the Group’s ESG strategy, policies, systems, and annual tasks; - Promoting ESG performance evaluation, auditing, and closed-loop management; - Strengthen stakeholder issue response and promote best practices.

Hisense incorporates ESG risk management into its compliance and risk control system¹. By means of system identification and dynamic evaluation, the strategies for response are adjusted in a timely manner, promoting ESG risk management across all levels and business processes of the Group, continuously enhancing the organization’s ability to predict risks and operational resilience.

In 2024, to enhance the systematic and forward-looking nature of ESG risk identification, we developed a comprehensive risk landscape covering 5 primary risk categories, 35 secondary risk categories, and 137 tertiary risk categories. We focused particularly on key areas such as sales and supply chain, and integrated risk factors into our strategic and operational decision-making processes. Additionally, through multiple risk control projects, we optimized management systems and key processes, strengthening the ESG risk identification and control capabilities of our key subsidiaries, thereby supporting improvements in our ESG rating performance.



¹For the overall risk management system, please refer to the “Strengthening Internal Control” section.

Stakeholder Communication

Communication is the key link in building long-term trust and sustainable value. Hisense Group maintains regular communication with core stakeholders through diverse channels, actively listening to and responding to their concerns. We integrate such feedback into strategic and operational practices, continuously enhancing recognition and trust from all parties to co-create sustainable value.

We systematically analyze the key concerns and their impact levels of different groups in environmental, social, and governance aspects, clarify priority issues, and provide a basis for the Group's issue identification and management work.

Stakeholders	Expectations and Demands		Communication Methods		Response Format	
 Government and regulatory authorities	- Compliance operation - Pay taxes according to law - Economic contribution	- Anti-corruption - Product liability	- Supervision and inspection - Conference communication	Work report	- Respond to national development strategies - Operating in compliance with laws and regulations	- Multiple measures to achieve performance growth - Pay taxes according to law
 Shareholders/Creditors	- Corporate governance - Compliance operations - Risk management	- Shareholders' equity - Information disclosure - Business ethics	- Annual general meeting - Disclosure of ESG reports and other information - On-site investigation	- Teleconference - Investor relations website	- Prudent and compliant operations - Dynamic risk management - Achieve performance growth	- Multi-channel dynamic communication - Focus on rewarding investors
 Employees	- Rights protection - Compensation and benefits - Equal employment - Employee training and development	- Employee safety and health - Employee care	- Staff Congress - Internal communication platform - Employee satisfaction survey	- Performance evaluation - Union	- Implementing fair employment policies - Improving remuneration incentive mechanism - Conducting diverse training	- A healthy working environment - Considerate humanistic care
 Customers/Consumers	- Product liability management - Customer experience and satisfaction - Product R&D and innovation	- Customer privacy protection - Responsible marketing	- Customer satisfaction survey - Complaint and suggestion hotline	- Social media platforms - Customer follow-up	- Focus on the quality of products and services - Practicing responsible Marketing - Customer service hotline	- Survey questionnaire - Multi-channel information interaction
 Suppliers	- Honest performance of contracts - Sustainable procurement - Product quality and safety	- Business ethics - Intellectual property protection	- Online supplier platform - Supplier training - Supplier meeting communication	- On-site investigation - Exhibition	- Smooth communication channels - Good cooperative relationship - Strictly enforce the cooperation agreement	- Conduct due diligence - Provide training support
 Partners	- Collaboration for win-win - Industry development	- Honest performance of contracts - Risk prevention and control	- Strategic cooperation - Industry communication	On-site inspection	- Diligently fulfill the contract - Enhance operational risk management	- Strengthen strategic cooperation - Industry standard development
 Community and Public	- Rural revitalization - Educational support - Philanthropy	- Environmental protection - Community development - Promote employment	- Public welfare activities - Community activities	- Media communication - Public consultation	- Supporting education - Conducting volunteer activities - Provide employment opportunities locally	- Rush to support disaster relief - Targeted assistance - Enhancing overseas responsibilities
 Media	- Product liability - ESG performance	- Employee rights protection - Operating performance	- Press Conference - Social media platforms	- Public sentiment monitoring - On-site interview	- Actively carry out news reporting and publicity - Actively participate in the thematic forum	Facilitate communication channels between the public and the media
 Industry Associations and Social Organizations	- Scientific research and innovation - Talent cultivation	Good public relations	- Industry Events and cooperation - Public welfare activities	- Special meeting - Phone & email	Support NGO activities	Enhance communication and cooperation with industry organizations

Double Materiality Assessment

To more scientifically and proactively identify key issues of sustainable development, Hisense Group has followed the principle of “double materiality” for the first time, identifying and analyzing the materiality of sustainability-related issues from two dimensions: “impact materiality” and “financial materiality.” This strengthens the role of issue management in supporting strategy and operations.

Double Materiality Assessment Process



● The Risks and Opportunities of Materiality Issues in Finance

The materiality assessment identified core issues of extremely high financial materiality, including addressing Climate Change, Product Quality and Safety, R&D and Innovation, and Sustainable Supply Chain. The risk and opportunity analysis for financial material issues is detailed in the table below ¹:

Issue	Definition	Impact Cycle ²	Risk	Opportunity
 Product Quality and Safety	The management measures and control methods taken to ensure the safety and quality of products and services.	Short-term  Mid-term  Long-term 	Quality Risk: Failure to meet product quality standards may lead to customer complaints, returns, or recalls, increasing after-sales costs, potential liability for compensation, and regulatory fines, which can affect profitability and corporate reputation. Safety Risks: Potential safety hazards in the product may lead to accidents and legal litigation, damaging brand trust and resulting in long-term market share loss.	Brand Value Enhancement: Continuously providing high-quality, safe, and reliable products helps to enhance the brand image and increase customer satisfaction and loyalty. Market Expansion: In sectors such as displays, home appliances, and healthcare, high-quality products can help gain access to premium markets, accelerate the pace of global business expansion, and optimize revenue structure.
 R&D and Innovation	Through R&D and innovation, promote the capability building for continuous optimization of products, services, processes, and business models.	Mid-term  Long-term 	Technical Risks: The uncertainty of technological breakthroughs is high. Failure in R&D or failure to meet expected goals can lead to substantial upfront investments being difficult to recoup, impacting financial performance. Market Risk: Innovative products face market uncertainties. If they fail to meet customer needs or gain market recognition, it will affect the expected sales returns and investment payback period. Financial Risk: High-intensity innovation investments may lead to phased financial burdens, affecting cash flow and the funding allocation efficiency for other key business operations.	Building a Technical Moat: Continuous innovation helps to enhance product value-added. The Group has established a global collaborative R&D system, building technical barriers and strengthening the company's overall competitive advantage. New Market Penetration: Innovation can expand into new business areas, broadening the scope of Hisense Smart Life, Hisense Intelligent Energy, semiconductors, and automotive electronics, achieving diversified revenue streams. Resource Efficiency Improvement: By enhancing extreme energy efficiency, transitioning to clean energy, and achieving digital transformation of energy and carbon, operational efficiency is improved, resources are saved, and cost structures are optimized.
 Sustainable Supply Chain	Incorporating sustainable management measures in supply chain activities such as raw material procurement, production outsourcing, and logistics transportation.	Short-term  Mid-term 	Compliance and Reputation Risk: If supply chain partners violate regulations or ESG standards, it will affect the Group's image and compliance stability. Operational Stability Risk: Fluctuations in material costs or supply disruptions may impact production efficiency and delivery schedules, leading to cost pressures and order risks. Cost Pressure: The initial extra investment required for promoting green procurement, traceability tracking, and supply chain transparency management leads to short-term profit decline, impacting financial performance. Quality Risk: The complexity of the supply chain increases the difficulty of product quality control, and quality issues can easily lead to economic losses such as recalls, repairs, and claims.	Transparency and Compliance: The Group has established a digital supply chain management platform to promote full-chain visibility and compliance monitoring, enhancing customer and investor trust. Supply Chain optimization / Long-term Financial Opportunities: Utilize digital systems to empower the supply chain management platform, effectively ensuring the quality and stability of material supply, reducing long-term procurement costs, and mitigating macroeconomic fluctuation risks. Collaboration and Value Enhancement: Establishing strategic partnerships with suppliers, collaborating with strategic suppliers to set emission reduction targets, deepening supplier capability building, and promoting win-win outcomes across the value chain.

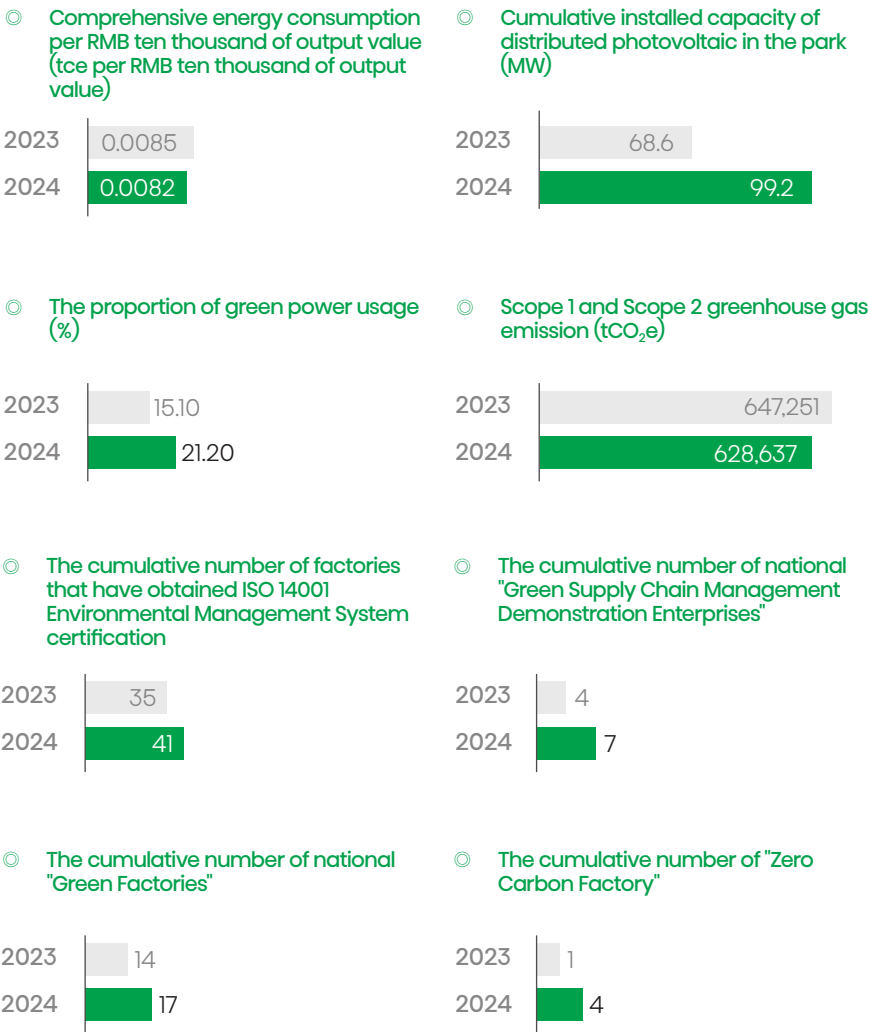
¹For an analysis of the risks and opportunities related to the topic of addressing climate change, please refer to the "Addressing Climate Change" section.

²Time dimension: Short-term is 2025, medium-term is 2025-2030, and long-term is 2030-2050.

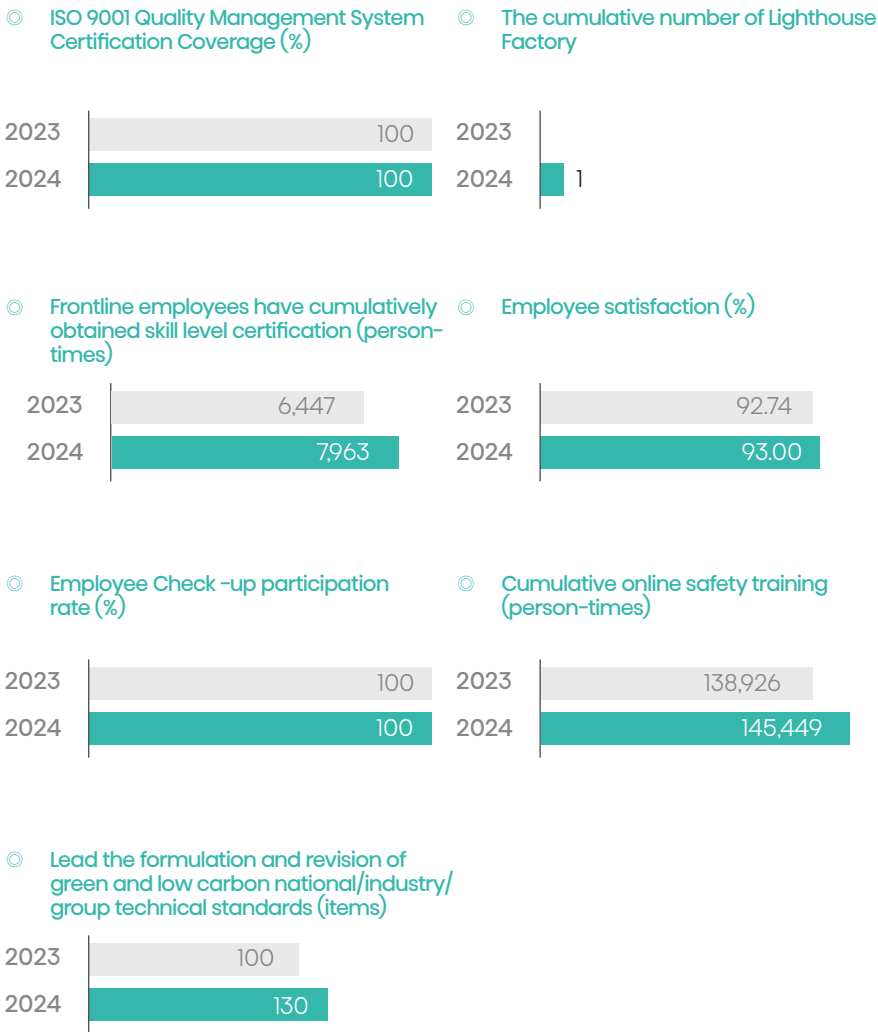
Key ESG Performance



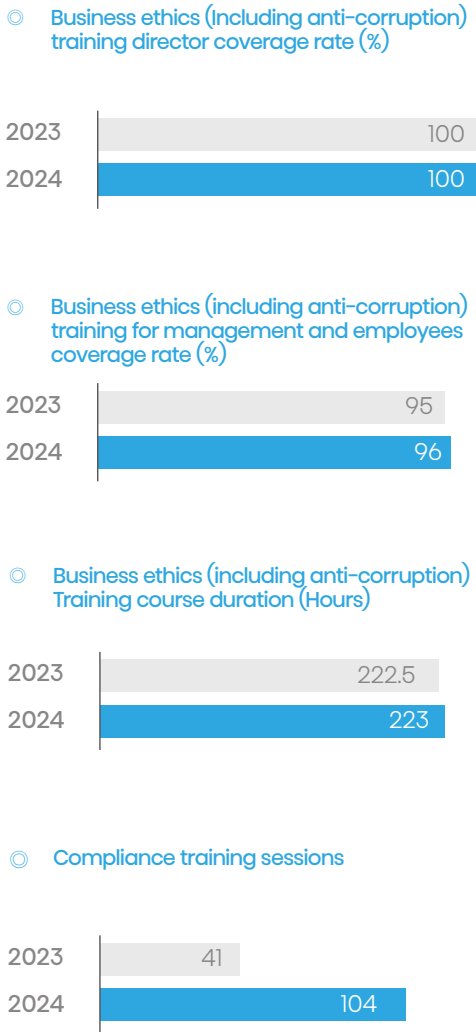
Environment



Society



Governance



01

Ethical Governance and Stable Foundation

Hisense Group has always adhered to the value concept of "integrity," continuously improving its governance structure to support the orderly advancement of our global strategy. We integrate compliance in operations, business ethics, and digital capabilities to enhance our risk prevention capabilities and management resilience. Focusing on information security and data protection, we continuously strengthen institutional guarantees and technical support to solidify the foundation for steady operations. Through systematic governance improvements, the Group continues to advance in transparency, responsibility, and sustainable development capabilities, creating more stable and long-term value for all stakeholders.

The main issues addressed in this chapter

- Compliance Operations and Risk Management
- Business Ethics
- Anti-Corruption and Anti-Bribery
- Data Security and Privacy Protection

The main highlights of this chapter

- Focusing on "Local for Local," we aim to establish a "7+1" global regional center to promote in-depth localization of R&D, production, and sales.
- Obtaining the GB/T 35770-2022 / ISO 37301 Compliance Management System certification conveys a higher level of business trust to the outside world.
- Promoting the digital transformation of Hisense, releasing four strategic guidance documents: the *White Paper on Digital Transformation*, the *White Paper on User Operations*, the *White Paper on Data Management* and the *White Paper on Process Architecture*, to create the world's first multi-split Lighthouse Factory.



Key Objectives and Progress

Issue	Improvement Path	Indicator	Objective	2024 Performance	Completion Status
 Compliance and Risk Management	By improving the compliance management system, perfecting the internal control mechanism, enhancing risk prevention and control capabilities, deepening compliance culture construction, and continuously upgrading organizational governance levels and risk response capabilities.	Compliance Management System Certification	Certified with GB/T 35770-2022/ISO 37301 Compliance Management System	Passed	
		Compliance Training Coverage Rate	100%	100%	
		Compliance Commitment Letter Coverage Rate for the Group and its Subsidiaries	100%	100%	
		Compliance Review Coverage for Business Activities	100%	100%	
		Achieving the Acceptance Coverage for Non-compliance Improvement and Compliance Risk Rectification Work	100%	100%	
		Employee Compliance Commitment Letter Coverage Rate	100%	100%	
 Business Ethics	By improving the system of rules, establishing a routine management mechanism for the entire process, ensuring smooth channels for reporting, strengthening supervision and disciplinary actions along with accountability, we aim to foster a clean and business-friendly environment.	Business ethics training director coverage rate	100%	100%	
 Data Security and Privacy Protection	By benchmarking against the ISO 27001 Information Security Management System, we continuously improve our information security protection mechanisms and data security and privacy protection management system.	Privacy Information Management System Certification	Certified with ISO 27701 Privacy Information Management System	Approved	

Annotation:  Completed  Continuously advancing

Promoting Global Development

Hisense is a representative of the first batch of home appliance enterprises to go global. As early as 1996, we established a company in South Africa and built our first overseas production base. In 2006, Hisense officially established the internationalization strategy of “the majority of Hisense’s future development will be overseas” and made significant investments in the development of its own brand overseas.

Based on years of steady layout and in-depth development, Hisense Group has initially established a “7+1” global regional center for integrated R&D, production, and sales, transitioning from “China managing the world” to “the world managing the world.” Through key measures such as cross-border acquisitions, localization operations, and overseas base construction, Hisense’s overseas revenue from self-owned brands, which accounted for less than 10% in 2016, had risen to over 85% by 2024. In 2024, Hisense Group’s operating revenue was RMB 215.3 billion, with overseas revenue reaching RMB 99.6 billion—accounting for 46.3% of total revenue—and has ranked among China’s top 10 global brands for eight consecutive years.

Global Strategic Layout

Currently, Hisense Group has set up 36 industrial parks and production bases globally, located in Qingdao, Shunde, Jiangmen, Slovenia, South Africa, Mexico, and other places. We own 30 R&D institutions, including those in Qingdao, Shenzhen, the United States, and Germany, and have established 64 overseas companies and offices worldwide. The global development system is becoming increasingly mature.



Globalization Process

1988 – 2007

Preliminary Exploration Stage – Starting with OEM Business

The Group started its import and export business in 1988 and first officially participated in the China Import and Export Fair (Canton Fair) in 1993, beginning to explore international markets. We established the strategic guideline of “prioritizing the development of overseas markets,” expanding channel resources through OEM business, accumulating operational experience, and simultaneously promoting the development of Hisense’s own brand in key markets.

01

2013 – 2016

Promote the localization of production, marketing, and innovation to accelerate brand growth

To better meet local needs, the Group laid out R&D centers and manufacturing bases globally, encouraging designers and development personnel to delve into overseas markets, enhancing product quality and technology levels, promoting the localization of production, services, and response mechanisms, and further optimizing user experience.

03

02

2008 – 2012

Improve the overseas marketing system and build the Hisense brand

As the Group’s presence matures in markets such as South Africa, Australia, Europe, and North America, we successively established branches in Germany, the U.K., Italy, Spain, Canada, Mexico, Japan, and Dubai, gradually building a comprehensive overseas marketing system to achieve local market operation.

2020 to present

Striding into the Ranks of Global Top Enterprises

The Group continues to increase its investment in internationalization, becoming the official partner of the UEFA European Championship, FIFA World Cup, and Paris Saint-Germain, continuously consolidating its position in the global market, and steadily advancing towards the goal of “building a world-class enterprise.”

05

04

2017 – 2019

Comprehensive category operations, deepening sports marketing strategy

Since 2016, the Group has successively become the official partner of international top football events and the esports team Fnatic, continuously enhancing its brand influence. In 2018, the Group completed the acquisition of TVS and gorenje, forming a multi-brand operation landscape overseas.

Deepening of Industrial Layout

Hisense Group accelerates the deep localization of R&D, production, and sales

United Arab Emirates

Hisense Dubai Air Conditioning R&D Center has been upgraded to a full-category R&D center which covers televisions, refrigerators, washing machines and air conditioners. It is the first comprehensive R&D center established by Hisense in the Middle East and Africa region.

Brazil

Hisense Group achieved localized production of TV and air conditioning products in the first half of 2024. We plan to establish R&D centers, quality analysis centers, and training centers in Brazil, and to further expand local manufacturing.

ASEAN Region

Hisense Group established the ASEAN R&D Center, with the TV Vietnam Factory and White Goods Thailand Factory projects progressing steadily.

Morocco

Hisense Group’s Sanden Corporation is actively expanding its manufacturing network in the port city of Tangier, Morocco. It dedicates to providing thermal system solutions for new energy vehicles and conventional gasoline vehicles.

Nigeria, Angola, Algeria, and other countries

Hisense Group is cooperating with local customers to build or is in the process of building multiple production lines, strengthening regional production capabilities.

Integration of Global Resources

The Group continues to integrate global resources, with the core aim of enhancing operational efficiency and user experience, gradually building a multi-level, cross-regional collaborative development system to support the steady expansion of business globally.



Field of Technological Innovation

We have established 30 R&D institutions worldwide, responsible for cutting-edge technology development, standard system construction, internal and external exchanges and cooperation, talent cultivation, and other key tasks. These efforts promote the integrated collaboration of global R&D resources, ensuring that excellent products reach the global terminal user market, achieving precise alignment between products and market demands. In 2024, Hisense's overseas revenue accounted for 46.3%, with self-owned brand income exceeding 85%.

User Interaction and Service Domain

We integrate over 200 product and R&D teams from China, the Netherlands, Japan, the United States, and Slovenia through our overseas user interaction platform ConnectLife, based on the "Local for Local" concept, to provide localized and intelligent services to global users. This platform integrates smart control, after-sales service, remote diagnosis, home repair, and the purchase of consumables and ingredients, among other multifunctional features, now covering 196 countries and regions, supporting 47 languages. Through in-depth cooperation with international leading technology partners such as AWS, Google Home, Microsoft, and Infineon, ConnectLife continuously upgrades user experience, reinforcing the image of "one Hisense" for global service integration.

The Field of Supply Chain System Construction

Since 2024, we have accelerated the development of three major regional operational centers in North America, ASEAN, and Europe, promoting unified standards and resource sharing to build a resilient global procurement resource pool. Leveraging digital platforms, we have established a procurement mechanism of "local certification, global recognition," continuously enhancing the procurement capabilities and resource allocation efficiency of our overseas locations. By May 2025, the local procurement capability in the ASEAN region had increased by 26% compared to the end of 2024, providing strong support for the stable operation and cost optimization of our global business.



Global Community Building

During its international expansion, Hisense has developed a philosophy — “Local for Local,” which means “serving the local community.” We firmly implement a localization development strategy, integrating into each location, serving the area and contributing to the area we enter, and forming mutually beneficial and sustainable development relationships. This also infuses the core concept of “responsible philanthropy” into the “Hisense global community building,” demonstrating the company’s commitment.

Promote Employment

Promote Local Employment in Mexico

Hisense has established long-term and stable talent cooperation relationships with several well-known local universities, regularly introducing college students to intern at the factory each year. This cultivates local engineering talent and supports the localization of factory operations, effectively promoting local employment and industrial chain collaboration. In 2024, Hisense’s Mexico Factory created over 6,000 direct job opportunities for the local area.

Educational Support

Portugal’s “Painting Dream” Project

Hisense Portugal partnered with Helpeo to launch the “Painting Dream” project, which aims to provide products that meet the basic needs of a toy library for teenagers aged 10-16 in the region and organize team-building activities to decorate the walls of the toy library. The project is designed to empower local youth education.

Equality and Inclusion

Pay attention to vulnerable groups in Hungary

Hisense Hungary United Football Club collaborated with public welfare organizations to host the Barrier-Free Champions Cup in 2024, providing viewing convenience for people with autism, visual impairments, and mobility issues, and promoting social inclusion through sports events. Additionally, Hisense Hungary donated air conditioners to the Fellegajtó Nyitogatók Foundation for use in facilities housing disabled children, improving their living environment.

Empowerment through Sports

Indonesian CSR Football School Project

Hisense Indonesia launched a football charity program in 2024. It provided training support to 60 primary and secondary school football teams across the country, helped young people achieve their football dreams, and invigorated communities with the spirit of sports.

Helping Children from 22 Countries Worldwide to “Fulfill Their Dreams” at the UEFA European Championship

During the UEFA European Championship 2024, Hisense jointly launched the “Believe Every Child is a Champion” public welfare activity with the UEFA Foundation, using interactive robots to enable hospitalized children from 22 countries and regions around the world to have real-time video calls with football stars and deeply participate in match interactions. The activity covered 4 stadiums and 23 matches, breaking spatial barriers through technological means to create precious experiences for children undergoing long-term treatment.



A Bridge of Technology and Culture

Hisense South Africa Cultural Museum Opens

Hisense has established a cultural museum in Cape Town, South Africa, focusing on the evolution of display technology and smart home appliances since the 1960s. The project, a collaboration between Hisense South Africa and the Western Cape Provincial Government, integrates technological exhibitions, digital art, and interactive experiences. This provides a platform for local youth to learn coding, animation, and other technical skills, and allows them to experience the mysteries of technology through interactive experiences.



Hisense South Africa Cultural Museum Opens

Environmental Practices

Italian Electronic Waste Management

Hisense Italy joined the Erion multi-consortium system, which is designed to manage waste related to electronics in an ecologically sustainable manner, as envisaged by Legislative Decree No. 49/2014 on waste electrical and electronic equipment (WEEE) and Legislative Decree No. 188/2008 on waste batteries and accumulators. Hisense’s participation demonstrates a concrete commitment to environmental protection.

Japan’s Blueflag Beach Environmental Protection International Certification Program

Hisense Japan has launched the Blueflag international beach environmental protection certification campaign to support public welfare organizations. It organized company employees to participate in local beach cleaning and other environmental education activities, contributing to maintaining the Blueflag certification locally.



Blueflag Beach Environmental Protection Activity

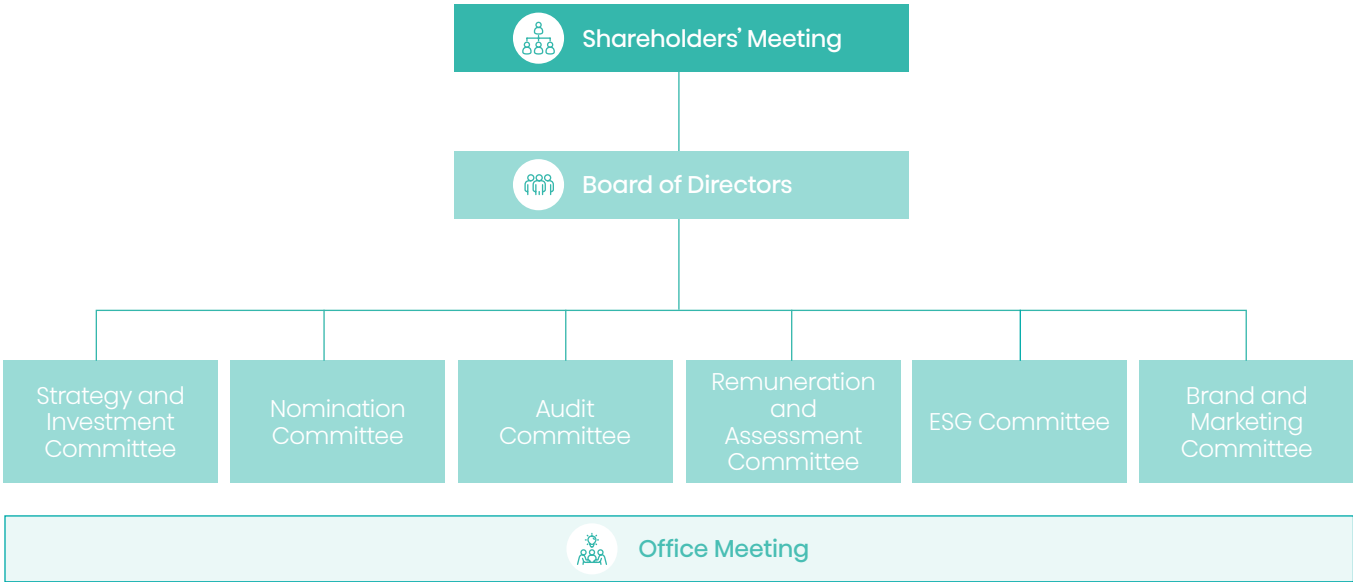
Strengthening Corporate Governance

Hisense Group has always adhered to the principles of compliance, stability, and efficient operations, continuously improving its governance structure to solidify the institutional foundation for corporate development. By enhancing the diversity and independence of the Board of Directors, integrating ESG factors into the strategic evaluation system, and implementing ESG responsibilities at the senior management level, the Group constantly strengthens its governance foundation, effectively safeguarding the rights and interests of all parties, providing strong support for high-quality development and long-term value creation.

Organizational Structure

Hisense Group strictly adheres to the *Company Law of the People's Republic of China* and other relevant laws and regulations. We are continuously improving our governance structure and internal control system to promote the formation of a governance mechanism that is clearly defined in responsibilities and operates efficiently and coordinately. Currently, the Board of Directors consists of 9 directors, including 3 independent directors, to ensure professionalism and independence of decision-making.

© Hisense Group Governance Structure



Diversity and Professionalism

We continuously promote the diversification of the Board of Directors, aiming to build a governance team with broad perspectives and deep expertise. In the process of nominating directors, the Group comprehensively considers multiple dimensions of candidates, including gender, age, cultural and educational background, professional capabilities, work experience, and length of service. The current directors have extensive experience in finance, investment, enterprise management, risk control, strategic planning, and other fields, possessing the professional knowledge and practical experience required for their roles, which can provide strong support for the formulation of Group strategies and high-quality development. Currently, the proportion of female executives reaches 33.3%, playing significant roles in various core business areas, becoming an important force driving the Group's innovation and inclusive development.

To ensure the independence and fairness of the Board of Directors' decisions, there are 3 independent directors on the Board, in compliance with regulatory requirements regarding external appointments. All independent non-executive directors do not hold positions in related parties of the company, enabling them to provide professional opinions on major issues through independent investigations and meeting mechanisms, effectively ensuring the objectivity and independence of the Board's decisions. The Group has also established clear allowance standards, providing institutional guarantees for the performance of duties by independent directors, enhancing the professionalism and authority of the governance system.

Incentive Mechanism

Hisense Group adheres to a lawful, compliant, and transparent compensation decision-making mechanism. To enhance governance efficiency, we establish a mechanism for sharing interests and risks among shareholders, management, and core technical (business) backbone personnel, thereby strengthening the balance between incentives and constraints.

To effectively implement ESG responsibilities in our operations and management, we have established clear negative event constraints in the executive annual salary assessment system: if a subsidiary experiences major safety accidents, batch quality issues, compliance breaches, acts of corruption, or information leaks, the Group will correspondingly reduce the organizational performance score and revoke the eligibility for operating bonuses for relevant executives. At the same time, the Group strictly enforces the annual salary audit system, with some of the operating bonuses being paid out after the audit is completed in the following year, and any overpaid amounts will be reclaimed based on the audit results, ensuring that the incentive mechanism is prudent, stable, and responsibility is clearly defined.



Advancing the Foundation of Compliance

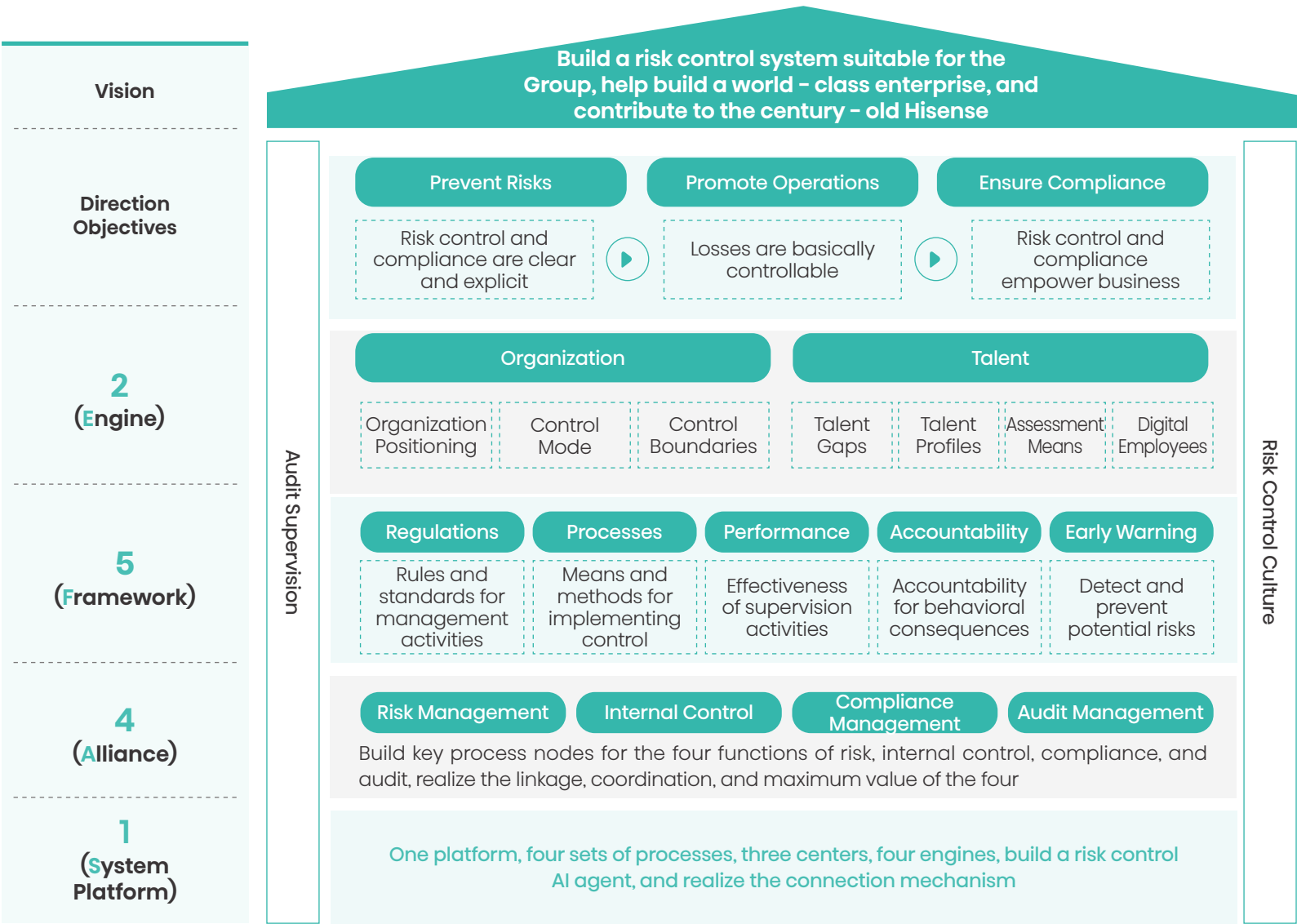
In the context of the complex and ever-changing international situation and increasingly stringent regulatory policies, Hisense Group continuously improves its risk control and compliance management system, optimizes internal control mechanisms, and strengthens risk prevention capabilities. We deepen the culture of compliance and continuously enhance organizational governance efficiency and risk resistance capabilities, ensuring stable operations and long-term value creation in the process of diversified layout and global development.

Risk Control and Compliance Blueprint

Hisense Group continues to advance the construction of a comprehensive and systematic risk management capability, building an integrated “Four-in-One” risk control and compliance management system supported by organization, systems, processes, and digitalization. We have completed four top-level designs including the *Risk Control Management Blueprint and Plan* and the *Risk Control Management Organization Construction Plan*, forming a “Hi-SAFE” risk control and compliance blueprint that aligns with strategic development. Focusing on key business stages such as IPD, planning and ordering, procurement, manufacturing, logistics, LTC, retail, and services, we have formulated and released the *Internal Control and Compliance Manual*, achieving “Pre-embedded Points” in processes and forward-looking risk warnings, continuously enhancing the system and foresight of risk management.



Hisense “Hi-SAFE” Risk Control and Compliance Blueprint



Improving Compliance Management

Hisense Group adheres to the philosophy of "Compliance Operation, Integrity Development," continuously improving its system and process construction. We build a compliance management mechanism that integrates into corporate culture and aligns with the actual situation of the Group. By strengthening the compliance awareness of all employees, standardizing work processes, and optimizing operational mechanisms, we continuously enhance our legal governance and risk prevention capabilities, providing institutional guarantees and compliance support for achieving sustainable development and the Group's vision.

Compliance Management Organizational Structure

Hisense Group continuously builds a compliance management organizational system at the governance, management, and execution levels. We have established the Board of Directors as the compliance governance body, appointed a Chief Compliance Officer as the person in charge of compliance work, designated the Legal Department as the compliance work institution, and equipped full-time and part-time compliance personnel in various departments and subsidiaries within the Group. On this basis, we have clarified the primary responsibilities of each business and functional department, the leading responsibility of the Compliance Department, and the supervisory responsibility of the disciplinary inspection, supervision, and Audit Department, strengthening the "Three Lines of Defense" for compliance management to solidify the foundation of compliance management.



Compliance Management Mechanism Guarantee

In terms of system construction, Hisense Group has adopted a risk prevention and control-oriented approach, successively formulating over ten compliance management systems, including the *Group Compliance Management Measures* and the *Hisense Group Overseas Operation Compliance Guidance Manual*, which comprehensively cover all compliance management activities of the Group. Focusing on business operations, the Group has formulated more than twenty key area compliance management systems, such as the *Domestic Anti-monopoly Compliance Management Measures*, *Overseas Anti-monopoly Compliance Management Measures*, and *Overseas Anti-corruption Work Management Measures*, effectively covering the main compliance risk areas involved in the Group's operations. To support these management systems, the Group has issued multiple business compliance guidelines to ensure that compliance management systems can be effectively implemented.

Hisense Group has established a series of compliance risk management mechanisms, including sorting out compliance obligations, compliance review, compliance inspection, compliance investigation, compliance risk assessment, and compliance rectification, to effectively manage various compliance risks encountered during operations. These mechanisms address the pre-event, during-event, and post-event stages by dynamically identifying risks, promptly warning and alerting, and advancing risk control work. Additionally, compliance control points are set up in business management activities to achieve comprehensive compliance risk management throughout the entire process.

In terms of operational support, Hisense Group ensures the effective operation of various compliance management mechanisms through multiple channels, ensuring that the Group's compliance management work meets the requirements of the ISO 37301 Compliance Management System. This includes organizing annual internal compliance audits and compliance management reviews, accepting external compliance audits, setting compliance targets, integrating compliance management into performance evaluations, conducting compliance performance assessments, and establishing compliance reporting mechanisms.

Compliance System Certification

In 2024, Hisense Group officially obtained the GB/T 35770-2022/ISO 37301 Compliance Management System certification, covering seven areas including corporate governance, labor employment, environmental protection, anti-corruption and anti-fraud, trade compliance, customs compliance, and anti-monopoly. The certification marks that Hisense has passed the international standard inspection in the field of compliance management, and its compliance management system has further matured.



2024

Compliance training coverage

100%

Compliance Commitment Letter Coverage Rate for the Group and its Subsidiaries

100%

Compliance Review Coverage for Business Activities 100% Achieving the

Acceptance Coverage for Non-compliance Improvement and Compliance Risk

Rectification Work 100%

Enhancing Risk Management

The Group refines the requirements for internal control work according to the principles of centralized management, leveled implementation, and categorized advancement. We strengthen execution supervision through internal audit and inspection, continuously enhancing risk prevention capabilities, and solidifying the management foundation for safe, stable, and high-quality development.

• Compliance Risk Review

In 2024, Hisense Group completed comprehensive compliance risk inspections for 10 subsidiaries and conducted multiple specialized compliance inspections for 7 overseas companies. The inspections covered six key areas: corporate governance, data compliance, trade compliance, labor employment, strategic investment, and safety and environmental protection. At the same time, focusing on core business processes, potential issues were systematically identified, resulting in the creation of 19 pieces of *Compliance Risk Lists for Business Management Activities*. This initiative aims to promote process optimization and system improvements, enhancing daily management compliance.

To strengthen digital and intelligent compliance control, Hisense Group introduced a partner risk identification system in 2024. We adopted a reliable industry-specific compliance risk database to enable real-time screening of customer and supplier information within its business systems, thereby enhancing the automation of compliance management and enabling early risk prevention.

During the Reporting Period, the Group did not experience any significant compliance risk events. The compliance system operated smoothly, and the risk prevention capability continued to strengthen.

• Full-chain Risk Audit

Hisense Group strictly complies with laws and regulations such as the *Audit Law of the People's Republic of China*. We established a comprehensive internal audit management standard with reference to ISO 9000. Additionally, we formulated and implemented the *Basic System for Internal Audit of Hisense Group* and other relevant management norms. Guided by the work philosophy of "preventing risks, promoting development, and improving efficiency," these efforts have led to the establishment of a full-chain work mechanism of "Strategy—Execution—Rectification," which forms a complete risk management loop to drive the Group's high-quality development. We focus on the strategic theme of the Group, conducting strategic execution audits for key areas and key industries, promoting the synergy between the Group's strategy and sustainable development.

2024

➤ The **strategic audit practices** of Hisense Group have received high attention from the industry and were invited to share experiences at the China Modernization Forum and the Annual Conference of the China Association for Quality

The Audit Department has received **2** national awards, **1** provincial award, and 1 audit case has been selected for the China MPAcc Case Library

Constructing Compliance Culture

Hisense Group operates with the core concept of "Compliance Operation, Integrity Development," clearly defining "implementing comprehensive compliance and building a value-creating compliance management system" as its management policy. We have published the "Hisense Group Compliance Statement" on our official website, making a commitment to compliance at the Group level to investors, employees, customers, suppliers, regulatory bodies, and the public.

Hisense Group continues to cultivate a culture of compliance. In 2024, we organized a total of 104 special compliance training sessions, covering multiple topics including compliance management and production safety. These sessions comprehensively address the main compliance risk areas of the Group, focusing on key and challenging aspects of business execution, continuously enhancing the compliance awareness and compliance management capabilities of all Group members.

In addition, the Group organized employees at all levels to sign compliance commitment letters, achieving a coverage rate of 100%, further strengthening the awareness of compliance responsibilities among all staff.

Focusing on Tax Compliance

Hisense Group has always adhered to lawful taxation and the fulfillment of responsibilities with integrity, strictly abiding by the *Individual Income Tax Law of the People's Republic of China*, the *Value-Added Tax Law of the People's Republic of China*, and other relevant tax laws and regulations. The Group has established a tax team to oversee global tax management work, forming a systematic tax compliance and risk management system through division of responsibilities and institutional development.

In 2024, the Group further optimized tax compliance processes, refining requirements according to business scenarios, and deployed an intelligent scanning system to strengthen the identification and response to key risks such as invoice anomalies and tax-accounting differences. The digitalization and standardization levels of tax management continue to improve, with tax declarations achieving legality, compliance, and effectiveness, providing strong support for the Group's stable operations.



Adhering to Business Ethics

Hisense Group adheres to the values of "Integrity, Practicality, Innovation, Customer Focus, Sustainability." We continuously improve our system of rules and regulations, advancing the procedural, institutional, and closed-loop development of clean governance processes while establishing a full-process long-term management mechanism. Additionally, we have unblocked reporting channels, strengthened supervision and accountability, and fostered an open, transparent, and clean business environment.

Strengthening Integrity Management

We strictly abide by the *Law Against Unfair Competition of the People's Republic of China*, the *Interim Regulation on the Prohibition of Commercial Bribery*, and other relevant laws and regulations in China and our overseas operating locations, always requiring our employees and partners to adhere to the highest standards of integrity and business ethics. Focusing on integrity professional conduct and compliance with business ethics, we have systematically established a system of rules and regulations covering both employees and partners, including the *Business Activities Standard for Hisense Employees* and the *Business Activities Standard for Hisense Partners*, which cover key areas such as bribery, fraudulent behavior, conflicts of interest, fair competition, and anti-monopoly.

The Group has established a multi-level, collaborative, and efficient business ethics governance structure. This structure is led by the Board of Directors, coordinated by dedicated departments, and jointly advanced by various functional departments and subsidiaries. Such a framework ensures the effective implementation of integrity and standardized practices. The Discipline Inspection Committee works with the Audit Department, the Legal Department, and other departments to annually assess and update management systems, enhancing the systematic nature and execution power of business ethics governance.

In 2024, the Group strengthened front-end prevention and control of corruption risks by formulating the *Management Measures for the Proactive Identification Mechanism of Corruption Risks*, which clarifies high-risk areas for corruption. It guides each company to jointly conduct risk identification and rectification with disciplinary inspection and business departments, ensuring that high-risk points are covered at least once a year.

Hisense Group always requires its employees and partners to adhere to the highest standards of integrity and business ethics, focusing on integrity professional conduct and compliance with commercial ethics. We have systematically developed a set of institutional systems that cover both employees and partners, addressing key areas such as bribery, fraudulent behavior, conflicts of interest, fair competition, and anti-monopoly practices. We have also optimized critical management systems, including the *Guides on Business Activities for Hisense Employees* and the *Anti-Commercial Bribery Commitment Letter*. These efforts have enhanced the relevance and effectiveness of management. Internally, we require all staff to sign the *Integrity Professional Conduct Commitment Letter*, and externally, we require all partners to sign the *Anti-Commercial Bribery Commitment Letter*.

© Business Ethics Governance Framework

Governance Level	Management Level	Execution Level
- The Board of Directors oversees the Group's anti-fraud and business ethics efforts comprehensively, bearing ultimate responsibility for major risks and decision-making matters. - The Audit Committee oversees the financial reporting process, reviews related party transactions, and strengthens governance transparency and shareholder rights protection.	- The management oversees the implementation of the system, covering key aspects such as clue handling, integrity talks, warning education, and officials' review. - Adhering to the "zero-tolerance" principle, disciplinary and regulatory measures will be taken to investigate and deal with corrupt behaviors, ensuring timely discovery and effective handling of issues. - Strictly implement "one position, two responsibilities," and hold accountable for serious corruption issues within the jurisdiction of one's division.	- Each functional department, business unit, and subsidiaries are responsible for the specific implementation and supervision of anti-fraud related work. - The heads of each unit, as the primary persons responsible for anti-fraud efforts, shall fully assume the responsibility for compliance and business ethics within their units.



Safeguarding the Rights of Whistleblowers

Hisense Group has established a robust whistleblowing management system, formulated and implemented the *Management Measures for All-Employee Supervision*, standardized the whistleblowing process and clue handling mechanism, forming a dual defense of “self-reporting + whistleblowing supervision.” At the Group level, we have set up channels such as whistleblowing email, telephone, mail, and on-site feedback to encourage employees and partners to report fraudulent or unethical behavior.

To protect the rights of whistleblowers, Hisense Group implements a strict confidentiality system, strictly prohibiting any form of retaliation, and incorporates protection requirements into daily supervision processes. We categorize whistleblower reports for analysis and, as appropriate, conduct investigations, interviews, or hold them in abeyance. We deal with verified issues according to law and regulations. In significant cases, whistleblowers may be rewarded to enhance the effectiveness of integrity governance.



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Integrity Culture Construction

Hisense Group continues to promote the construction of an integrity and honest corporate culture, focusing on newly hired employees, newly promoted officials, and personnel in key positions. Regular activities such as integrity training and case study learning are conducted to enhance employees' awareness of integrity and professional ethics. We incorporate compliance and anti-corruption education into the Board of Directors' agenda, providing specialized training for Board members to strengthen their sense of responsibility and capability in corporate governance.



Case: Hisense Group Hosts “Warning Education Month” Event

In 2024, Hisense Group held a “Warning Education Month” campaign, conducting integrity education through lectures, case studies, policy learning, and online tests. During the event, the Group organized a total of 64 training sessions, covering over 50,000 employees, significantly enhancing their awareness of ethical boundaries.





Strengthening Digital Construction and Information Security

Hisense Group continues to promote the implementation of its digital strategy, focusing on strategic planning, talent cultivation, and organizational practices, comprehensively enhancing its digital transformation capabilities. Meanwhile, we construct a multi-level data security and privacy protection system covering mechanisms, organizations, technologies, operations, and culture, providing solid support for the stable development of the Group.

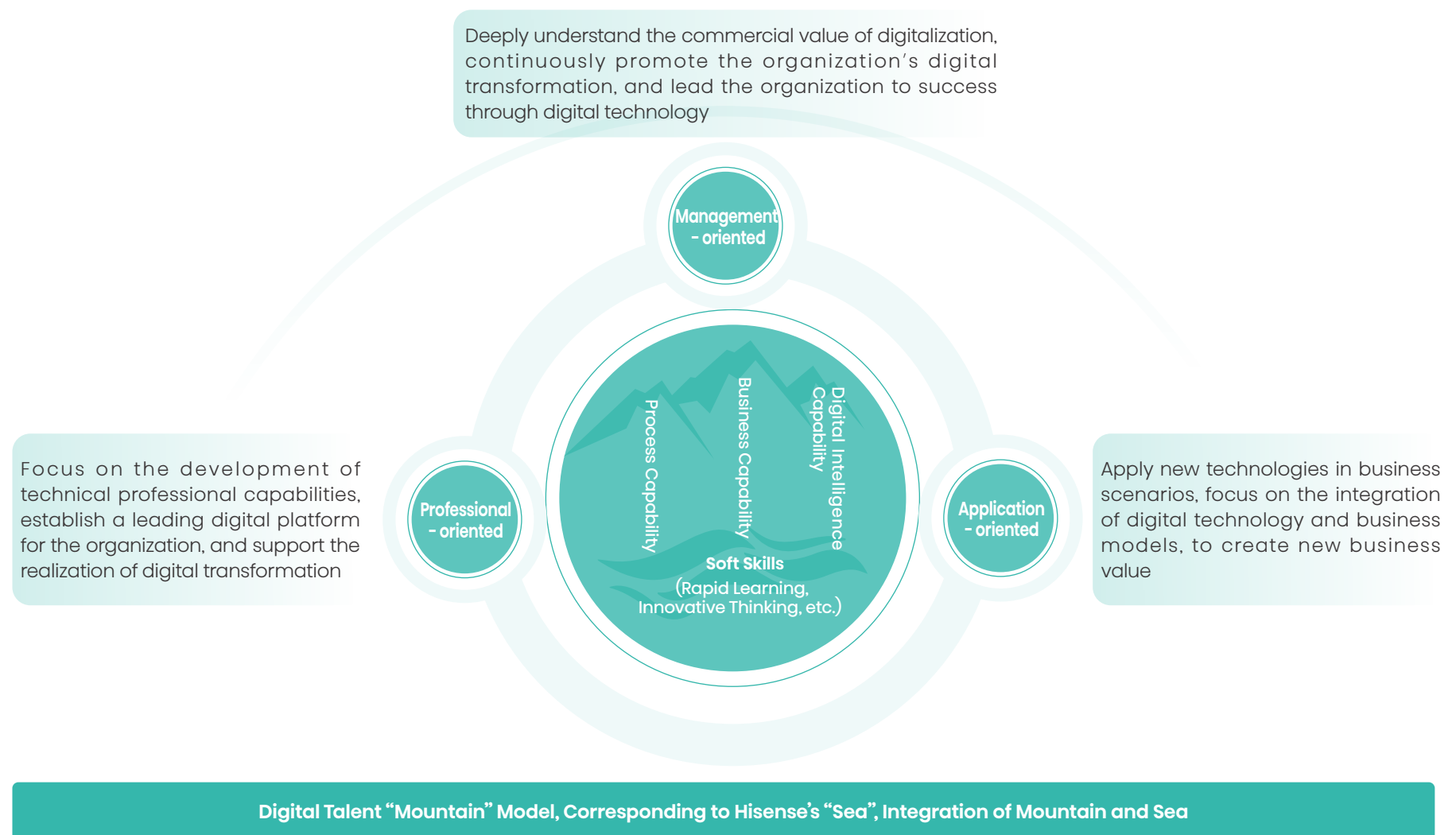
Promoting Digital Transformation

Hisense Group adheres to the vision of “being user-centered and building a digital Hisense,” with comprehensive digitalization as the core engine. We support global business collaboration and the construction of new production capabilities through four major measures: benchmarking studies, cultural atmosphere creation, consensus on methods and mechanisms, and talent security.

In 2024, Hisense Group released four strategic guidance documents: the *White Paper on Digital Transformation*, the *White Paper on User Operations*, the *White Paper on Data Management*, and the *White Paper on Process Architecture*. These documents further clarify the direction of transformation, value positioning, and key supporting elements, establishing a digital transformation guidance system that is scientific, systematic, and actionable.

To systematically promote digitalization, we significantly strengthened the development of digital talent and capabilities in 2024. We are dedicated to cultivating three types of digital talent: Management - oriented, Application - oriented, and Professional - oriented. This effort is supported by four digital technologies/tools, three categories of digital course resources, one digital talent system, and one digital competition platform. These initiatives have encouraged more than 3,000 managers to actively participate in learning and to promote the establishment and practical implementation of digital projects within their organizations. Additionally, we launched digital skill enhancement programs for all employees, reaching over 200,000 individuals and facilitating the implementation of more than 2,200 digital improvement proposals in their daily work.

Construction of Digital Talent Competency System



Building the World's First Multi-Connected Lighthouse Factory

In 2024, Hisense Hitachi Huangdao Factory became the world's first multi-split Lighthouse Factory, achieving large-scale application of automation, intelligence, and digital technology. It has cumulatively implemented 43 advanced automation projects, 40% of which are industry-first innovations.

In the production process of the core components "two machines" (evaporator and condenser) of air conditioners, Hisense Hitachi has created the industry's first unmanned "two machines" dark factory. By integrating visual systems with algorithmic analysis for automatic correction, it combines flexible robot production with "bullet head" mechanical guidance to achieve full-process automation. Through three industry-first technologies and the industry's first integrated transverse and oblique insertion automatic tube threading, it achieves a simultaneous improvement of quality and efficiency.

In the welding process, Hisense Hitachi adopted an industry-first self-developed solution, leveraging multi-point welding, unequal heating, high-precision visual guidance, and parameter compensation technology. It achieved a 63% increase in labor efficiency and a 57% reduction in welding defect rate. In logistics, the company pioneered the introduction of "overhead cranes" into the air conditioning industry. It enhanced logistics quality and efficiency through an aerial logistics instant delivery system. Additionally, it established an "automation dojo." This facility provides a model for high-quality and intelligent development in production processes by conducting advanced automation technology research and verification, training automation talent in skills, and constructing mini production lines.

The birth of the first Lighthouse Factory marks a successful implementation and starting point for Hisense's digital transformation strategy in the manufacturing sector, with profound implications for the company's ongoing development of advanced manufacturing and corporate transformation.



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Factory automatic assembly process



Factory "two machines " processing area



Factory Automation Equipment



Optimizing Data Security and Privacy Protection

Hisense Group places great emphasis on cybersecurity, data security and privacy protection, strictly adhering to *China's Violations of the Cybersecurity Law, Data Security Law, Personal Information Protection Law, EU GDPR*, and other relevant laws, regulations, and policies for information security and privacy protection applicable globally. By benchmarking against the ISO 27001 Information Security Management System, we have established an information security protection mechanism and privacy protection management system that covers all business scenarios. In 2024, the Group obtained ISO 27701 Privacy Information Management System certification. We then established a four-level management mechanism based on privacy-by-design principles, clarifying requirements for personal information assessment, lifecycle security, subject rights response, and data export compliance. This effectively safeguards customer privacy rights and data security.

Cultural Development of Information Security and Privacy Protection in 2024

A total of **37** information security training sessions were organized throughout the year, covering key position employees in regions such as the Americas, Europe, Asia-Pacific, and ASEAN

Conducting in-depth cybersecurity culture initiatives on the front lines completing safety culture promotion and security inspections for units nationwide, while establishing monitoring mechanisms to effectively enhance overall protection levels. **31**

Management Measures for Information Security and Privacy Protection

 Security Architecture	The Group has established a Confidentiality and Cybersecurity Management Committee led by the CEO, CRO, and CIO to formulate strategic goals and promote the top-down implementation of information security and privacy management systems.	 Well-managed	The Group uniformly formulates security architecture standards, policies, and procedures to establish a domestic headquarters security center + overseas regional security centers as measures, providing global R&D, production, and sales business with security protection capabilities.
 Privacy protection measures	Establish a personal information subject rights response mechanism and a security incident emergency system, while continuously improving compliance levels through compliance reviews, system certifications, etc.	 Technical Prevention	Adopt technical preventive measures such as antivirus software, firewalls, intrusion detection systems, data leakage prevention, data masking, and data encryption to protect the security of internal terminals, networks, and data within the Group.
 Risk Assessment	Establish and regularly conduct security risk assessments, privacy impact assessments, and cross-border data assessment mechanisms, clarifying process requirements to identify and address compliance risks at the product/business level.	 Routine Security Operations	By establishing a systematic and automated security operation mechanism, we routinely carry out threat monitoring, response handling, and effectiveness evaluation, and develop tiered emergency response plans and mechanisms for high-risk scenarios such as data breaches. This strengthens the closed-loop management of risk warnings and improves the efficiency of responding to emergencies, ensuring the achievement of information security objectives.





People-oriented Technology and Ultimate Quality

In 2024, Hisense undergoes a significant upgrade in its brand strategy, elevating its brand image perception from "reliable and pragmatic" to "people-oriented technology" and "ultimate quality." "People-oriented technology" emphasizes being user-centered, closely integrating technology with human needs by understanding what users require and anticipating their needs, making humanization, scenario-based, and experiential aspects key directions for technological research and development. "Ultimate quality" embodies Hisense's ultimate pursuit of product quality and craftsmanship, fully meeting the deep-seated expectations of global consumers for a high-quality life.

The main issues addressed in this chapter

- R&D and Innovation
- Sustainable Products
- Product Quality and Safety
- Customer Experience and Satisfaction
- Responsible Marketing

The main highlights of this chapter

- The HiStar Large Model ranks first in the home appliance category of the C-Eval evaluation list.
- Hisense's energy-efficient appliance models, with first and second-level efficiency ratings, account for over 90%, setting a benchmark for green products.
- Announce the world's first 120-inch foldable laser TV.
- The first in the country to launch a magnetically levitated high-efficiency energy-saving home air conditioner.



Key Objectives and Progress

Issue	Improvement Path	Indicator	Objective	2024 Performance	Completion Status
 R&D and Innovation	Guided by the "technology-based enterprise with steady operation" strategy, we have established and improved the R&D system, clarified methods and mechanisms for innovation, and strengthened patent deployment and intellectual property protection.	Number of core patents	Focusing on core technologies and high-growth advantageous fields, we prioritize the layout of key patents to consolidate technical advantages in these areas.	Accumulated over 300 core patents across 25 technical directions, with continued growth from the previous year.	
 Product Quality and Safety	Guided by the "Seven Rules of Quality," we will establish a quality assurance system and strengthen quality management and capability building throughout the entire product lifecycle.	ISO 9001 Quality Management System Certification Coverage	100%	100%	
		Product qualification rate	In 2024, the product qualification rate reached 97.81%	98%	
 Customer Experience and Satisfaction	Adhering to the "user-centered" philosophy, fully meeting users' personalized needs, and enhancing service levels through intelligent means.	Customer satisfaction score	The customer satisfaction score to be increased to 98.5% by 2025	98%	
		Customer complaint response rate	The customer complaint response rate will be maintained at 100% in 2025	100%	



Committing to Innovation-Driven Development

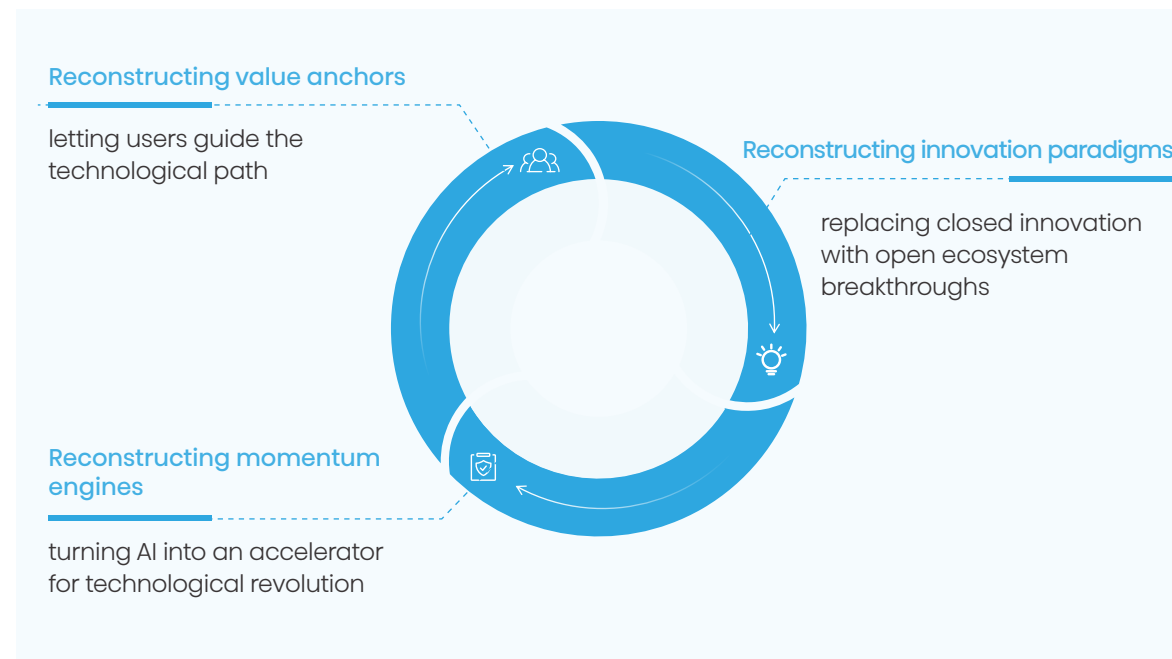
Hisense, with “scientific and technological innovation and technology-based enterprise with steady operation” as its core philosophy, positions innovation-driven development as a key engine for global competition. We focus on the directions of greening, intelligence, humanization, and health, building a clear-strategy, complete-system, and risk-controlled innovation management system. This enables product upgrades and industrial transformation through innovation, creating value for global users.

Management of R&D and Innovation

“Technology-based enterprise with steady operation” is our consistently adhered development strategy. The key support for Hisense’s steady growth over the years has come from continuous technological innovation. In the context of a new round of technological revolution represented by artificial intelligence, Hisense boldly proposes to reconstruct the strategic foundation of “technology-based enterprise with steady operation” from three dimensions: value anchor, innovation paradigm, and momentum engine. We also establish talent cultivation and incentive mechanisms suitable for the AI era, thereby accelerating technological and user value innovation.

• Innovative Organizational Support

Hisense has established a multi-level innovation organizational structure led by the Group as a whole and spanning its subsidiaries. At the Group level, we rely on national post-doctoral scientific research workstations and other platforms to build applied basic research platforms, focusing on the study of fundamental technologies and underlying innovative technologies. We also set up several public support platforms to support innovation work across the entire Group. At the subsidiary level, separate technology and product development platforms have been established. These platforms conduct industry-oriented pre-research on technology and product development platforms, display industry, air industry, refrigeration industry, laundry care industry, kitchen appliances industry, optical communication industry, energy industry, and intelligent transportation industry. They provide technical support for the Group’s operations.

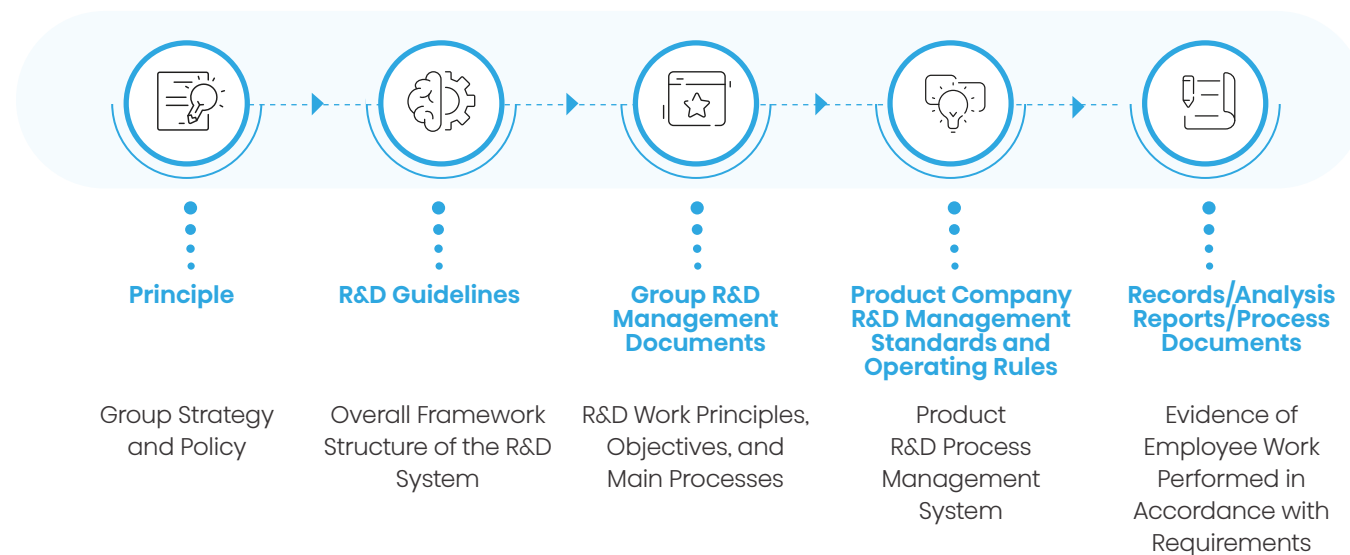


• R&D System Construction

Hisense has established a tiered R&D system of "pre-research – platform – product," focusing on long-term R&D planning and investment mechanisms. The investment in technology pre-research accounts for more than 30% of the total R&D investment. We also implement a mechanism linking R&D investment to the annual salary of managers to maintain a development rhythm of "pre-researching one generation, reserving one generation, and launching one generation to the market."

Driven by the strategy of "technology-based enterprise with steady operation," we have established a top-down technological innovation management system and issued Hisense Group R&D Work Guidelines. Additionally, we clarified the principles, objectives, strategic directions, main processes, implementation paths, and incentive methods for R&D work, and formulated corresponding R&D management documents for the Group. Product companies have developed their own management systems based on the characteristics of their respective industries to ensure the effective operation of R&D and innovation activities.

© Innovation Management System



• Mechanisms and methods for innovation

To promote technological innovation and industrial transformation, Hisense Group continues to improve the innovation mechanism centered on conversion, evaluation, and incentives.

Incentive Mechanism

To build an innovative ecosystem characterized by "tiered incentives + a culture of tolerance for errors," we focus on significant technological breakthroughs and the expansion of new industries. We have established substantial rewards and specialized incentive policies to encourage technical personnel to explore the frontier "uncharted territories," promoting key technologies and forward-looking R&D and innovation.

Mechanism for the Transformation of Research Outcomes

Promote the "technology incubation industry" and equity incentive model, providing multidimensional resource support such as R&D and innovation, production, and market for innovative teams, continuously driving the industrialization of innovative achievements, and incubating multiple emerging business areas.

Evaluation Mechanism

Hisense Group *Technology Innovation Evaluation System* has been established, setting 21 evaluation indicators covering investment, process, output, and impact throughout the entire product lifecycle. This forms a unified standard for technology innovation assessment, enhancing the orientation and implementation of innovation outcomes, and boosting the driving force of technological innovation on strategic development.

At the level of innovative methods, Hisense leads with a technology roadmap, promoting integrated efforts in technology R&D, standards, patents, awards, and other innovation-related work. We conduct scientific and comprehensive analysis and organization of the current state of the industrial chain. By doing this, we accurately grasp our technological capabilities and industrial status, precisely identify key technologies such as "strengthening strengths, addressing weaknesses, and exploring depth," and promote the transformation of technological advantages into product advantages. Simultaneously, we strategically plan for patents, standards, and awards, driving Hisense's technological innovation capabilities toward higher levels and better quality.

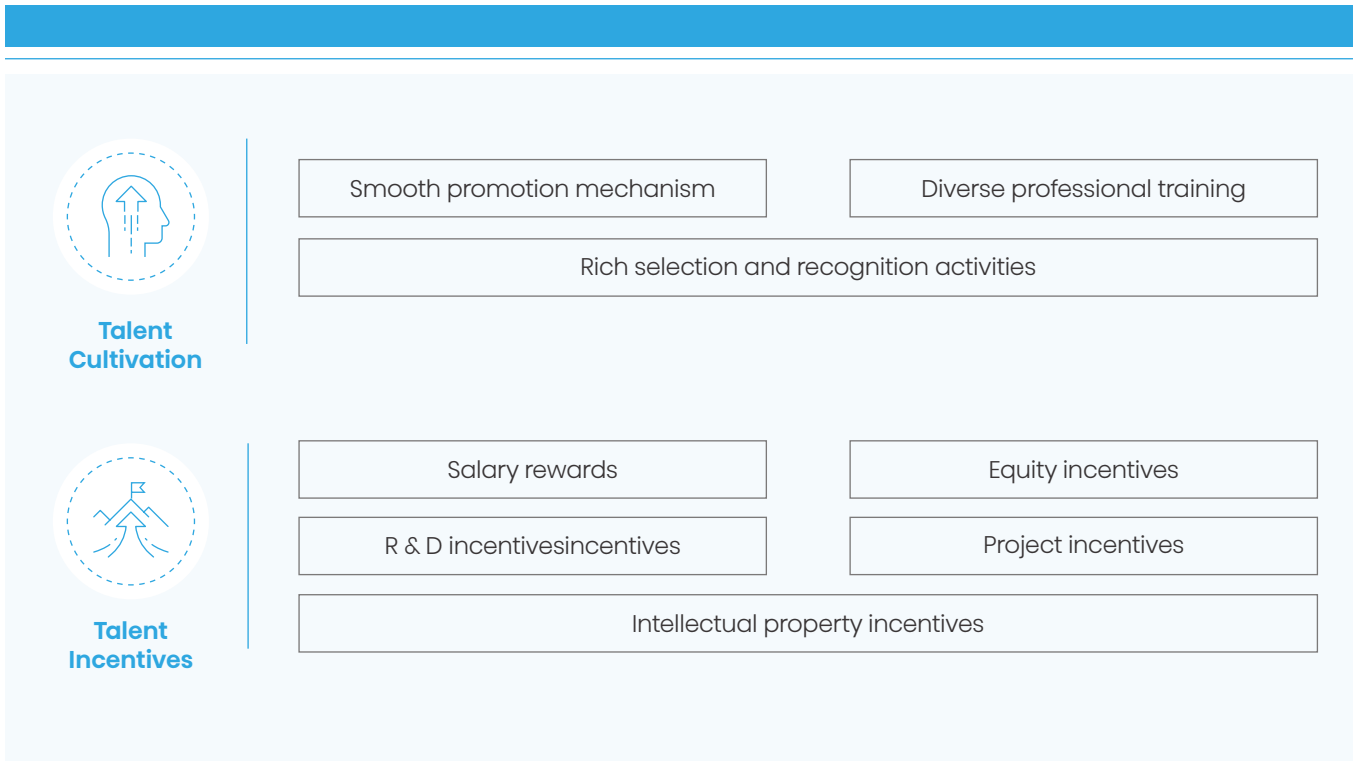
Cultivating an Innovative Culture

Hisense has made "to pursue scientific and technological innovation, to take the lead in advanced manufacturing with intelligence as the core" its corporate mission, and consistently adheres to the development philosophy of "talent is fundamental, technology is the root, and innovation is the soul." In 2024, Hisense listed "technology forges advantage" as one of the annual strategic themes for the entire Group, focusing on product innovation and emphasizing technological leadership.

To encourage innovation, the Group selects outstanding innovation proposals every quarter and organizes an innovation achievement exhibition and Group Scientific and Technological Innovation Award at the end of each year. At the end of the Reporting Period, 31 Group Scientific and Technological Innovation Awards were selected, effectively fostering a positive atmosphere for innovation. By 2024, the Group has held eight innovation achievement exhibitions. The theme of this year's exhibition is "the scenario-driven future of tech — new value of AI, new future of products," with a total of 27 units participating, showcasing over 180 new products and technologies, and selecting 18 innovation achievement awards.

In terms of talent development, Hisense has opened an advancement channel for R&D experts, accompanied by fair evaluation and assessment mechanisms for R&D. We provide highly competitive compensation to R&D personnel and prioritize salary adjustments for outstanding backbone employees, effectively stimulating team innovation vitality and providing solid support for technological breakthroughs and product upgrades.

Talent cultivation and incentive measures for R&D and innovation



Intellectual Patent Management

Hisense is dedicated to promoting scientific and technological innovation and steady business development through robust intellectual property management. We strictly adhere to the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*, and have issued regulations such as the *Intellectual Property Rights Management Measures*. By setting target plans, ensuring mechanisms, and enhancing capabilities, we are comprehensively advancing the intellectualization of corporate independent innovation in intellectual property rights, gradually integrating intellectual property management into all aspects of production and operations, and driving industrial structure adjustment and strategic upgrades.

The headquarters of the Group is responsible for establishing and maintaining the intellectual property protection system, and they have set up four major intellectual property teams worldwide as a joint collaborative organization. The Group has nearly 40 full-time intellectual property management personnel, who are respectively in charge of patents, trademarks, project declaration management, and the implementation and operation maintenance of the overall intellectual property management system. The Group has established a special fund for intellectual property, which is used for intellectual property research and development and the protection of patent rights and other rights.

2024

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The cumulative number of enterprises with Intellectual Property Management System Certification is **2**

The cumulative number of national intellectual property advantage enterprises and model enterprises is **16**

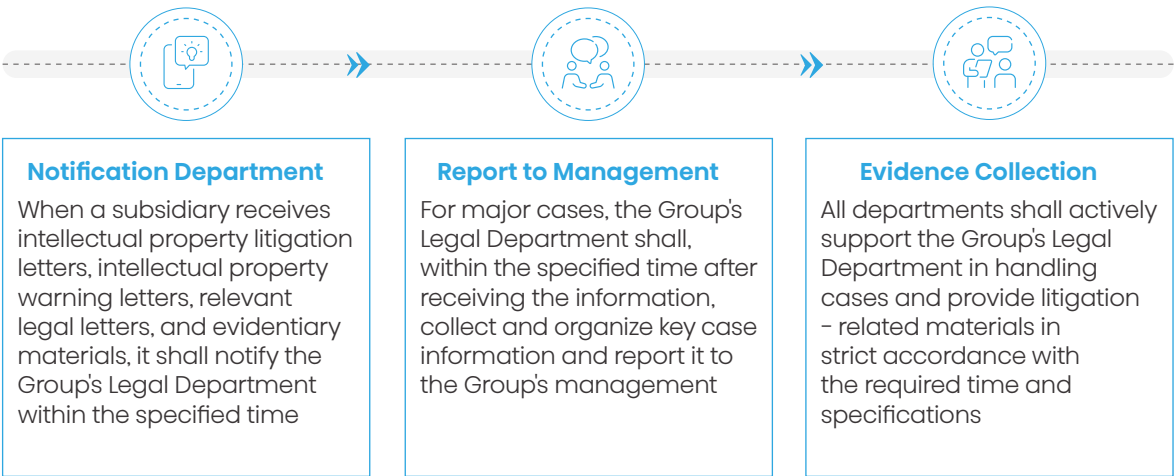
Hisense Group has established a standardized patent application management mechanism and a regular intellectual property evaluation mechanism. We also improved the intellectual property supervision and maintenance ledger and strengthened patent layout management and risk management.

Three Mechanisms Ensure the Full-Process Management of Intellectual Property

Standardized Patent Application Management Mechanism	Regular Intellectual Property Evaluation Mechanism	Intellectual Property Due Diligence Mechanism
Combine the three - year technology plan and R & D project plan to formulate patent application indicators. Conduct patent layout for industry-leading R&D projects and product features	For intellectual property rights that need to be maintained, implement effective supervision and daily maintenance. For those who abandon intellectual property rights, there are clear review, countersignature and filing procedures	For technology transfer, licensing and investment and financing business activities, conduct intellectual property investigations in advance

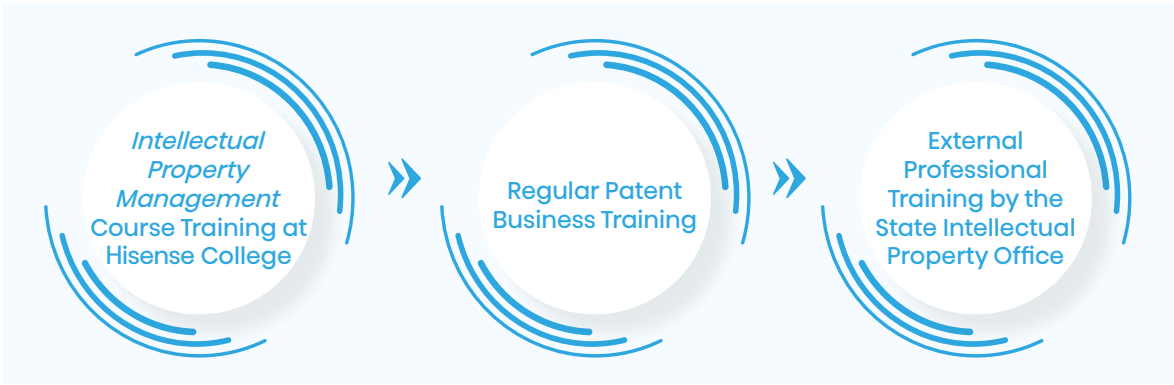
Hisense has incorporated intellectual property risk management into its corporate management processes. By implementing key measures such as patent risk analysis, intellectual property risk identification or due diligence, use of genuine computer software, rectification of intellectual property violations, and intellectual property guarantee agreements, we have built a comprehensive risk prevention and control system. In response to intellectual property litigation and disputes, the Group has established clear procedures and responsibility assignments to improve the efficiency of dispute resolution, ensuring that litigation and disputes are resolved legally, swiftly, and appropriately.

Intellectual Property Litigation and Dispute Resolution Process



Hisense provides targeted intellectual property training to employees in various positions through multiple forms, organizes patent engineers to participate in external professional training, enhances the intellectual property management capabilities of relevant personnel, and supports the realization of innovation goals.

Diversified Intellectual Property Training



Responsible Artificial Intelligence

Hisense places great emphasis on the industrial transformation opportunities brought about by AI technology. In 2024, we independently developed and released the HiStar Large Model, which covers three major series: language large models, visual generation large models, and multimodal understanding large models. We excel in capabilities such as language understanding, text creation, natural dialogue, image creation, object recognition, and scene quality. The model ranks first in the home appliance sector on the C-Eval evaluation list and has successively passed the highest level (Level 4+) certification of AI large model capabilities in the industry by the China Academy of Information and Communications Technology and the national standard test certification for pre-trained AI models.

Based on the HiStar Large Model foundation, Hisense actively develops large models for vertical fields, empowering the Hisense smart life, intelligent energy, and network information and related business groups, leading the development of future industries.



Case: Hisense Visual relies on the HiStar Large Model to drive improvements in user experience and product intelligence levels.

In 2024, Hisense Visual, guided by our AI strategy and breakthroughs in AI technology, continuously innovates in four aspects to upgrade our products. We improve audio-visual experiences, enhance interaction experiences, boost system performance, and diversify services.

Audio - Visual Experience Enhancement

Release a new - generation AI picture quality chip with simultaneous light and color control. By training expert models, match the optimal audio and picture quality settings for different segmented scenarios

Interactive Experience Enhancement

Industry - first release of 12 major AI agents and cross - domain one - sentence multi - intent voice interaction, with the accuracy rate of multi - intent execution reaching over 90%

Improvement
of Scene
Intelligence Level
and Service
Experience

System Performance Improvement

Build a "three - dimensional dynamic model" of time/behavior/scenario, which increases the system resource allocation efficiency by 25%, improves the overall system smoothness by 15%, enhances the smoothness of high - frequency scenario switching by 20%, and makes the response speed of key scenarios reach the industry - leading level

Service Diversification

Deeply focus on the core usage scenarios of the large screen, and launch a series of innovative services, covering important fields such as movie watching, sports, games, education, atmosphere creation, and life services



Case: AI Empowers New Breakthroughs in LCD Display Technology

As one of China's first innovative enterprises, Hisense has established a global collaborative R&D system, fortifying its moat with people-oriented technology. Based on technological breakthroughs such as the latest generation of AI picture quality chips from Hisense, we have pioneered the world's first RGB three-dimensional color control liquid crystal display technology, overcoming the industry challenge of simultaneous light and color control. This technology leads the industry in color performance and energy savings, marking a milestone in the century-long history of television development.

While achieving innovative breakthroughs, Hisense integrates ethical requirements into the development and application of artificial intelligence technology. The HiStar Large Model strictly follows national standards such as GB/T 45654-2025 *Cybersecurity Technology Basic Security Requirements for Generative Artificial Intelligence Services*. We formulate regulations such as the *Compliance Management Measures for Generative Artificial Intelligence Applications* and implement requirements for data sources, content, labeling, models, and system security. The HiStar Large Model has passed the safety tests and reviews by the National Internet Information Office, establishing value and ethical strategies around five major categories and 31 subcategories of security risks to meet various service safety and compliance requirements. In 2024, Hisense conducted systematic internal and external training and popular science promotion on ethical issues in technology, while also establishing a timely feedback and problem-solving mechanism, providing solid guarantees for the safe and compliant operation of the model.



Internal Training

- A total of 6 training sessions were held throughout the year, covering all employees involved in corpus annotation, model training, and content review
- The training content includes risk content classification, data quality management, annotation specifications, relevant laws and regulations requirements, etc., effectively improving employees' abilities in value identification, data security, laws and regulations, etc.



External Training

- A total of 4 training sessions were carried out throughout the year, covering partners, suppliers, customers, and relevant industry personnel
- The training focuses on an overview of science and technology ethics, content review and management, as well as emergency handling mechanisms, etc., helping to strengthen partners' and customers' understanding of the importance of science and technology ethics and promoting the legal and compliant use of data and content

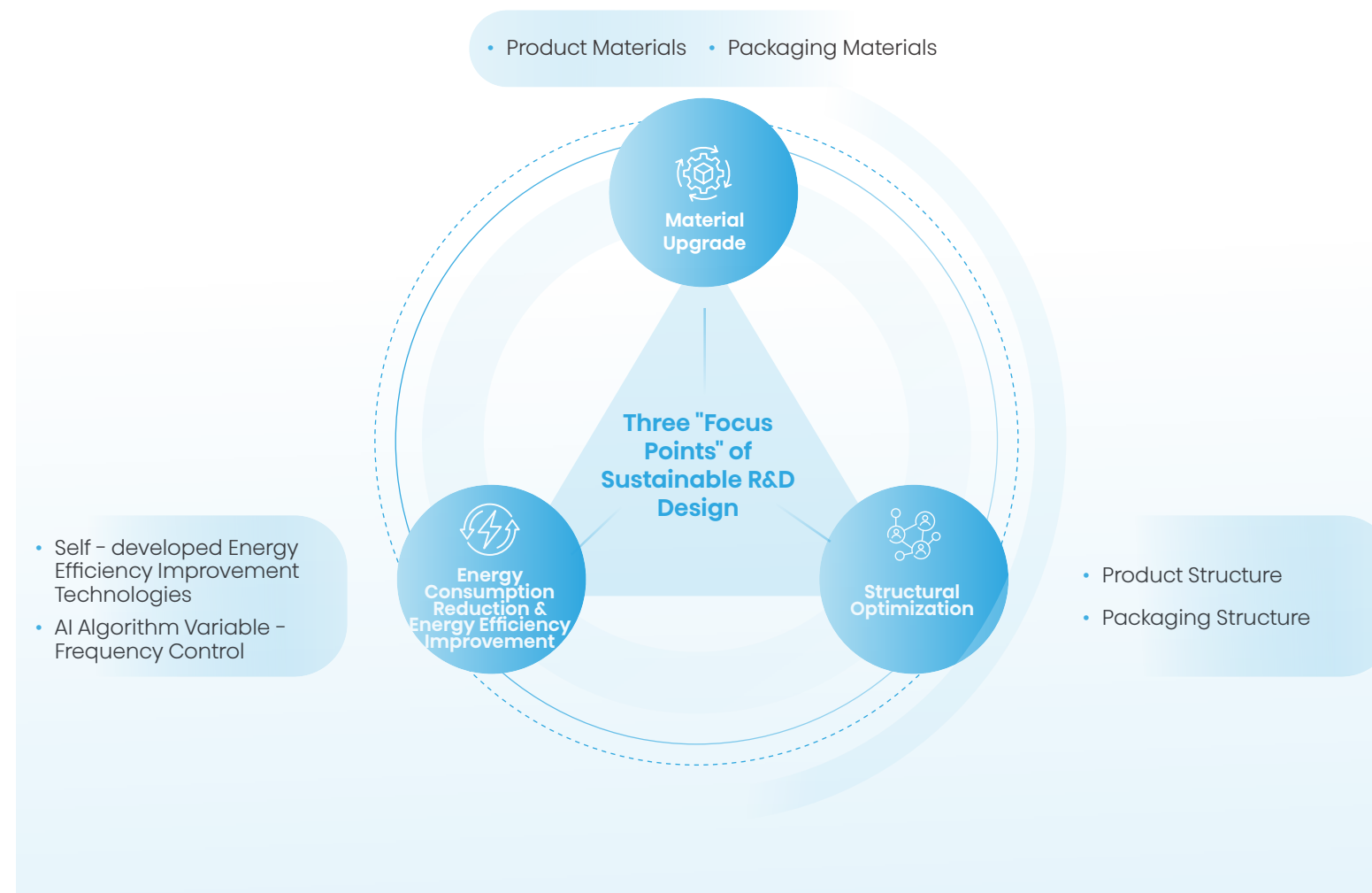


Creating Sustainable Products

Driven by the national "carbon peaking and carbon neutrality" goals and the strategy of becoming a manufacturing powerhouse, Hisense adheres to the concept of green development. Relying on top-level design systems such as the *Hisense Green Development Outline and the Low-carbon Guidelines*, we have established a green and low-carbon technical standards system that spans the entire industrial value chain and product lifecycle. This is aimed at creating sustainable products with low energy consumption, low production resource demand, low raw material usage, and low recycling costs. At the same time, we integrate technological innovation with human well-being, promoting a deep transformation of the industry towards greener, more intelligent, and more people-oriented directions.

We regard "material upgrading, structural optimization, energy consumption reduction& energy efficiency improvement" as the three key focuses of green product design.

Three "Focus Points" of Sustainable R&D Design



Honors and Certifications for Sustainable Product/ Solution Design

Hisense U8N TV has been awarded the **2024 Green Design International Contribution Award** by the World Green Design Organization Evaluation Center

Hisense Air Conditioning's Low-Carbon Platform Solution for Manufacturing Operations Management has been selected for the **Certificate of the "Forerunner" Case of Digital Transformation in China's Light Industry in 2024** awarded by the China National Light Industry Information Center

Hisense Laser TV receives **Full Life Cycle Carbon Footprint Evaluation Certificate**

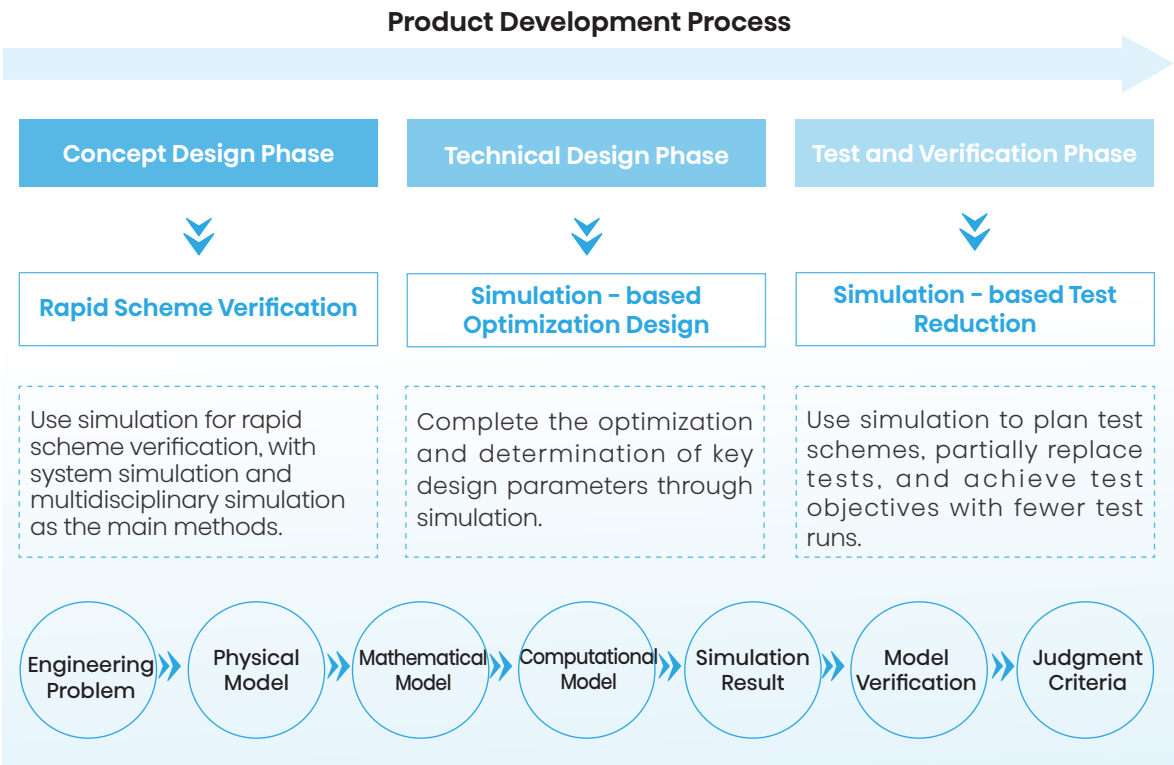
Hisense washing machine products receive the **Full Life Cycle Carbon Footprint Evaluation Certificate**

Nine Products from Hisense Hitachi Receive **China Refrigeration and Air Conditioning Industry Product Carbon Footprint Certificate**

Four products of Hisense Refrigerator Co., Ltd. have been awarded the **Green and Low-Carbon Appliances Machine Parts Product Certification**

To enhance the quality and efficiency of product sustainable design, Hisense has established a multi-disciplinary and multi-system integrated simulation and testing platform, which can improve R&D efficiency by more than 10% while supporting the rapid development and iterative upgrades of key technologies. By embedding simulation processes into product development, we effectively avoid repeated modifications and resource consumption caused by design flaws, reducing the environmental impact of production activities from the source, and promoting energy conservation, cost reduction, and efficiency enhancement in the R&D process.

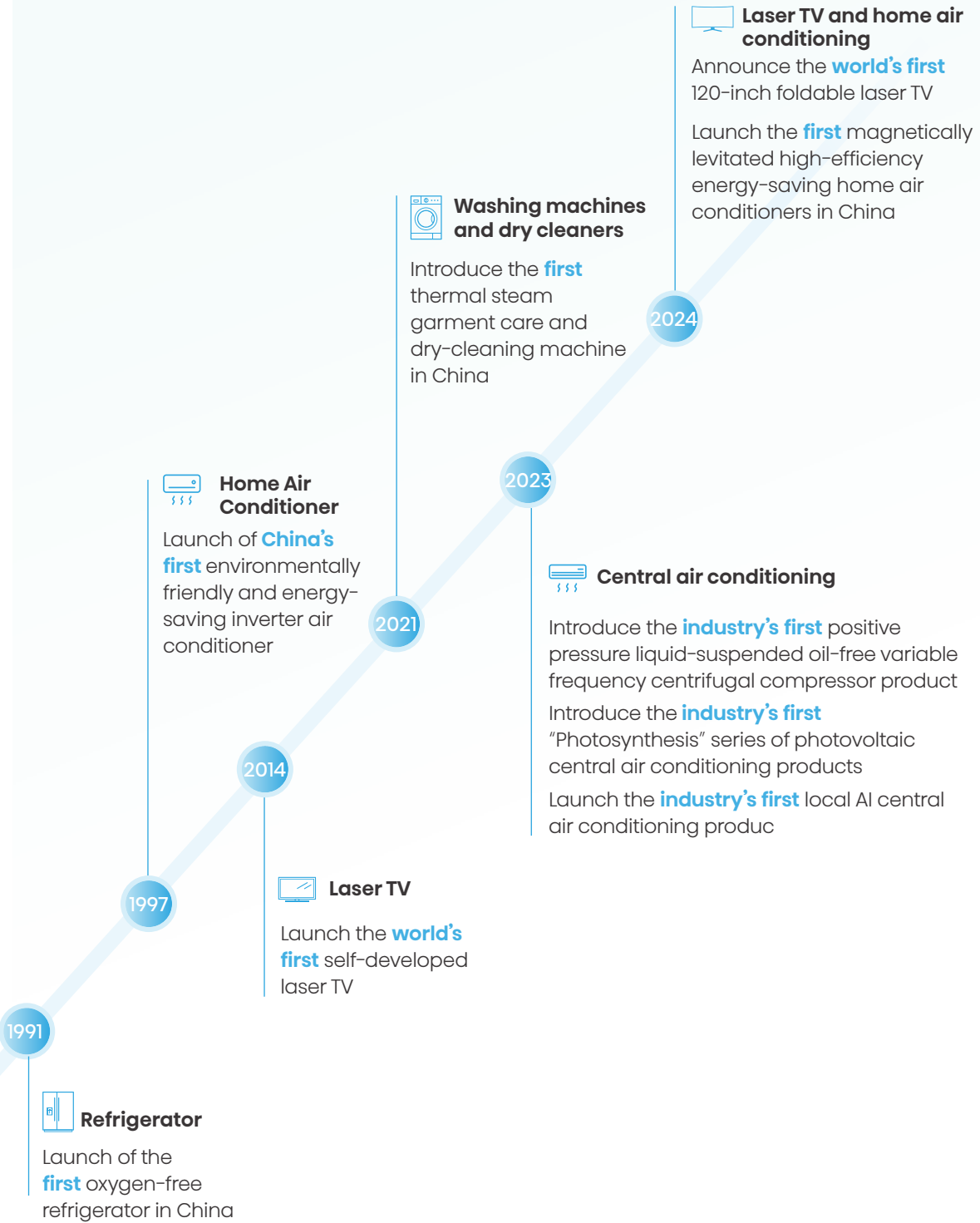
◎ Digital Simulation Platform Empowers



Case: Application of Digital Simulation Platforms in Real-world Scenarios

Hisense widely applies the digital simulation platform to simulate product design and manufacturing processes, significantly reducing resource and energy consumption. The factory under the audiovisual technology and multimedia business, has introduced the platform to innovate product design procedures. By doing this, it improves production efficiency by 14.4% and saves 5,790 MWH of electricity annually in the manufacturing process, while reducing carbon emissions by over 3,000 tons per year, achieving dual improvements in design efficiency and energy-saving benefits.

◎ Outcomes of sustainable product innovation



Material Upgrade

Hisense Group regards the application of sustainable materials as a key approach to creating green products, actively promoting the marketization of sustainable materials in end products and packaging, thereby setting a benchmark for the industry's application of sustainable materials.

Product Materials

Hisense promotes the systematic increase in the proportion of recycled materials, biobased materials, and environmentally friendly materials in its products to reduce the environmental impact of production and use, thereby fostering the development of green products.

Case: Hisense Air Conditioning low-carbon material innovation

Hisense central air conditioning has replaced the refrigerant in most of its overseas air-source heat pump products with the lower-carbon R32 refrigerant, reducing carbon emissions by 16,900 tons annually. For domestic commercial air conditioning's main models and most exported commercial air conditioning have adopted R32 refrigerant, and some integral unit products are gradually switching to the more environmentally friendly R290 refrigerant. Additionally, Hisense innovated modified polypropylene materials for use in air conditioner casings, achieving a 30% reduction in base material carbon footprint and a 10% reduction in processing energy consumption, contributing to low-carbon transformation from multiple dimensions.

Case: Application of Environmentally Friendly Materials in Hisense Refrigerator

Hisense Refrigerator has achieved significant results in the application of environmentally friendly materials. In terms of foam agent usage, Hisense Refrigerator relies on a new foam technology production line, allowing each WILL SPACE ultra-space refrigerator to reduce 11.07 kilograms of carbon emissions. The leading foam agent technology for refrigerator products has won the 20th China Patent Excellence Award. In terms of structural components material, Hisense Refrigerator uses biobased materials to replace petro-based materials for making high-strength structural components of refrigerators, setting a precedent for the application of biobased materials in the industry.

Case: Hisense Visual Sustainable Material Technology Innovation

Hisense Visual is gradually increasing the proportion of recycled materials used in components. The proportion of recycled materials used in selected laser TV casings reached 85%, with an average reduction of 4.34 kg of CO₂ emissions per kilogram of recycled material, achieving a carbon reduction ratio of 76.1%. Meanwhile, through the iteration of high-strength materials and hot runner mold technology, it has achieved reduced plastic material usage in casings by approximately 10%, promoting the green upgrade of products.

Packaging materials

Hisense focuses on four major optimization directions for packaging materials: standardization, resource utilization, harmlessness, and digitalization. We actively formulate relevant guidelines, prioritizing the selection of low-carbon, green, recyclable, renewable, and biodegradable eco-friendly materials to promote the sustainable use of packaging materials.

Some Sustainable Packaging Material Optimization Achievements

Standardization

Resource utilization

Harmless

Digitalization

- Hisense Home Appliances Group has established an *Internal Green Packaging Design Guide* and integrated it into the product development process, thereby ensuring the rationality of packaging material selection, structural design, and utilization.
- Shijiazhuang Kelin Electric Co., Ltd. has established a standard library for packaging dimensions and formulated a series of standard sizes to rationalize, standardize, and generalize packaging dimensions.

Packaging bag alternatives

- Using 30% recycled PE instead of virgin PE for refrigerator packaging bags has a carbon reduction potential of about 20%.

Packaging cushioning alternatives

- Replace EPS cushioning with thermoformed HDPE cushioning that is 100% recyclable.

Packaging paper alternatives

- The lightweight coated paper and corrugated cardboard used in product packaging are primarily made from recycled wastepaper.

Packaging Recycling

- Establish a packaging recycling network and continuously carry out the work of recycling and reusing packaging to reduce its negative impact on the ecological environment.

EPS alternative

- Replace EPS with materials such as full-paper packaging to mitigate the challenges posed by the non-biodegradability of EPS.

Application of Eco-friendly Packaging Materials

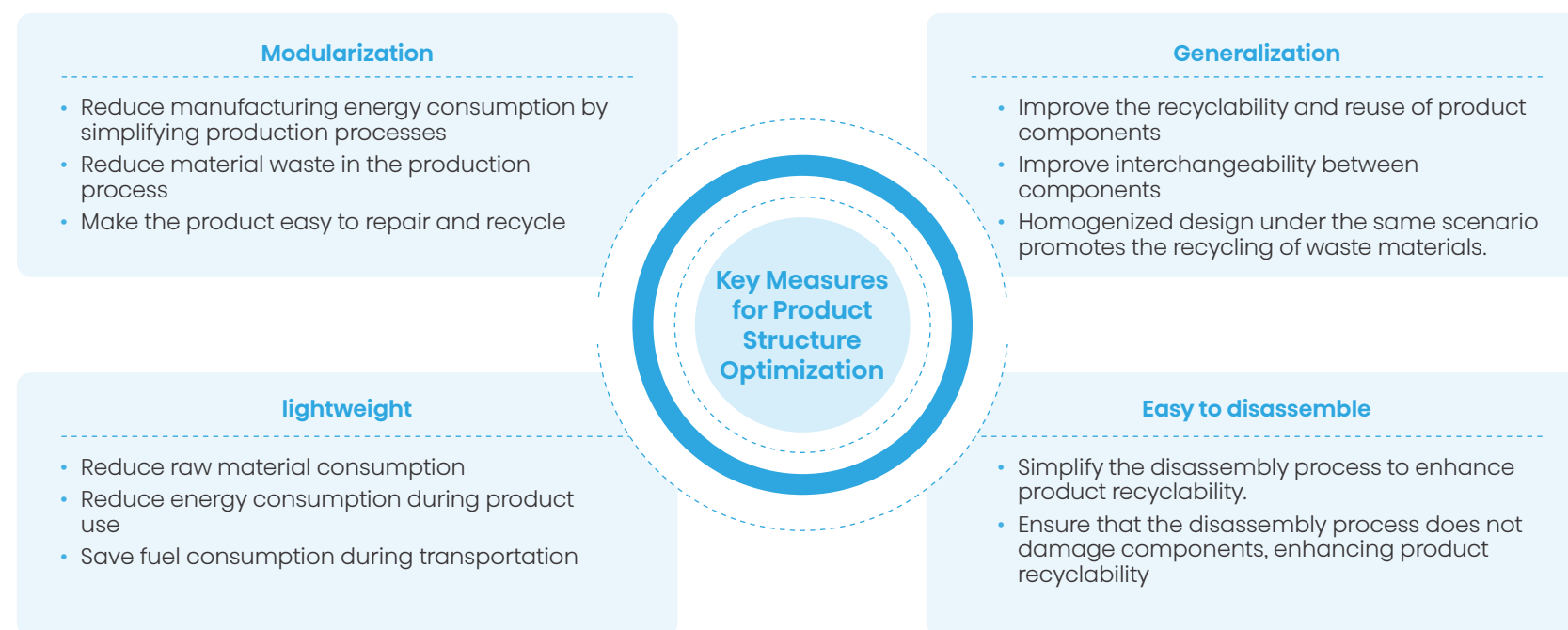
- Eco-friendly packaging achieves 100% recyclability and 100% biodegradability, realizing zero pollution to the natural environment.

Replacement of Electronic Manuals

- Using electronic manuals instead of paper manuals to reduce paper usage and resource waste.

Structural Optimization

Hisense promotes the development of a circular economy by implementing a series of clear strategies in product and packaging structure optimization. Our product structure design is primarily based on the principles of modularity, standardization, lightweight, and easy disassembly to maximize resource utilization and reuse. The optimization of packaging structure focuses on reduction, minimizing unnecessary material usage while ensuring the safe transportation of products.



For the packaging structure, the Group has reduced the weight of the packaging without changing its volume by lowering the density of the cushioning foam in the box, and actively optimized the packaging design to achieve a reduction in packaging materials while meeting transportation requirements.



Case: Optimizing the Packaging Structure of Air Conditioner Products Achieves an Annual Reduction of Nearly 100 Tons

Hisense has achieved optimization in reducing the amount of packaging materials for its air conditioners through iterative design. By combining a reduction in the density of foam cushioning inside the boxes and material-saving design, Hisense has managed to decrease the usage of EPS packaging material by hundreds of grams per unit, saving hundreds of tons of EPS material annually.



Energy Consumption Reduction and Energy Efficiency Improvement

Hisense is committed to enhancing the energy efficiency of its products through self-developed technology and applying advanced AI algorithms to manufacture home appliances with lower power consumption. This approach gradually reduces energy consumption during the use phase of the products, marking a significant step towards the production of low-carbon products.

We drive the iterative upgrade of our products through scientific and technological innovative pursuits. In 2024, over 90% of Hisense's home appliance models will meet first or second-level energy efficiency standards. Hisense's laser TVs stand out as a benchmark in green products, achieving more than 50% energy savings and a total recyclability rate of 92% for raw materials in components. This truly propels the industry towards a green and low-carbon transformation.

Case: Research and Development of Energy Efficiency Improvement Technologies for Television Products Have Achieved Multiple Outcomes

As the core of Hisense Group's B2C industry, the visual and multimedia business has independently developed several advanced energy-saving technologies to improve product efficiency and reduce carbon emissions during product use.

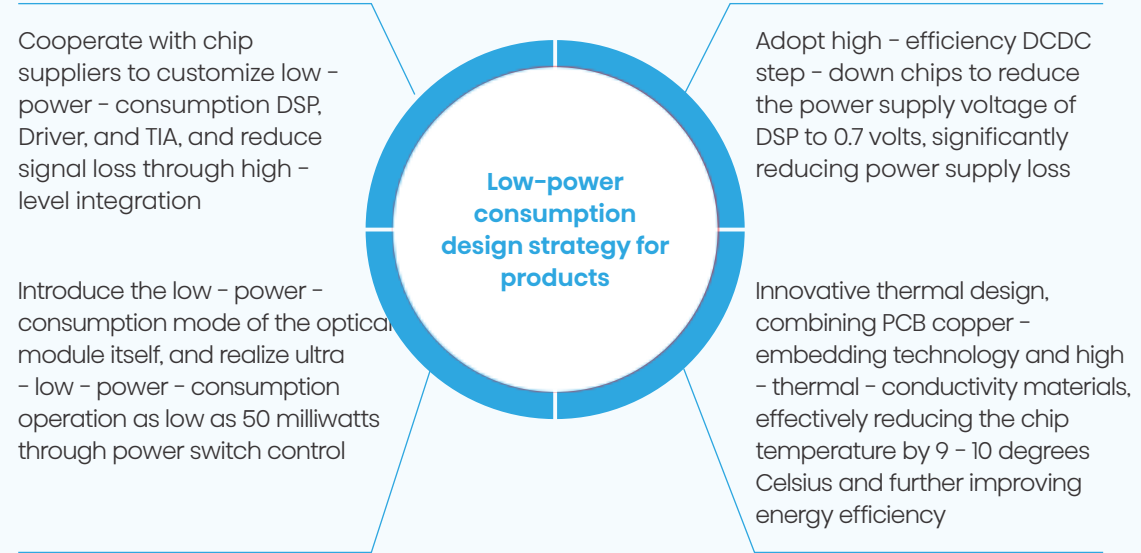
Adaptive Backlight Power Consumption Control Algorithm	- Effectively reduce energy consumption by over 20% - Enhance product image quality
High-pressure LED light sources and driver technology	Significantly improve the light output efficiency of LEDs, effectively reducing energy consumption by 3%
High Transmittance Panel Technology	Achieve an improvement in light efficiency, reducing the product's energy consumption by 2%
Digital control of power supply and analog-digital mixed dimming technology	- Achieve an increase in conversion efficiency - Achieve precise control of backlight with low current, reducing the overall power consumption by 5%

Through continuous technological innovation by the R&D team, the average energy consumption of TV products has been reduced by over 30%, equivalent to a reduction of 470,800 tons of carbon emissions annually.

Under the premise of ensuring stable product performance, Hisense incorporates energy consumption indicators into the consideration during the development stage of key components. Relying on innovative design and the use of advanced technology, we have successfully launched a series of low-energy-consuming component products. In addition to meeting the market's demand for high performance, this effectively helps our downstream customers take solid steps towards energy conservation and carbon reduction.

Case: Optical Module Products Pave the Way for a New Era of Energy Efficiency in Data Center

In the wave of development towards scaling and intensification in the data center industry, Hisense Group's optical communication business sector is dedicated to researching low-power technology to promote emission reduction in data centers. The 400G SR8 and AOC products exemplify this commitment, with their new low-power version reducing power consumption by 1.5 watts compared to the previous generation, achieving an excellent performance of less than 8 watts.



In the future, Hisense's optical communication business will continue to provide global customers with efficient, energy-saving, and reliable data transmission solutions, promoting the green transformation of the data center industry.

Crafting Ultimate Quality

Hisense Group fully understands that quality is the key to corporate development. We have established a comprehensive quality and safety management system covering strategic planning, system construction, process control, and cultural cultivation. Through systematic and meticulous management practices, we transform our commitment to quality into excellent products, ensuring consistent and reliable quality for consumers.

Quality Strategy and Management System

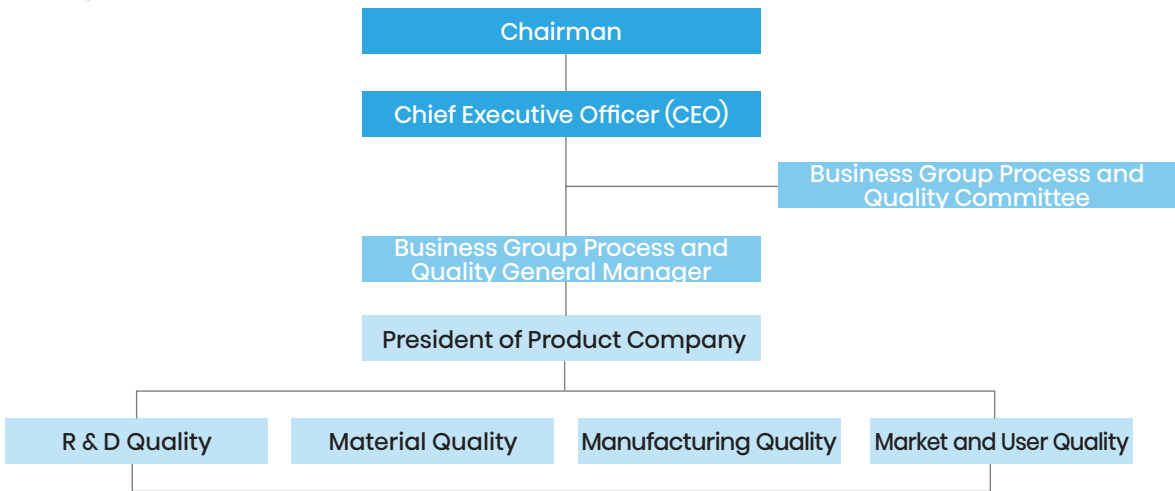
Hisense Group takes the "Seven Rules of Quality" as its strategic guideline, comprehensively fortifying the defense line of product quality and safety.

◎ "Seven Rules of Quality"

1	Good quality cannot bring the enterprise all the glory, but bad quality leads to huge losses.
2	The user is the sole judge of quality.
3	Technological innovation is the foundation of product quality.
4	Treating suppliers well is treating ourselves well.
5	Quality is a reflection of character.
6	Innovation is important, but it should never be used as an excuse to alter quality standards and traditional yet effective methods.
7	Quality is the red and green light for corporate performance.

Hisense has established a sound quality assurance system, constructing a three-tier quality management framework covering "group - business clusters - product companies," with the chairman serving as the highest responsible person and appointing a CEO to oversee related work. Quality management is integrated throughout the business process to ensure that the quality of all delivery stages meets user requirements. Additionally, a national-level laboratory certified by CNAS has been established, and third-party institutions such as TUV and SGS are utilized for overseas product safety certification, ensuring strict control from raw material procurement to final sales. In 2024, the number of major responsibility accidents concerning Group safety and quality was zero.

◎ Quality Management Framework



Hisense and its subsidiaries continuously strengthen quality standardization construction, strictly adhering to the *Product Quality Laws of the People's Republic of China* and other quality-related laws and regulations, as well as international standards such as RoHS and REACH. We have established management systems for product quality and safety, including the formulation of the Measures for the *Administration of Primary Responsibility for Product Quality and Safety*, to guide the establishment of a quality management system, thereby enhancing the competitiveness of products and services through standardized management.

2024

The ISO 9001 Quality Management System certification coverage has reached **100%**

IATF 16949 certification¹ A cumulative total of **4** companies covered

IATF 16949 certification¹ A cumulative total ofThe cumulative number of companies covered by North American safety certification is **7**



¹ IATF 16949 Certification: Quality Management System—Organizational Implementation of ISO 9001 Requirements for Production Parts and Related Service Parts in the Automotive Industry

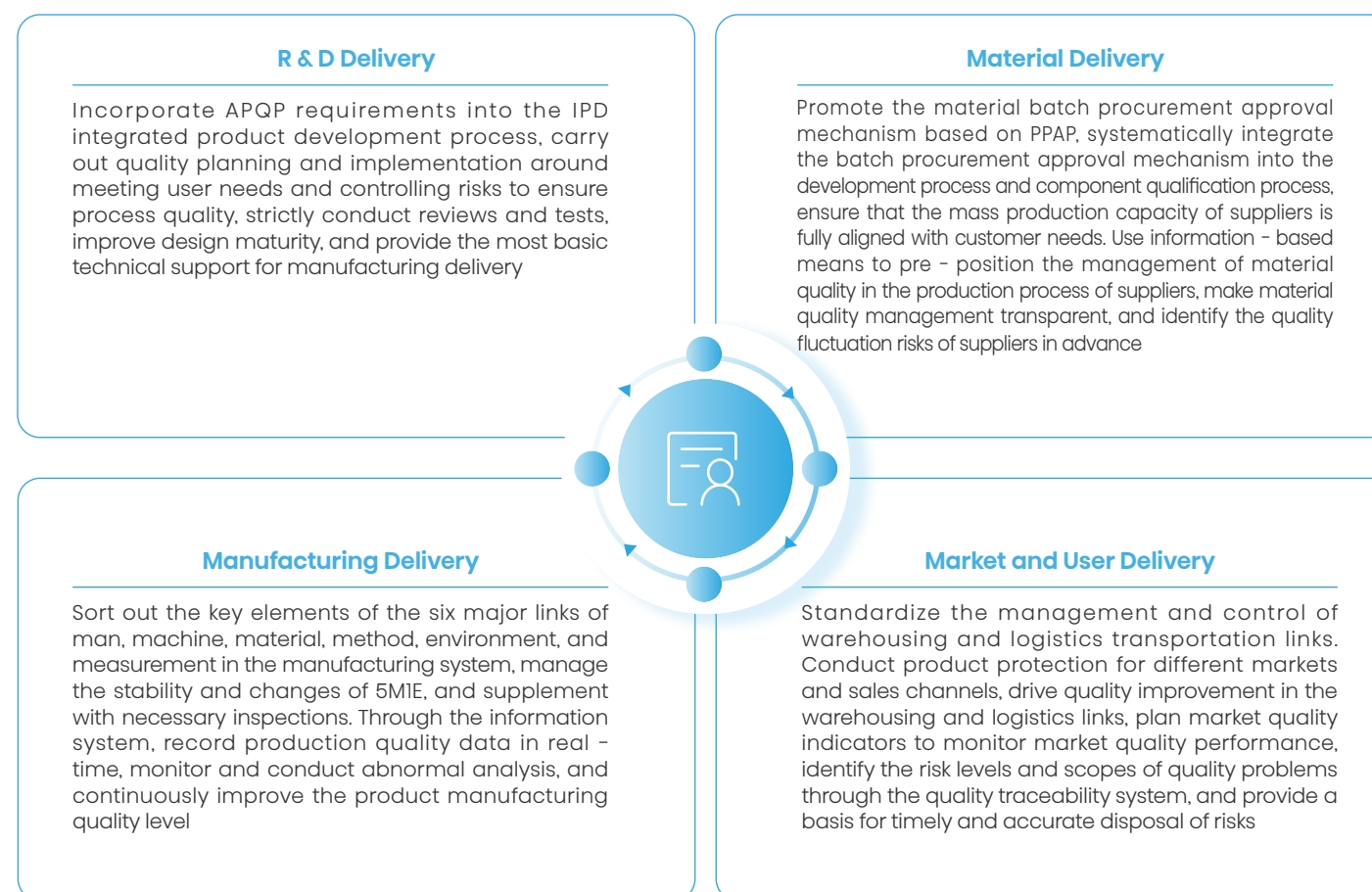
Quality Management Throughout the Product Lifecycle

Hisense embeds quality and safety management throughout its entire business chain, building a closed-loop quality management system for the entire product lifecycle oriented by market demand. In the process of strengthening risk control and continuous improvement, we refine quality efficiency, making every advancement in management a step towards quality enhancement.

• Quality and Safety Management Closed Loop

Hisense has established a tiered business process architecture, focusing on the development of key core areas such as R&D, supply chain management, manufacturing, and marketing. We integrate quality and safety requirements into these processes. Based on the principle of “not accepting, not producing, and not delivering” defective products, we have proposed four delivery concepts: R&D delivery, material delivery, manufacturing delivery, and market and user delivery. Through rigorous process management, we continuously improve delivery quality.

◎ Quality Monitoring and Management throughout the Product Lifecycle



Hisense has built a quality monitoring system that spans the entire product lifecycle on the foundation of standardized systems. Our subsidiaries have formulated and implemented documents such as the *Product Surveillance and Measurement Control Procedures*, *Procurement Inspection Management Measures*, and *Factory Inspection Management Measures*, systematically standardizing the inspection process from component procurement and production manufacturing to finished goods leaving the factory. By doing these, they formed a comprehensive quality control network covering the entire chain. Meanwhile, we actively explore paths for digital transformation, enhancing inspection efficiency and accuracy through data-driven approaches.



Case: Core Quality Control Team of Xiamen Changelight Co., Ltd. Wins “National Worker Pioneer”

In Xiamen Changelight Co., Ltd.’s Product Inspection Team, twelve experienced inspectors strictly follow the “Seven Rules of Quality,” “safeguarding product quality with unwavering dedication for over a decade. Through innovative inspection methods and sampling schemes, the team has achieved a 60% efficiency improvement and doubled production capacity. The established mentor-apprentice training system and multi-dimensional skills competitions have led to an accuracy rate exceeding 95% and a multi-skilled workforce coverage rate reaching 70%, ensuring flexible human resource allocation. In 2024, the Product Inspection Team was honored with the “national worker pioneer” title again, embodying the responsibility and commitment of a quality control team through their dedication and expertise.



• Quality Risk Management and Improvement

Hisense Group continues to strengthen risk management for product quality and safety, reinforcing control over resource pool risks, competitive risks, technical route risks, and technical solution risks. We integrate the identification, evaluation, and closed-loop requirements of these four types of risks throughout the entire chain from technology planning to market-oriented product development. Focusing on value streams and quality management capabilities, we have established a digital quality management platform to achieve procedural and digital development of quality management across the entire product lifecycle, fully ensuring safe delivery.

We prioritize consumer rights and needs as the core focus for quality improvement, strictly preventing substandard products from entering the market. We rely on the *Product Surveillance and Measurement Control Procedures* and the *Nonconforming Product Control Procedures* to standardize the process inspection and verification controls of products, clearly defining the handling procedures for nonconforming products generated during inspection, production, release, and market stages.

To fully comply with electrical safety, RoHS, REACH, and food safety quality compliance requirements, the Group has established the quality incentive management measures, which clearly define the management methods and corresponding evaluation criteria for product recalls caused by safety issues. At the same time, subsidiaries are required to formulate special recall procedures based on their business characteristics, to deepen the implementation of the product recall mechanism.

Quality Capability Development

Hisense Group has achieved precise control over product quality and safety and a deepened quality awareness among all employees through the construction of digital capabilities and organizational capabilities, forging a competitive advantage for high-quality development of the enterprise.

• Digital capability development

Hisense has established a product traceability system integrated with digital technologies, focusing on quality management, traceability, and improvement needs throughout the product's entire lifecycle. Through digital means, we collect quality data across the entire process, and we aggregate, integrate, and connect quality data from all stages.



Case: Hisense's Dual Engine of Digital Quality Management Drives Efficiency Leap

In 2024, Hisense Visual adopted digital tools as the core to comprehensively innovate its quality management system, achieving bidirectional upgrades in processes and decision-making. By leveraging Xinma applications to promote coordinated handling of quality issues across multiple stages, the efficiency of addressing quality issues increased by 50%. Simultaneously, through data integration, abnormal procedures were identified, driving targeted improvement measures to be effectively implemented, setting a benchmark for the digital transformation of quality management in the industry. During the reporting period, Hisense Visual achieved a 100% pass rate in both national and provincial inspections, with zero product recalls and no significant quality incidents in the market.



Enhancing Quality Culture

Hisense Group firmly believes that a culture of quality is a significant force for building consensus and driving innovation. We place great emphasis on cultivating a quality culture among our employees through a series of diverse activities. We integrate the concept of quality into employees’ daily work to foster an atmosphere where everyone participates in upholding quality.

2024

A total of **242** quality training sessions were organized, with a total of **12,097** attendances

Promoted **886** quality improvement topics and established **100** company-level quality improvement projects

Hisense Academy launched the Six Sigma Competition, with a total of **58** projects participating and **144** people obtaining Black Belt certification

Hisense Academy hosted the Hi-QCC Competition, attracting participation from **80** outstanding projects across **11** companies

30 students obtained certification as Hi-QCC project diagnosticians



Case: Hisense Group Quality Month Activities Deepen Quality Awareness Among All Employees

In 2024, the subsidiaries of Hisense Group actively carried out Quality Month activities, implementing various measures to strengthen employees’ quality awareness, fostering a positive atmosphere of full participation.



Hisense Vision

Conducted special rectification, organized training for key business processes, and organized quality exams for quality related departments, covering a total of 1,718 attendances, with a pass rate of 96%.



Hisense Air Conditioning

More than 50 various quality culture activities were carried out, including quality improvement activities, quality legal education, and quality skills competitions.



Hisense Washing Machine

By empowering AI to launch the Smart Quality Month campaign, 23 innovative projects such as the “Laboratory Inspection Robot” have been established, effectively enhancing the level of quality intelligence.



Hisense Hitachi

With the theme of “compliance with procedures, emphasis on accumulation, assurance of delivery, and assistance in operations,” 17 specialized improvement projects were launched, and 721 participants took part in quality culture and knowledge quizzes to enhance employees’ awareness of quality.



Upgrading User Experience

Hisense adheres to the principle of “user-centered” in product and service development, proposing the concept “the Scenario-driven Future of Tech.” This initiative aims to meet users’ personalized needs and promote the evolution of intelligent living through technological innovation and scenario-based solutions. We deeply integrate AI technology to enhance the intelligence level of user services, creating an excellent service experience. Through responsible marketing practices that are transparent and compliant, we earn market trust and enable users to feel the warmth of our brand through loving technology.

Product Demonstrates Humanistic Care

Hisense integrates innovative technologies deeply into life scenarios, dedicated to creating a full-range product matrix that focuses on health and aging-friendly products. Subsidiaries practice the concept of “technology for all.” Through applying technologies such as laser eye protection, smart eye protection, image quality optimization, and oxygen-rich ventilation systems, and equipping functions like fitness monitoring and emotional companionship, we comprehensively safeguard users’ physical and mental health, making technology a warm aid in enhancing the quality of life.



Case: Hisense Mobile Smart Screen redefines family health and emotional interaction scenarios with innovative technology

Hisense’s mobile smart screen focuses on the two core values of “health management” and “emotional companionship,” reshaping the smart home living scenario. The product is equipped with a self-developed HSE intelligent fitness engine and the GPT and HiStar, making it adaptable to a wide range of scenarios such as family entertainment, AI fitness, and mobile office, providing users with convenient and warm full-scene experiences.



Case: Hisense Visual Integration of Care+ Accessibility Suite to Create Inclusive Audio-Visual Experiences

Hisense TV integrates the elderly- and disability-friendly care + accessibility suite, providing a better viewing experience for people with color blindness or hearing impairments. The age-friendly design features a simplified mode and interface, along with dialect recognition, making it easier for seniors to use.



Case: The Zhi Shu Full-Sensory Intelligent Air and Water System Creates a Constantly Clean and Oxygen-Rich Healthy Living Space

The Zhi Shu intelligent air and water system is equipped with a high-efficiency filter, which has a single-pass filtration efficiency of over 98% for particles such as PM2.5, effectively removing harmful substances to ensure the indoor air remains fresh and clean. This provides a healthy breathing environment for residents. At the same time, through a real-time oxygen-rich ventilation system, the Zhi Shu intelligent air and water system continuously expels stale air caused by the enclosed indoor space and introduces fresh air rich in oxygen. This enables it to achieve rapid and effective air exchange between indoors and outdoors, enhance indoor air quality, and create a consistently clean and oxygen-rich living environment for users.

Intelligent Services Enhance Satisfaction

Hisense has established a comprehensive customer service system, conducting regular customer satisfaction surveys to accurately grasp the core needs of customers. At the same time, we actively build our own customer service management mechanism, constructing an AI intelligent customer service system, VOC (Voice of Customer) management platform, and other application tools, continuously optimizing products and services.

• Professionalism of Product Services

Hisense Group and its subsidiaries actively promote the construction of service standardization, implementing systems such as the Customer Service Management Rules. Through digital service platforms, we build a standardized, end-to-end service loop. We comprehensively enhance the professional capabilities and overall quality of service teams, providing targeted training for relevant department employees. We adjust the evaluation mechanism for service personnel, implementing a management mechanism of “reminder, warning, elimination” for service personnel with frequent skill-related issues, thereby strengthening responsibility implementation and effectively improving service quality.

• Product service availability and timeliness

To improve the after-sales service system, Hisense Group has established a service network covering 100% of its sales areas both domestically and internationally. We have set up integrated delivery and installation, package delivery and installation, and new-for-old replacement service models, achieving one-stop services with a 24-hour response time in the same city and a 48-hour response time across cities (including townships). In addition, the Group has implemented service policy subsidies in some remote areas, such as increasing the settlement coefficient for service fees in these regions, to genuinely enhance the service experience for users in remote areas.

Hisense Group focuses on the smart customer contact center, deeply integrating AI technology with service communication scenarios to comprehensively enhance customer service efficiency. In response to service demands in overseas markets, we integrate the European call center platform, expanding multi-language and multi-channel user access pathways to promptly resolve user needs online. Relying on digital platforms, we achieve centralized information management and intelligent allocation to corresponding service management departments and professionals.



Case: Hisense's Innovative AI Smart Customer Service System

In 2024, Hisense Visual leveraged technological innovation to optimize service models, relying on GPT and HiStar. It has cumulatively completed over 12 million smart service interactions across all product categories. AI also handled over 55.7% of calls to the 400 hotlines.

In terms of the intelligent support system, Hisense has employed GPT to digest the FAQs for over 2,000 products and established early warning scenarios to identify risk incidents in advance. Based on AI scenarios, we provide personalized, human-like responses to service requests. Through technological innovation, we provide users and service personnel with more timely and accurate information consulting and problem-solving services.

• Customer Complaint Handling

Hisense has established and improved mechanisms for responding to and resolving customer complaints. Our subsidiaries have formulated internal regulations such as the *Customer Grievance Management Procedure*, building an integrated channel for receiving complaints that includes sales, logistics, and service systems. A 7x24-hour voice self-service system has been set up, and continuous efforts are made to expand service touchpoints and access channels, including the Hisense AiJia app, WeChat official accounts, and e-commerce platforms, to promptly respond to and handle issues raised by customers. After a complaint is received, relevant departments are required to respond within 2 hours and complete handling within 24 hours according to regulations. Follow-up visits are conducted after service completion to track the outcome of complaint resolution, ensuring customer satisfaction and forming a closed loop in customer service.

◎ Key Measures for Complaint Handling



Standardization Process

- Refine customer complaint scenarios and classifications, unify the management of sales, logistics, service, and quality complaints, and revise and release new standards for customer complaint determination. Cover the entire customer service process to accurately identify and locate the causes of customer complaints.



Digital Platform

- Hisense Group has launched the VOC management platform, which collects customer complaints in real-time through customer profiles and assigns them to responsible persons for timely handling, ensuring zero escalation of complaints.



Dynamic processing

- Launching the Hisense AiJia "1H Response, 2H On-site" exclusive service, we aim to meet customer needs and gradually improve service operation quality, achieving zero rescheduling and zero delays for an ultimate service experience.
- Upgrade the Hisense service "Xin Lian Xin" system. Based on customer needs and door-to-door service pain points, we launch functions such as "one-click help" for service engineers and spare parts reserve prediction for service providers improving service resolution efficiency and quickly meeting customer demands.

Implementing Responsible Marketing

Hisense Group practices the principles of integrity, transparency, and compliance in responsible marketing, strictly adhering to laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Law Against Unfair Competition of the People's Republic of China* during market promotion and marketing activities. The Group has formulated systems including the *External Information Release Management Measures of Hisense Group*, the *Domestic Outdoor Advertising Management Measures*, and product manuals, establishing stringent marketing review processes to ensure the legality and rationality of advertisements and marketing content. Meanwhile, the Group regularly conducts special audits for business departments to promptly identify and address potential risk issues. In 2024, in conjunction with the ISO 37301 Compliance Management System certification work, the Group comprehensively reviewed the list of compliance obligations related to brand marketing, conducting a thorough examination of the compliance status of over a hundred laws, regulations, and internal systems, ensuring that all business management activities meet the requirements.

In terms of awareness enhancement, Hisense Group regularly conducts responsible marketing training for all employees, strictly requiring them to avoid improper behaviors such as exaggeration and deception, commercial bribery, false reporting, and disparagement of competitors.



Environmental Stewardship and Harmonious Coexistence

Hisense Group has deeply integrated the concept of green and low carbon into every aspect of its corporate operations. Relying on a comprehensive environmental and energy management system, we are accelerating the transition to clean energy, promoting resource recycling, and strengthening pollution control to reduce the potential negative impact of our production and business activities on the environment. Through concrete actions, we are speeding up the transformation towards low-carbon and circular processes, contributing to global ecological improvement and environmental sustainable development.

The main issues addressed in this chapter

- Environmental Compliance Management
- Energy Management
- Waste and Pollutant Management
- Ecosystem and Biodiversity Conservation
- Addressing Climate Change
- Water Resource Management
- Circular Economy and Resource Utilization

The main highlights of this chapter

- Strive to build 4 leading Zero Carbon Factory.
- The proportion of green power usage has reached 21.20%, and the comprehensive energy-saving rate of the manufacturing system has reached 8.5%.
- The "trade-in" campaign recycled a total of approximately 2.21 million old home appliances, supporting the development of a green and circular economy.



Key Objectives and Progress

Issue	Improvement Path	Indicator	Objective	2024 Performance	Completion Status
 Address climate change	Building the "Hi Green" carbon neutrality action blueprint, focusing on low-carbon operations, low-carbon industrial chains, and low-carbon products and service systems, while actively collaborating with all partners to lead the low-carbon development of the entire industrial value chain.	Scope 1 and 2 Emission Intensity	Taking 2023 as the base year In 2024, the carbon emission per unit of output decreased by 10% compared to the previous year By 2030, achieve a 40% reduction in Scope 1 and Scope 2 intensity By 2040, achieve a 50% absolute reduction in Scope 1 and Scope 2 emissions By 2050, achieve carbon neutrality in scope 1 and 2 emissions	Decreased by 11%	
	Establish an Energy Management System, implement equipment and facility upgrades, energy-saving renovations, and other measures. Regularly organize the selection of outstanding energy-saving projects to promote efficiency improvements.	Comprehensive Energy Saving Rate	In 2024, the Group's manufacturing system achieved a comprehensive energy-saving rate of 7% (i.e., a 7% reduction in the comprehensive energy consumption per unit product)	8.5%	
 Energy management	Actively promote the construction of distributed photovoltaic projects, deploy energy storage systems, and enhance the proportion of green power in the energy structure through multiple channels.	The Proportion of Clean Power Usage	By 2030, the proportion of clean power reaches 30% By 2040, the proportion of clean power reaches 60% By 2050, the proportion of clean power reaches 100%	21.20%	
	Vigorously promote measures such as source reduction, daily control, regular monitoring, treatment, and recycling to help minimize the impact of production and operations on the environment and resources.	Compliance Rate of Hazardous Waste Disposal	In 2024, the compliance rate for the disposal of hazardous waste remained at 100%	100%	
 Waste and pollutant management		Recycling and Reuse Rate of General (Non-Hazardous) Waste	In 2024, the recycling and reuse rate of general (non-hazardous) waste remained at 100%	100%	
	Introducing digital means to comprehensively build a full-chain waste product recycling system covering the user end, recovery end, dismantling end, and regeneration end, practicing a green circular development model.	The Recycling and Reutilization Rate of Electronic Waste	In 2024, the recycling and reuse rate of electronic waste remained at 100%	100%	
 Circular economy and resource utilization					



Strictly Adhering to Environmental Compliance

Hisense Group implements the policy of “giving priority to protection, focusing on prevention, comprehensive management, public participation, and responsibility for damage,” strictly adhering to laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. We comprehensively build a green and low-carbon environmental standards system that spans the entire industrial value chain and product lifecycle, dedicated to minimizing the environmental impact of all production and operation processes.

Environmental Management System

We have formulated the *Environmental Protection Management Measures of Hisense Group*, establishing a standardized management framework that covers the entire business chain. During the reporting period, we revised this system to include requirements for ESG data statistics, carbon reduction, and environmental monitoring. We conducted promotional activities for subordinate factories, achieving 100% coverage of core personnel in environmental protection positions.

Hisense's environmental management system is primarily framed around “PDCA,” establishing a comprehensive closed-loop management system that covers planning, implementation, inspection, and improvement stages, achieving standardization, normalization, and long-term effectiveness in environmental management.

As of the end of the reporting period

the number of factories that have obtained ISO 14001 Environmental Management System certification is

41

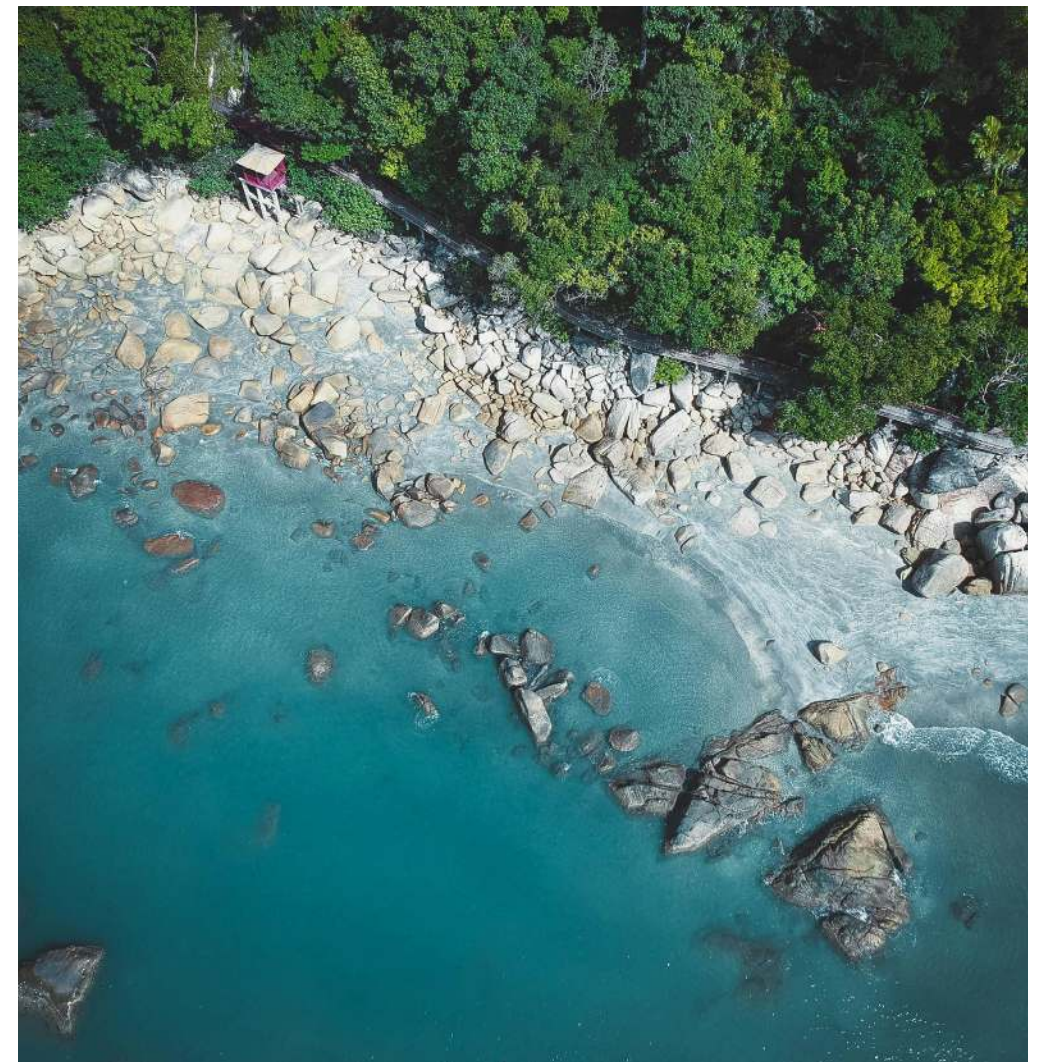


Environmental Risk Management

Hisense Group has achieved dynamic monitoring of pollution factors such as wastewater, exhaust gas, and noise for 24 hours through an intelligent online monitoring system at production bases, with data accuracy exceeding 99.8% as verified by third-party institutions. In 2024, the number of major environmental incidents in the Group was zero.

Each subsidiary has established systems such as the *Environmental Operation Monitoring and Protection Management Measures* and the *Identification and Evaluation of Environmental Factors Management Measures*. They regularly identify and assess hazards and environmental factors to determine significant environmental factors and related objectives and indicators, develop corresponding management plans, and monitor the implementation of these plans to form a closed-loop management. In addition, subsidiaries actively apply digital monitoring platforms, risk source ledgers, and other management tools to achieve dynamic monitoring of potential risk factors, effectively enhancing their capabilities in risk prevention and response.

Hisense has established an integrated environmental emergency management system encompassing “prevention-response-protection,” actively formulating the *Environmental Emergency Response Plan*. We organize 202 emergency drills annually, covering fire safety, chemical spills, and hazardous waste leaks, to enhance the efficiency of responding to sudden environmental incidents and deepen all employees' awareness of environmental safety responsibilities.



Addressing Climate Change

Addressing climate change is a key issue for achieving sustainable development. Hisense firmly implements the country's major strategic deployment of "carbon peaking and carbon neutrality." We urge our subsidiaries to actively focus on climate change and comprehensively identify and systematically respond to climate-related risks and opportunities, thereby deeply integrating the concept of green and low-carbon into the Group's strategic planning and daily operations, building a low-carbon management system that spans the entire industrial value chain and product lifecycle. With innovative green technology as the driving force, we focus on three directions: low-carbon operations, a low-carbon supply chain, and low-carbon products, continuously enhancing our climate resilience and response capabilities, contributing to corporate responsibility to global climate governance.

In 2024, Hisense Group released its first carbon neutrality commitment: we will achieve carbon peaking in our operations no later than 2026 and achieve carbon neutrality in our operations no later than 2050. At the same time, we published the first Hisense Group Carbon Neutrality White Paper, showcasing our low-carbon development strategy, action plan, and a wealth of practical achievements.



Climate Governance

Hisense Group has established "continuously transitioning to green and low-carbon" as one of its four new development goals for 2024. We build a four-level management structure of "strategic level - management level - planning level - execution level." This structure covers the Group, product companies, and factory levels, forming a full-chain closed-loop mechanism from top-level design to grassroots implementation. We integrate carbon neutrality targets deeply into core business processes such as strategic planning, R&D and innovation, operational management, and supply chain. We promote the implementation of low-carbon development concepts throughout the value chain, including technology iteration, production manufacturing, and supply chain management.

Climate Governance Framework

Strategic Level	 Board of Directors	Lead and make decisions on the Group's sustainable development and carbon neutrality in our operations.
Management Level	 ESG Committee	- Comprehensively consider climate-related factors at the levels of strategy formulation, financial support, technological innovation, and business operations, to identify, assess, and manage climate-related risks and opportunities. - Review and oversee matters related to sustainable development and carbon neutrality in our operations - Regularly assess the implementation and progress towards achieving the objectives.
Planning Level	 Carbon Neutrality Planning Group	Coordinate the formulation of the Group's carbon neutrality strategy and action plan, set and break down carbon neutrality-related targets, and guide all levels to advance and implement carbon neutrality work.
Execution Level	 Carbon Neutrality Task Force	Comprising The Green Manufacturing and Operations Team, the Green Design and Product Team, the Green Procurement Team, the Green Logistics and Storage Team, the Green Recycling and Service Team Responsible for advancing carbon accounting, carbon reduction, low-carbon innovation of products/services, and carbon asset management.

Improve Management Systems

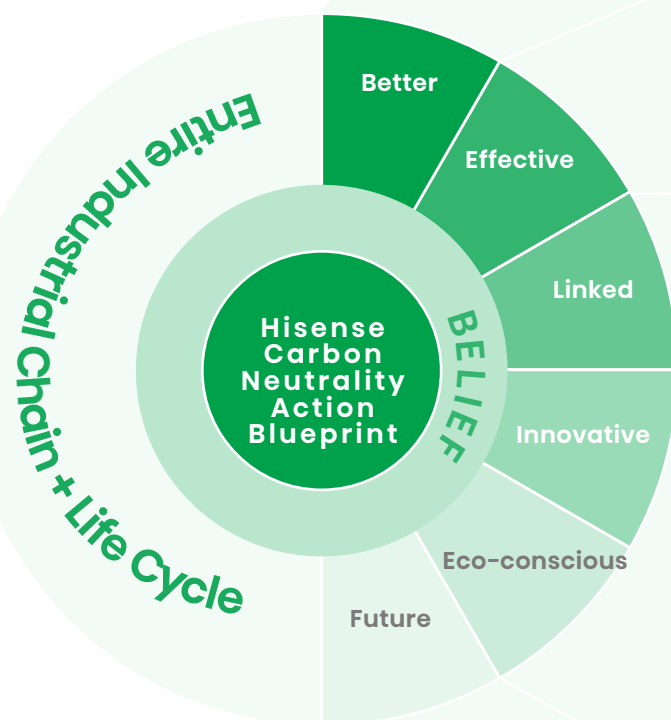
To further standardize and guide the long-term low-carbon transformation work of the group, Hisense Group has initiated and continuously improved a series of climate-related internal management systems, building an institutionalized and systematic green and low-carbon management framework. The Group has successively issued several guiding documents, providing solid institutional support for achieving the goal of carbon neutrality.

Carbon Management	Carbon Accounting	Carbon Reduction
- Hisense Green Development Outline - Hisense Low-Carbon Guidelines 	- General Guidelines for Accounting of Greenhouse Gas Emissions at the Organizational Level - General Guidelines for Product Carbon Footprint Accounting 	- General Technical Requirements for Green and Low-Carbon in Electrical and Electronic Products - The Guidelines for Building a Low-Carbon Standards System 

Hi GREEN

Hisense's Green Future

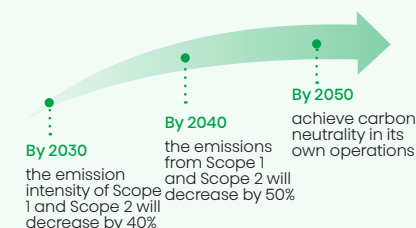
Hisense Group will take innovative green technologies as the engine to lead the entire enterprise chain towards a beautiful green and low-carbon future.



Blueprint for Carbon Neutrality Actions

Hisense Group guides its development with green principles, using green technology research and development as its core support. Focusing on the overall goal of carbon neutrality, we strive to create a low-carbon operation, a low-carbon industrial chain, and a low-carbon product and service system. We actively collaborate with all partners to co-create a low-carbon future. To systematically advance the path of green and low-carbon development, Hisense has proposed the "Hi Green" carbon neutrality action plan, comprehensively building six guidelines: better, effective, linked, innovative, eco-conscious, and future. This continuously strengthens our capabilities in both "mitigation" and "adaptation" aspects of climate change, promoting the construction of a green and smart ecological system that spans the entire industrial value chain and product life cycle.

Low - Carbon Strategy



Carbon Neutrality Management Framework

A four-level management framework spans the strategic level, management level, planning level, and execution level, covering elements of carbon accounting, carbon emission reduction, carbon assets, and management of low-carbon products/services.

Management System Documents

Issue internal energy and carbon system documents ranging from energy to dual-carbon performance management.

Low-carbon Operations



Ultimate Energy Efficiency Improvement

Green operation for efficiency improvement

Improve energy utilization efficiency in the production process through energy-saving technological transformation and promote the low-carbon operation culture in office buildings.

Digital and Intelligent Momentum Accumulation and Empowerment

Through the energy management platform and intelligent automatic control technology, dynamic monitoring and digital management of key energy media are realized.



Clean Energy Transition

Driven by the goal of improving the indicator of the proportion of green electricity, it continues to deploy park-based photovoltaic and energy storage, and realizes photovoltaic-storage integration.

Explore diversified clean energy sources such as hydropower, nuclear power, wind power, and hydrogen energy.



Careful Selection of Negative Carbon Technologies

Actively explore nature-based carbon sequestration and carbon removal projects to complete the "last mile" of carbon neutrality.

Low - Carbon Industrial Chain



Green Procurement Management in the Upper Stream

Innovate management methods

Establish a four-step management process of "Introduction - Management - Evaluation and Assessment - Exit". Utilize online platforms to achieve more digitalized and intelligent management.

Promote joint efforts for win-win outcomes

Synergize and connect with supplier partners through means such as empowerment via training and collaborative R&D.



Downstream green sales and after-sales service

Innovate management methods

Promote logistics visualization and warehouse cleaning, and transition to more green and intelligent logistics and warehousing.

Improve and perfect the recycling system

By establishing online recycling platforms and expanding offline recycling channels, the dual-drive enables the efficient operation of the recycling system.

Low - Carbon Product/Services



Innovate Green Terminal Products

Support from Digital Simulation Platforms

Collaboration between simulation and design to realize virtualized design in product development and manufacturing processes.

Material Upgrade

Increase market-oriented application of recycled materials, low-GWP foaming agents, and refrigerants in end products and packaging.

Structural Optimization

Modularization, lightweighting of product structure, and lightweighting of easily disassembled packaging structure.

Energy Consumption Reduction & Energy Efficiency Improvement

Self-developed energy efficiency improvement technologies for products and application of cutting-edge AI algorithms.



Optimize Key Components

Promote Greening of Materials

Develop green material substitution technologies. Recycling of scrap materials.

Reduce Energy Consumption in Product Use

Launch low-energy-consuming component products to help downstream customers save energy and improve efficiency.



Empower Low - carbon Transformation of Multiple Industries

Promote Greening of Materials

Independently develop energy optimization algorithms to dynamically adjust building loads in real time.

Smart Transportation

Intelligent control of traffic signals and automatic optimization of driving routes.

Smart Cities

Unified construction, management, sharing, and utilization of digital systems.

Low-Carbon Future



New Forward Directions

Lead new product trends, establish new industry standards, and develop new low-carbon technologies.



New Driver for Development

Layout strategic emerging industries such as new energy and automotive electronics to drive the group's low-carbon development.



Jointly Create a Sustainable Future

Actively participate in green environmental public welfare activities, personally practice and promote low-carbon concepts, and help the whole society achieve green transformation.

• Climate Scenario Analysis

Hisense Group refers to the disclosure recommendations of the International Sustainability Standards Board (ISSB), specifically the *International Financial Reporting Standards (IFRS) S2 - Climate-Related Disclosures*, to identify and assess climate risks and opportunities in line with its business structure and industry characteristics. In constructing climate scenarios, the Group selects the high-emission scenario IPCC SSP5-8.5 for physical risk analysis and the Net-Zero Emission Scenario (NZE2050) from the Central Banks and Supervisors Network for Greening the Financial System (NGFS) for transition risk and climate opportunity analysis. The results of these analyses serve as a critical basis for refining the Group’s climate strategy and resource allocation. By preventing, detecting, formulating, and implementing targeted strategies, the Group aims to enhance the adaptability and operational resilience in the context of climate change, promoting low-carbon development.

• Physical Risk Assessment

The physical risk analysis is shown in the table below:

Risk Type	Risk Factors	Risk Description	Value Chain Impact	Time of Impact	Ways of Financial Impact	Response Measures
 Chronic Risk	The Average Temperature Increase	- High-precision equipment (such as display panel production lines and chip testing equipment) is highly sensitive to temperature, and an increase in average temperature may affect the operational efficiency and stability of the equipment. - High temperatures may affect employees' health, thereby reducing production efficiency.	Operations	Long-term 	Asset Value Operating Costs Operating Revenue	- Increase resource investment in production equipment to enhance heat dissipation and stability. - Equip the production site with heatstroke prevention and cooling facilities and provide heatstroke prevention supplies to employees in high-temperature positions.
 Acute Risk	Extreme Weather	- Regional drought or water scarcity may lead to water restrictions for factories, affecting the normal operation of cooling systems and cleaning processes. - Floods may lead to damage of facilities such as factories and warehouses, causing damage to equipment and inventory, and increasing maintenance and operating costs. - Extreme weather may increase the probability of safety risks such as fires and explosions, requiring additional operational costs. - Heavy rain, typhoons, and other extreme weather conditions may lead to damage of transportation infrastructure, causing delays in the supply of raw materials and delivery of finished products, disrupting supply chain stability.	Upstream Operations Downstream	Short-term  Mid-term 	Asset Value Operating Costs Operating Revenue	- Promote the construction of rainwater collection and reclaimed water reuse systems, popularize low-water-consumption processes, to alleviate water pressure. - Improve emergency response plans for natural disasters and extreme weather, establish a 24-hour monitoring and response mechanism, conduct emergency drills, and stockpile necessary supplies. - New projects should avoid areas with high risks of extreme weather such as heavy rain and typhoons. - Strengthen the layout of diversified suppliers to ensure production continuity and employee safety.

• Transition Risk Assessment

The transition risk analysis is shown in the table below:

Risk Type	Risk Factors	Risk Description	Type of Impact	Value Chain Impact	Time of Impact	Ways of Financial Impact	Response Measures
 Policy and Regulatory Risks	Carbon Pricing	As global carbon pricing mechanisms advance, manufacturing companies may face increased costs due to carbon taxes or carbon emission trading systems.	Quantitative	Operations	Short-term  Mid-term 	Cost	- Establish a sound carbon emission data management mechanism and strengthen greenhouse gas inventory. - Actively participate in the carbon trading market, optimize carbon asset management. - Invest in energy-saving and emission reduction technologies to lower the carbon intensity per unit of product.
	Climate Information Disclosure Policy	Regulatory bodies and capital markets are increasingly demanding climate-related disclosures from companies, with stricter climate policies leading to higher compliance and operational costs, and greater pressure for energy transition.	Qualitative	Upstream Operations	Mid-term  Long-term 	Cost	- Improve the climate governance system and promote the construction of information disclosure. - Closely monitor the dynamics of climate-related policies and actively layout green technology and management systems.
	Sustainable Product Policy	Sustainability policies and regulations for products are becoming stricter globally, with the European Union's <i>Ecodesign for Sustainable Products Regulation</i> (ESPR) imposing higher requirements on the green and circular attributes of electronic appliances and energy products. The Carbon Border Adjustment Mechanism (CBAM) imposes carbon tariffs on imported goods, and its scope may gradually expand, further increasing product costs and compliance challenges.	Qualitative	Upstream Operations downstream	Mid-term  Long-term 	Cost	Implementing the green design concept that spans the entire product lifecycle (LCA), focusing on material upgrades, structural optimization, energy consumption reduction, and efficiency improvement to enhance the environmental friendliness, durability, and recyclability of products, thereby reducing product carbon emissions.
 Technical Risks	Investment in Low-Carbon Technologies	The industry is undergoing a profound transformation in energy utilization methods, electrification levels, and product design concepts. Insufficient investment in low-carbon technologies and misalignment with future technological trends will impact the efficiency improvement benefits of enterprises and the competitiveness of their products.	Quantitative	Operations	Mid-term 	Cost	- Advance the layout of low-carbon key technology research and development, focusing on high-efficiency, low-emission technologies. - Establish a green technology investment evaluation mechanism to improve the efficiency of R&D funding.
 Market Risk	Raw material costs	The supply and demand of major raw materials and energy carry uncertainties, and the continuous rise in the prices of key raw materials may lead to increased costs.	Quantitative	Upstream Operations	Mid-term  Long-term 	Cost	- Continuously analyze the production capacity and price trends of major raw materials and key components and develop strategic procurement plans to reduce the cost and risk of raw material procurement. - Strengthen R&D to reduce dependence on single raw materials through the substitution of raw materials.

• Climate Opportunity Assessment

The climate opportunity assessment is shown in the table below:

Type of Opportunity	Factors of Influence	Opportunity Description	Value Chain Impact	Time of Impact	Ways of Financial Impact	Measures for Seizing Opportunities
 Policy	Support for Green Transition Policies	- The state has introduced policies to promote the transition to green and low-carbon development, such as fiscal subsidies, tax incentives, and support for green credit, which help companies reduce the costs of green upgrades. - The national carbon market is gradually expanding, and CCER trading is restarting. Proper development and management of carbon assets will lead to revenue growth.	Operations	Short-term✔ Mid-term✔	Cost	- Actively strive for subsidies and tax exemptions related to low carbon and accelerate the pace of green transformation. - Participate in the development and implementation of carbon emission reduction projects, and timely apply for relevant subsidies. - Promote the implementation of green products and services, exploring new areas such as renewable energy and smart grids.
	New Energy Policy Guidance	In 2024, policies such as the <i>Action Plan for Accelerating the Construction of a New Power System (2024-2027)</i> were successively introduced, aiming to promote the transformation of the power system towards clean, new energy, intelligence, and flexibility.	Operations	Mid-term✔ Long-term✔	Revenue	Expand the business scope, leverage the advantages of Shijiazhuang Kelin Electric Co., Ltd.'s smart energy business group, focus on clean energy, smart grids, and other fields, develop an independent intellectual property product system, and enhance market competitiveness.
 Technology	Low-Carbon Technology Innovation	- With the continuous advancement of industrial energy-saving and emission reduction technologies, enterprises can achieve cost reduction and efficiency improvement through technological innovations in production processes. - Optimizing the energy structure and replacing traditional energy sources with renewable energy will reduce long-term energy consumption and carbon costs, enhancing the stability and profitability of corporate operations.	Operations	Mid-term✔ Long-term✔	Revenue	- Introduce high-efficiency energy-saving equipment, implement energy-saving technological renovations, and improve resource utilization efficiency. - Take the Hisense Hitachi Visual Technology Intelligent Factory as a benchmark, promote digital and intelligent upgrading across the board through leading as an example. - Establish a full-process Energy Management System to improve the efficiency of energy management and usage. - Gradually replace high-energy-consuming equipment and expand the use of renewable energy sources such as wind and solar power.

Risk Management

Hisense Group refers to the Environmental, Social and Governance Report Code of the Stock Exchange of Hong Kong Limited and the *Guidelines for Listed Companies' Sustainability Report No. 2 Addressing Climate Change* of the Shanghai Stock Exchange, systematically conducting the identification and analysis of climate-related risks. The Group incorporates climate risk into the overall risk management framework and integrates it into daily management processes. By doing so, we enhance the prediction and response to potential impacts of climate change on operations and the value chain, continuously improving the enterprise's risk resistance capabilities and development resilience.

Risk Identification and Assessment

- In combination with the actual business situation of the Group, conduct research on relevant national laws and regulations and industry market development trends to identify types of climate risks.
- Analyze the likelihood of climate risks and their impact on the Group's operations to derive risk assessment results and form a risk list.
- Regularly update and track the latest climate risk assessment policies and standards to ensure that risk identification work complies with domestic and international regulations and industry requirements.

Risk Response and Decision Making

- The carbon neutrality planning team, in collaboration with external experts, conduct a comprehensive assessment of climate risks and their impact on business models and the value chain, incorporating a risk list and climate scenario analysis.
- Develop scientifically sound risk management strategies for key climate risks and opportunities. Specify responsible departments and concrete action plans.

Risk Supervision and Disclosure

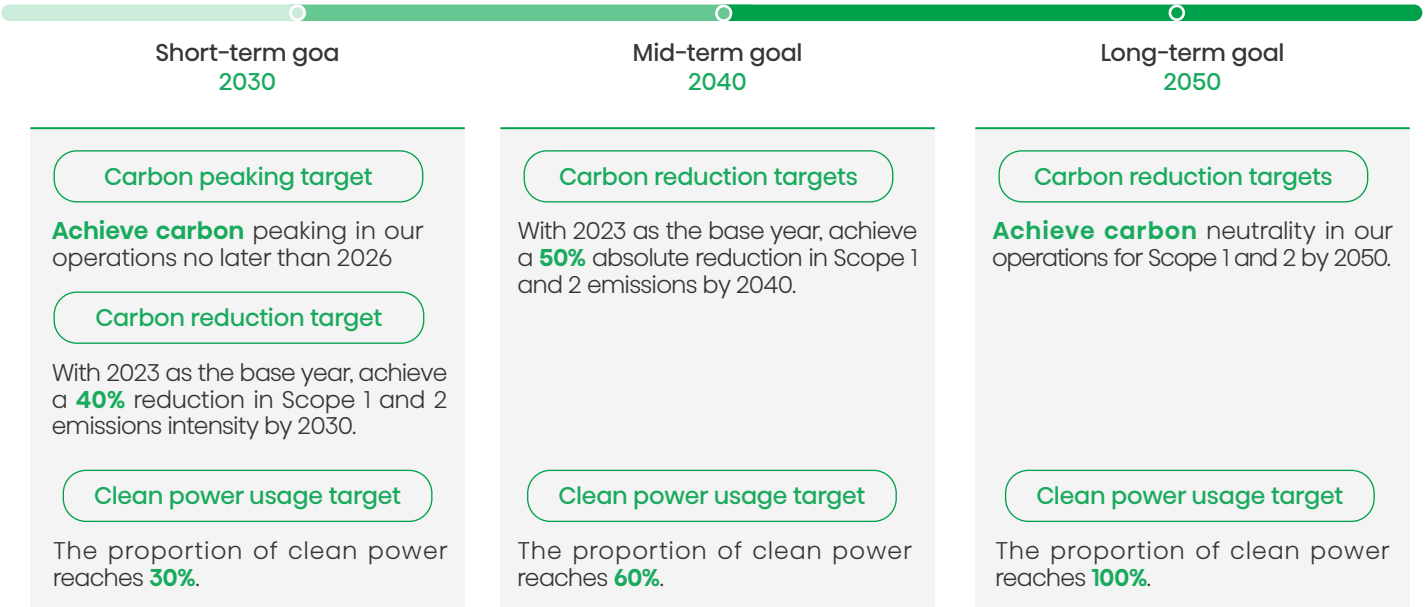
- Report to the ESG Committee on Climate Impact, Risk, and Opportunity Management
- Disclose climate-related information in the annual ESG report

Metrics and Targets

Hisense Group actively responds to the national "dual carbon" policy, committing to achieve carbon neutrality in our operations no later than 2050¹. To achieve this goal, Hisense has set clear phase-based reduction targets and implementation paths for scope one and two emissions.

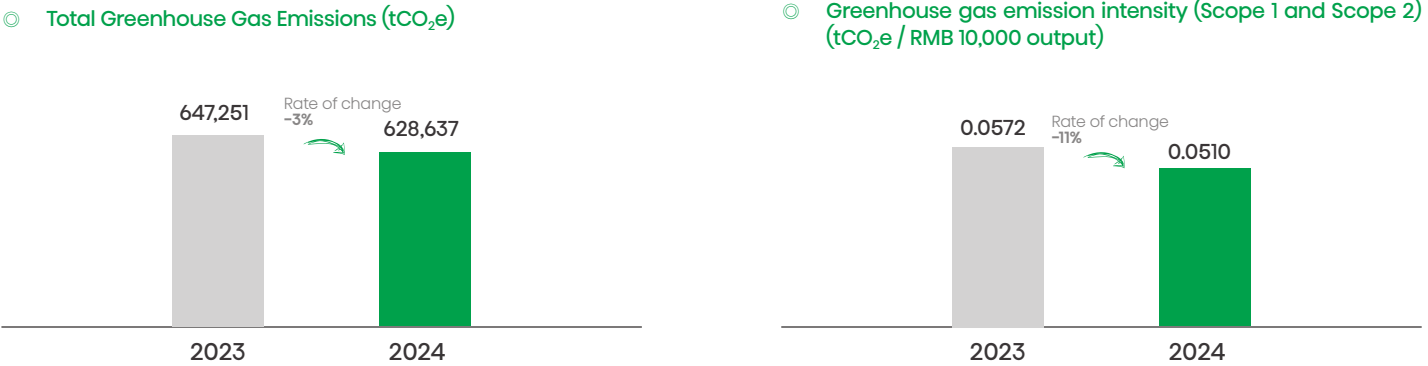
2024

➤ Scope 1 and 2 emission intensity decreased by **11%** year-over-year



Guided by SBTi-related standards, Hisense's subsidiaries, Sanden Corporation and Hisense Hitachi, have taken the lead in setting short-term carbon reduction targets as the "pioneers" in carbon reduction. Sanden Corporation has committed to 100% renewable electricity use by 2030. Hisense Hitachi has pledged to achieve carbon neutrality in the operations for Scope 1 and 2 emissions by 2038 and net-zero across the value chain by 2050.

At the indicator construction level, Hisense, based on international mainstream greenhouse gas accounting systems such as ISO 14064 and GHG Protocol, has fully advanced carbon inventory work. In 2024, the Group completed carbon emission accounting with operational control rights as the boundary, laying a solid data foundation for implementing carbon targets.



¹The boundary for carbon neutrality in our operations aligns with the boundary for carbon inventory.



Optimizing Energy Management

Hisense closely aligns with the goal of green and low-carbon transition, focusing on three directions: extreme efficiency improvement, clean energy transition, and digitalization of energy and carbon management to implement energy management measures. We actively build an Energy Management System, setting up a dedicated Energy Management Department responsible for overall planning, supervision, implementation, and evaluation. In 2024, the Group revised *Hisense Group Energy Management Measures*, improving energy management policies and mechanisms, standardizing energy management in the manufacturing system, and promoting the green development level of its subsidiaries. At the same time, we optimized electricity trading policies and energy-saving incentive policies to enhance employee participation in energy-saving efforts.

Ultimate Efficiency Improvement

Hisense Group actively promotes energy efficiency improvements by implementing a variety of measures such as equipment and facility upgrades, and energy-saving renovations based on its own energy consumption situation. The Group organizes an annual selection of outstanding energy-saving projects. In 2024, 12 key energy-saving projects were selected, including intelligent operation and maintenance of public auxiliary systems, comprehensive energy efficiency improvement of mold processing equipment, and the application of smart energy systems in commercial multi-split air conditioning. These projects cumulatively achieved an annual saving of approximately RMB 11 million in energy costs. They reduced energy consumption by about 1,800 tce and decreased carbon emissions by 8,500 tCO₂e.



Case: Comprehensive Energy-saving Renovation Project of the Pingdu Factory Air Compressor Station

The Pingdu Factory has focused on upgrading the pipeline within the station building and the compressed air loop network in the park, achieving an annual electricity saving of 274.2 million kWh and cost savings of RMB1.845 million, effectively promoting energy conservation and carbon reduction. The Pingdu Factory was awarded the national "green factory" title in 2024, with its technology and practices providing a replicable model for energy conservation and carbon reduction in the industry.



Case: Combined Heat and Cold Supply from Air Compressors Effectively Improves Factory Energy Efficiency

The Qingdao Factory, a subsidiary of the audiovisual technology and multimedia business, has addressed the lower heat demand during non-heating seasons by innovatively utilizing waste heat from air compressor operations. This approach optimizes the combined cooling and heating system, effectively meeting 80% of the factory's heating steam needs and reducing cooling electricity consumption by 21%, achieving an annual reduction of 1,269 tons of CO₂ emissions.

Waste Heat Recovery

Add multiple waste heat recovery units to collect the heat energy generated during the operation of air compressors, store it in insulated water tanks for winter heating use

Summer Refrigeration

Install evaporative lithium bromide units, use the recovered waste heat resources for refrigeration in summer to supplement the air - conditioning cooling capacity demand

Intelligent Conveying System

Efficiently convey hot water through the water pump pipeline conveying system to provide kinetic energy for the combined cooling and heating supply system

Combined Cooling and Heating Supply Operation Mode

Combine the refrigeration station and waste heat recovery system, establish an efficient combined cooling and heating supply operation mode to realize the diversified utilization of energy



Clean Energy Transition

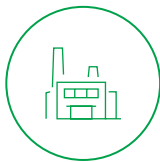
To accelerate the transition to clean energy and build a new pattern of clean and efficient energy, Hisense has deeply explored idle space resources such as rooftops, carports, and other areas in industrial parks and factories both domestically and internationally. We are fully promoting the construction of distributed photovoltaic projects, adhering to the principle that "can be installed as much as possible" to expand the scale of photovoltaic power generation. At the same time, we are deploying energy storage systems to achieve flexible storage and allocation of electric energy. Through market-based procurement of hydroelectric power and other clean power, we are increasing the proportion of green power in the energy structure through multiple channels. In 2024, the usage ratio of green power reached 21.20%.

● The Achievements of Four Zero Carbon Factory



Jiangmen Factory, a subsidiary of the visual technology and multimedia business

In 2023, the Jiangmen Factory received a Zero Carbon Factory certification from a third-party certification body, becoming the first and only Zero Carbon Factory in China's domestic television industry.



Ronshen Plastic Factory, a subsidiary of the mould business

In 2024, Ronshen Plastic Factory achieved 100% renewable energy use in its production process and offset the remaining emissions, earning it the Zero Carbon Factory certification, making it a pioneer in zero-carbon manufacturing within the plastic products industry.



Guangdong Refrigerator Factory, a subsidiary of the refrigerator business

In 2024, the Guangdong Refrigerator Factory, a subsidiary of the refrigerator business, achieved 100% renewable electricity usage and was awarded the title of Zero Carbon Factory after verification by a third-party organization.



Guiyang Factory, a subsidiary of the visual technology and multimedia business

In 2024, Guiyang Factory achieved 100% use of renewable electricity and offset the remaining carbon emissions, earning a place on the national Zero Carbon Factory cultivation list.



Case: Hisense Europe Actively Building a Green Energy System

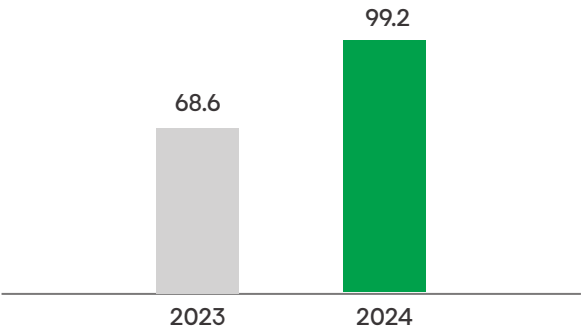
Hisense Europe relies on a sustainable development strategy, continuously deepening its presence in the high-end home appliance market in Europe through green and low-carbon practices. During the reporting period, Hisense Europe constructed a 4.4 MW rooftop photovoltaic power station at the Velenje park in Slovenia, which brought the total installed capacity to 5.3 MW, generating 5.3 million kWh annually and reducing carbon emissions by 3,288.7 tons. This met the requirements of the EU's Carbon Border Adjustment Mechanism (CBAM). It had become the second-largest photovoltaic power station in the area. Additionally, the park was equipped with a natural gas combined heat and power unit, capable of providing 29% of the park's green power needs, fully meeting the requirements for low-carbon operations.



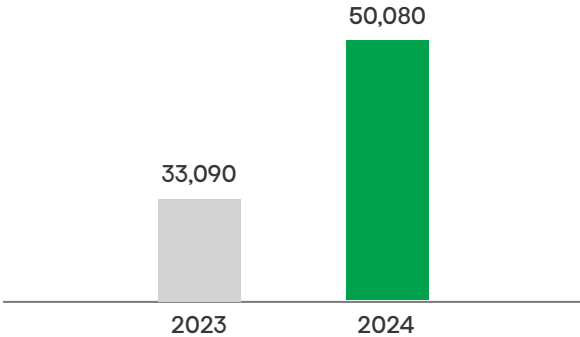
Case: Qingdao Hisense Mould Co., Ltd. Shunde Sheet Metal Factory Promotes Deep Transformation of Energy Structure

In 2024, Qingdao Hisense Mould Co., Ltd.'s Shunde Sheet Metal Factory achieved 100% clean energy coverage for production through a combination of rooftop photovoltaic power stations and green power procurement, reducing carbon emission intensity by 78% compared to the conventional coal-fired power solution in the industry. The accompanying energy storage system optimized peak and off-peak electricity usage, and the efficiency upgrade of air compressor units reduced system losses by over 35%. The AI temperature control system for air conditioning brought about a 20% energy saving in office areas, and the coverage rate of variable frequency motors across all production lines increased to 92%. These combined measures led to a year-on-year reduction of 25.8% in energy consumption per RMB ten thousand of output value, effectively achieving energy conservation and emission reduction.

● Cumulative installed capacity in the park (MW)



● The amount of green power (MWh) corresponding to the purchase of Green Certificates



Jiangmen Vision has developed its own green certificate through its own photovoltaic development, completing the establishment of files and registration by 2024 and initially developing

1,832 MWh

Digitalization of Energy and Carbon Management

Hisense Group focuses on improving energy use efficiency, with the Energy Management System (EMS) and Carbon Management System (CMS) at its core. By deeply integrating information technology, digitalization, and intelligence, we have established a comprehensive energy control system throughout the process, achieving refined management and dynamic regulation of energy consumption.

Intelligent Platform System

Energy Management System

Through advanced integrated intelligence technologies, centralized and flat dynamic monitoring and digital management of key energy media are conducted, providing management departments with accurate and real-time energy analysis results, effectively improving the efficiency of energy consumption management. By the end of the reporting period, the platform has been applied to 7 product companies and 9 production parks of the Group, achieving full coverage of domestic manufacturing bases.



Display of EMS Large Screen Module

"Dual Carbon" Management System

Building a "Panoramic Carbon Cockpit" with efficient real-time monitoring and precise data analysis capabilities; relying on two key dimensions of "organization carbon management" and "product carbon management," comprehensively collecting carbon emission data from various regions to identify carbon emission issues, formulate effective reduction strategies, and evaluate implementation effects.



Hisense Hitachi Carbon Panorama Cockpit Interface



Improving Green Management in Diverse Scenarios

Hisense Group integrates the concept of "green and low-carbon" into all operational scenarios through institutional norms, technological innovation, and behavioral guidance, reducing its operational impact on the environment. At the same time, we promote sustainable development in transportation and storage with a focus on digitalization and greening, building a green development model that covers diverse scenarios.

Green Operations

Hisense has comprehensively standardized the reasonable use of water, electricity, and office consumables, building an energy-saving and low-carbon operation model in office and supporting service scenarios. By advocating comprehensive green behavior, Hisense promotes the enhancement of employee awareness, facilitates long-term behavioral changes and aggregation of green development synergy.

Key Measures for Green Office

Office Setting

- By creating smart buildings to achieve energy-saving automation and remote "one-button intelligent control" of equipment, using the IBMS platform for energy consumption analysis and diagnosis, combined with lighting system energy-saving renovations, digital transformation of office operations, and green consumables management, a comprehensive low-carbon and effective general office operation system is fully constructed.

Complementary Service Scenario

- Building a comprehensive intelligent management and control platform for smart buildings to achieve intelligent upgrading of logistics management. Operation personnel can oversee the dynamics of the park in real time through a large screen, realizing the full-process intelligence from data collection to decision-making and disposal.
- By implementing measures such as parking space guidance, real-time passenger flow statistics, and intelligent management of building equipment, we reduce fuel consumption in parking lots, decrease energy consumption in canteens, and achieve smart electricity savings in buildings, thereby comprehensively improving resource utilization efficiency.

Behavioral Advocacy

- A total of 82 environmental protection training sessions are conducted throughout the year, covering 544,000 participants, with a total training duration of 1,863,136 hours, establishing a comprehensive network for enhancing environmental capabilities.
- Pioneering a "cloud + terminal" hybrid training model, relying on the independently developed "Green Classroom" online platform, achieving full-chain employee training for 7×24-hour mobile learning, with an online participation rate of 76%



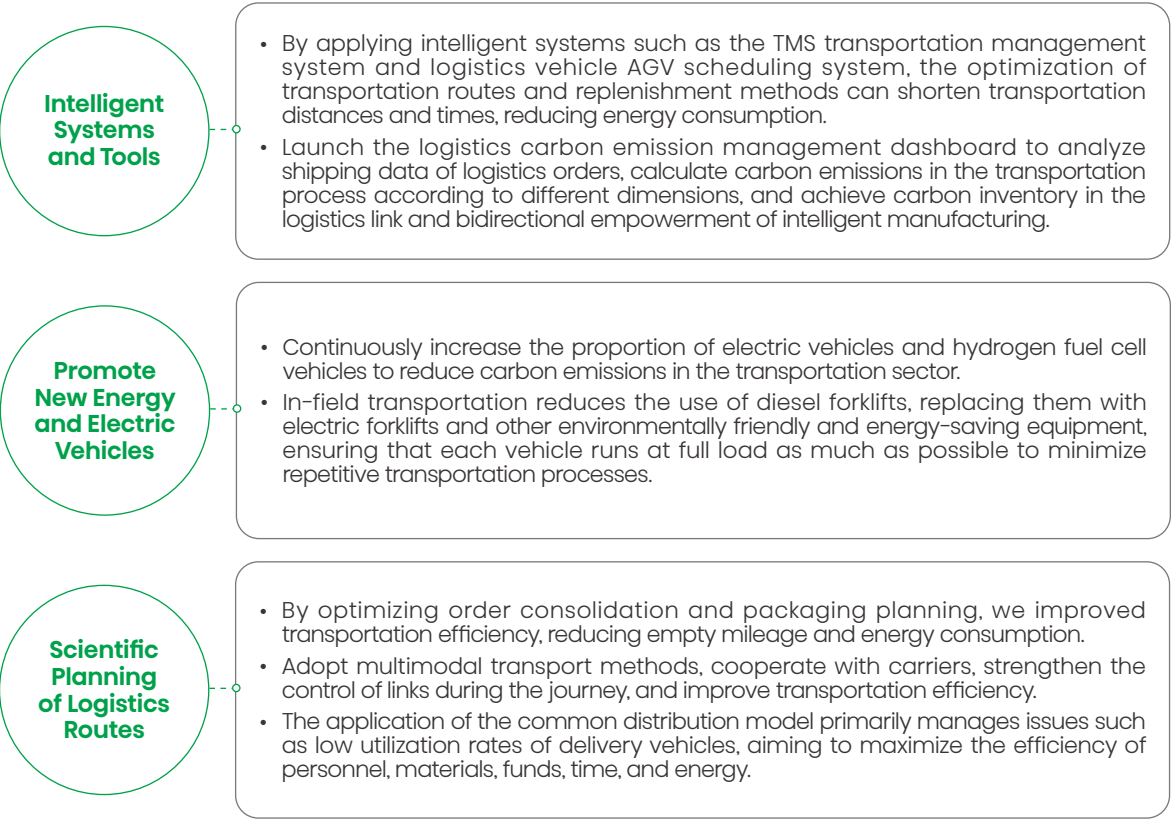
Case: Hisense Hitachi Actively Conducts Green and Low-Carbon Theme Promotion Activities

In December 2024, Hisense Hitachi organized the Dual Carbon Activity Month, which covered dimensions such as green design of products, green supply chain, low-carbon office and transportation, and green operations. The activities aimed to deeply explore energy-saving and carbon reduction measures and included training sessions on energy conservation and environmental protection, as well as publicity and education on low-carbon living. During this period, Hisense Hitachi organized over 20 events, held more than 10 training sessions. These efforts effectively enhanced the awareness of energy conservation and environmental protection among all employees and strongly promoted the company's "dual carbon" goals.

• Green Transportation

Hisense Group and its subsidiaries rely on digital means, promoting efficient and low-carbon development in the logistics sector through key measures such as building intelligent systems and tools, reducing the use of fossil fuel vehicles, and scientifically planning transportation routes.

◎ Key Measures for Green Transportation



• Green Warehousing

Hisense applies advanced WMS warehousing systems to digitally and precisely manage the location information of goods. We conduct intelligent analysis based on order requirements and inventory conditions to optimize scheduling, improving the efficiency of goods positioning and flow, reducing unnecessary energy consumption. At the same time, we achieve paperless tracking of orders, reducing resource waste and effectively lowering carbon emissions caused by the entry and exit of goods and warehouse operations. In terms of warehousing equipment, subsidiaries upgrade warehouse loading and unloading equipment, promoting the use of electric loading tools to reduce the use of fuel-powered equipment. Additionally, by installing charging stations and laying rooftop photovoltaic panels, subsidiaries increase the proportion of clean energy usage, comprehensively building a green warehousing model.



Enhancing Water Resource Management

Water is a key resource for our production and operation, Hisense strictly complies with laws and regulations such as the *Water Law of the People's Republic of China*. We set water resource management goals, and our subsidiaries actively formulate systems like the *Water Conservation Management Measures* to establish a comprehensive water resource management system covering water extraction, use, and discharge. Efforts are made in process and equipment optimization, water resource recycling, digitalization, daily control, and other aspects to implement all-round water resource protection measures, contributing to the long-term improvement of water resource utilization efficiency.

◎ Key Water Resource Management Measures

Process and Equipment Optimization	Installing water-saving faucets and aerators and prompt drip irrigation and smart micro-sprinkler systems, etc., to promote water resource conservation.
Water Resources recycling	The air conditioning cooling water is discharged to the refrigeration station and cooling tower, achieving a cycle of water resources, and the secondary concentrated water is recovered and reused through the concentrated water recovery system.
Empowerment through Digitalization	Establish a scientific water metering system, utilizing the EMS system to monitor water usage anomalies in real time and detect leaks. Upgrade ordinary water meters to remote transmission water meters and combine them with manual inspections to form a "human-machine collaboration" regulatory network, reducing water resource waste.
Daily Water Usage Management Regulations	Establish a water conservation management system, incorporate water usage indicators into the performance evaluation and incentive mechanism, conduct regular inspections of key equipment, identify leak points, and repair them promptly.



Case: Xiamen Changelight Co., Ltd. Implements Multiple Measures to Achieve Efficient Water Conservation

Xiamen Changelight Co., Ltd. through conducting energy efficiency analysis on components of cutting machines and process water, precisely controls the water spray amount for optical height measurement components without affecting the process, saving 33,580 tons of water per year. It has added a concentrated water recycling system to achieve secondary reuse of concentrated water, saving an additional 61,200 tons of water annually, effectively enhancing water resource utilization efficiency.

Strictly Controlling Emissions

Pollutant emissions have become a major challenge in the process of sustainable development. To effectively address pollutant emissions, Hisense implements comprehensive control measures throughout the entire process, from source reduction, daily management, regular monitoring, to treatment and recycling, ensuring that all types of pollutant emissions comply with national and local discharge standards. This promotes the resource conversion of emissions and genuinely reduces the impact of production operations on the environment and resources.

Standards for Exhaust Management

Hisense strictly complies with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Comprehensive Emission Standards for Air Pollutants*, and other laws and regulations. Our subsidiaries have established the *Standards for Exhaust Management* and other systems to standardize the monitoring and control of various types of waste, ensuring that exhaust emissions meet 100% compliance. At the same time, our subsidiaries rely on comprehensive control measures from source to end-of-pipe treatment to support atmospheric pollution prevention.

Key Measures for Exhaust Management

Prioritize the use of environmentally friendly raw materials and low-volatility paints, phase out processes that produce dust and exhaust pollution, actively apply green clean energy, and promote source reduction.

Source Control





Equipment Upgrade

Install exhaust collection hoods, bag filters, and other processing equipment; construct a new standardized exhaust treatment tower; and establish a full-process intelligent purification network.

Establish a waste gas data collection and monitoring system, entrust professional institutions for regular inspections, configure online real-time monitoring equipment, and develop an emergency response plan to quickly address abnormal emissions.

Regular Monitoring





Waste Gas Treatment Process

The process employs fan pressurization, hot air cooling, and adsorption by activated carbon fibers to effectively treat atmospheric pollutants such as ammonia, acidic exhaust gases, and organic exhaust gases.

Case: Hisense Refrigerator Co., Ltd. Vigorously Carries Out Exhaust Gas Treatment Project

In October 2024, the Pingdu Factory of Hisense Refrigerator Co., Ltd. invested approximately RMB 2.2 million to construct foam waste gas treatment facilities. Utilizing the existing fans and facilities, the Factory collected waste gas generated from the foaming process through roof pipelines and then treated it with a "two-stage activated carbon" system before emission. The total exhaust air volume from this process was about 238,800 cubic meters, with an average concentration of 35.2 milligrams per cubic meter. After treatment, the waste gas concentration was expected to decrease to 8 milligrams per cubic meter, achieving an annual reduction of 40 tons in VOC emissions.



Wastewater Management

Hisense strictly implements laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*. We formulate systems like the *Standards for Wastewater Management*, actively apply wastewater monitoring and treatment equipment, dynamically monitor wastewater discharge conditions, ensure compliant wastewater discharge, and rely on wastewater recovery and treatment-related systems to promote the recycling and reuse of water resources.

Key Safety Management Measures for Wastewater

Equipment Maintenance Equipping water quality monitoring equipment to warn of abnormalities, formulating maintenance plans to ensure operation, promoting the intelligence transformation of the eastern sewage station and residential area sewage station, enhancing the overall efficiency of the sewage treatment system.	Regular Monitoring Through the automatic online monitoring system for sewage, real-time monitoring is conducted, and data is interconnected with environmental protection departments and the Group's energy system, enabling 24-hour early warning. At the same time, regular environmental factor testing is carried out, third-party monitoring of wastewater discharge is commissioned, and emergency response plans for water pollution accidents are formulated to strictly control wastewater discharge.
Wastewater Treatment Process The use of coagulation and sedimentation treatment reduces the COD and ammonia nitrogen pollutants in production wastewater. By reasonably allocating the dosage of chemicals and changing from solid caustic soda to liquid caustic soda, the reaction efficiency is improved. At the same time, a biochemical treatment system is applied to enhance the treatment capacity for organic wastewater, ensuring compliance with discharge standards.	Recycling and Reuse Establish wastewater recycling treatment stations and a circulating water system to collect rainwater and recycle process wastewater for reuse. At the same time, adopt a concentrated water recovery system to enhance the efficiency of water resource recycling and reduce the demand for wastewater treatment.

Case: Equipment Upgrade and Transformation Project for Wastewater Treatment Plant Achieves Efficient Pollution Control

Hisense Group actively implements multiple sewage station equipment upgrade and transformation projects, among which Hisense Visual Technology Co., Ltd. invests RMB 960,000 to complete the update of two screening machines at the East Sewage Station and the residential area sewage station, as well as the cable renewal at the East Sewage Station. Sanden Corporation China region invested RMB 60,000 to complete the repair of the sewage station pump and equipment replacement, contributing to the improvement of sewage treatment efficiency and stability.

Waste Management

Hisense Group follows the principle of "reduction, resource utilization, and harmlessness" in waste disposal, implements the requirements of laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and establishes and improves the waste management system. Subsidiaries formulate systems such as the *Solid Waste Control Management Procedures*. They strictly standardize the processes of classification, collection, storage, transportation, and disposal of various types of waste, and achieve 100% compliant disposal of waste through tools such as detailed hazardous waste management ledgers and terminal management equipment for hazardous waste. At the same time, they reasonably recycle waste to promote the recycling of resources.

Key Waste Management Measures

Measure Type	General Solid Waste	Hazardous Waste
Source Reduction	- Reasonable use of raw materials to reduce the generation of scraps - Strengthen quality control to reduce the defect rate and minimize waste generation at the source.	- When purchasing chemicals, prioritize suppliers who are qualified to recycle empty drums, thereby reducing the generation of chemical waste packaging. - By extending the service life of the slot solution, reducing the amount of waste liquid generated
Categorized Collection and Storage	- Waste should be sorted for collection based on its type, with designated storage areas established and marked according to regulations. - Recyclable waste is regularly cleared and sorted for packaging by designated personnel, while non-recyclable waste is handed over to the sanitation department for unified disposal.	- Clearly classify hazardous waste and store it separately from other wastes in designated repositories. - Reasonably plan the hazardous waste warehouse and regularly inspect the implementation. - Set up hazardous waste identification signs to ensure the proper collection of hazardous waste.
Standardized Transportation	Cooperate with qualified recycling units to ensure that the transportation of waste meets environmental protection requirements.	
Disposal and Reuse	- Sort and transport recyclable waste to designated recycling points to promote resource recovery. - Safe classification and storage of non-recyclable waste or the adoption of harmless treatment methods to minimize potential negative impacts on the environment.	Entrust qualified disposal units to handle hazardous waste, giving priority to manufacturers with recycling and utilization qualifications for recovery and reuse.

Noise Management

Hisense strictly complies with the *Law of the People's Republic of China on Noise Pollution Prevention and Control and other laws and regulations*, focusing on the entire production and manufacturing chain. By addressing the source of noise generation, measures such as equipment upgrading and improving production processes have been implemented to achieve noise pollution control. At the same time, a dynamic factory boundary noise monitoring mechanism has been established to ensure that noise emission levels meet national standards. In 2024, all factories under the Group achieved 100% compliance in their noise emission tests.

Key Noise Management Measures

Source Control

- Eliminate outdated processes and equipment that cause severe noise pollution, actively promote the research, development, and use of low-noise technologies and equipment, to reduce noise propagation at the source.

Noise Reduction Processing

- Establish isolation zones for equipment and facilities that generate noise or reduce noise levels using silencers such as electronic valves.
- Provide employees with protective equipment such as earplugs and earmuffs and organize training to fully ensure the tranquility of the work environment and surrounding communities.

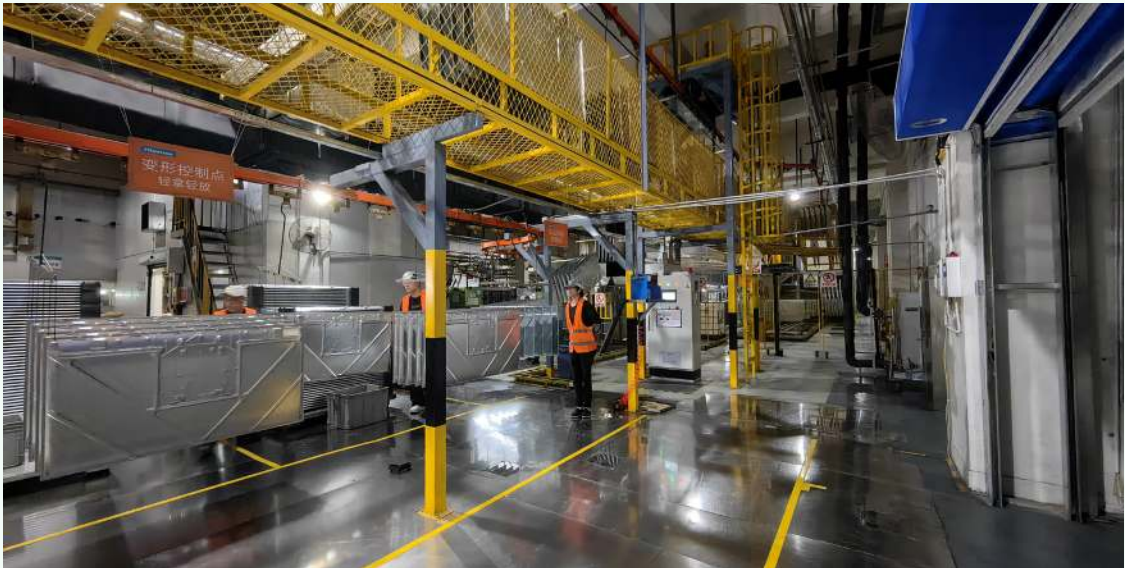
Regular Monitoring

- Noise monitoring should be conducted quarterly, and corresponding reports should be archived for record-keeping without altering the production process operations or equipment.
- When the functional area is re-planned or changes, noise should be monitored again to form a comparative analysis report, and relevant information should be filed with the Environmental Protection Bureau.
- Annual monitoring of occupational hazard factors in the workplace focuses on whether noise-exposed positions exceed standards, and detection reports are formed according to national laws, regulations, and relevant standards.



Case: Qingdao Hisense Mould Co., Ltd. Actively Promotes the Noise Reduction Improvement Project of the Back Panel Cleaning Line

In November 2024, Qingdao Hisense Mould Co., Ltd. invested approximately RMB 2.3 million in the noise reduction improvement project for the back panel cleaning line at the Huangdao Plastic and Metal Factory. The project involved optimizing the workshop layout by relocating the new cleaning line away from the employees' work areas and eliminating the secondary blow-off process, significantly reducing noise levels. The equivalent sound level in the employee work areas decreased by about 12%, effectively reducing the occupational health damage caused by noise to employees.





Developing a Circular Economy

Hisense regards circular economy as the key to green development, focusing on the resource utilization of waste products to establish a green recycling model. Hisense actively formulates the *Waste Electrical and Electronic Equipment Disposal Management Measures* and electronic waste recycling plans, integrating a digital recycling platform to comprehensively build a full-chain waste product recycling system covering user end, recycling end, dismantling end, and regeneration end. In 2024, the recycling and reuse rate of electronic waste remained at 100%.

◎ A Comprehensive System for the Recycling of Used Products



User and Recycling Endpoint

- **Reverse logistics recycling system:** Relying on Hisense's more than 7,000 specialty stores and over 400 newly built community service stores to establish a reverse logistics recycling system, and through "big tent" tours (covering 402 counties and cities), build a multi-level recycling network.
- **Community Events:** Through 1,267 community events, directly reach consumers, simplify the purchasing process, and improve the efficiency of product upgrades.
- **Digital online platform:** Relying on the "Hisense Ai Family Mini Program" information management system, we provide users with one-stop services, ensuring that old machines are 100% directed to state-certified dismantling enterprises, reaching over 5 million users cumulatively by 2024.



Disassembly and Regeneration End

- Signed the *Appliance Recycling Cooperation Agreement* with 30 legitimate recycling companies covering 333 prefecture-level administrative regions, their affiliated county-level cities, and most of the townships under their jurisdiction, to manage the recovery, transportation, and dismantling of old appliances, promoting the reuse of materials such as metals and plastics.



Consumer Incentives

- In conjunction with national subsidy policies, consumers are encouraged to replace old appliances that are high in energy consumption and low in safety with green and smart products.
- A total of more than 40,000 "trade-in" events were held nationwide, covering approximately 300 models, allowing consumers to exchange old appliances of any brand for a subsidy of up to RMB 2,000. By the end of the reporting period, a cumulative total of about 2.21 million old appliances had been recovered.





Protecting Biodiversity

Hisense Group deeply recognizes the importance of biodiversity conservation for the Earth's ecosystem and human sustainable development. We actively support international initiatives such as the *Convention on Biological Diversity* and the *Kunming Declaration*, integrating the concept of biodiversity protection into various aspects of its operations.

We have established a top-down governance framework for biodiversity conservation, set phased work objectives, clarified the work path, and promoted implementation across all levels of the Group. At the same time, Hisense actively participates in various public welfare activities for biodiversity protection, working with partners to make positive contributions to ecological health.



Case: Ronshen Refrigerator's "Energy Saving Forest Program" Innovates Biodiversity Conservation Mechanism

Ronshen Refrigerator has partnered with the SEE Foundation to launch the "energy saving forest program," linking user low-carbon behavior as a bond. The company pledges to plant 30,000 saxaul trees in the Alashan region under the user's name upon achieving certain energy-saving targets. These efforts aim to prevent wind erosion, stabilize sand, improve soil quality, and provide habitats for local wildlife, effectively promoting the recovery and development of biodiversity in the area. Through an innovative mechanism of "home appliance energy-saving data - green public welfare conversion," Ronshen Refrigerator transforms consumers' daily energy-saving actions into desertification control power, achieving a closed-loop synergy of "user carbon reduction - corporate carbon reduction - ecological greening."



Case: Hisense Hitachi Empowers the "Carbon Green Silk Road" Construction

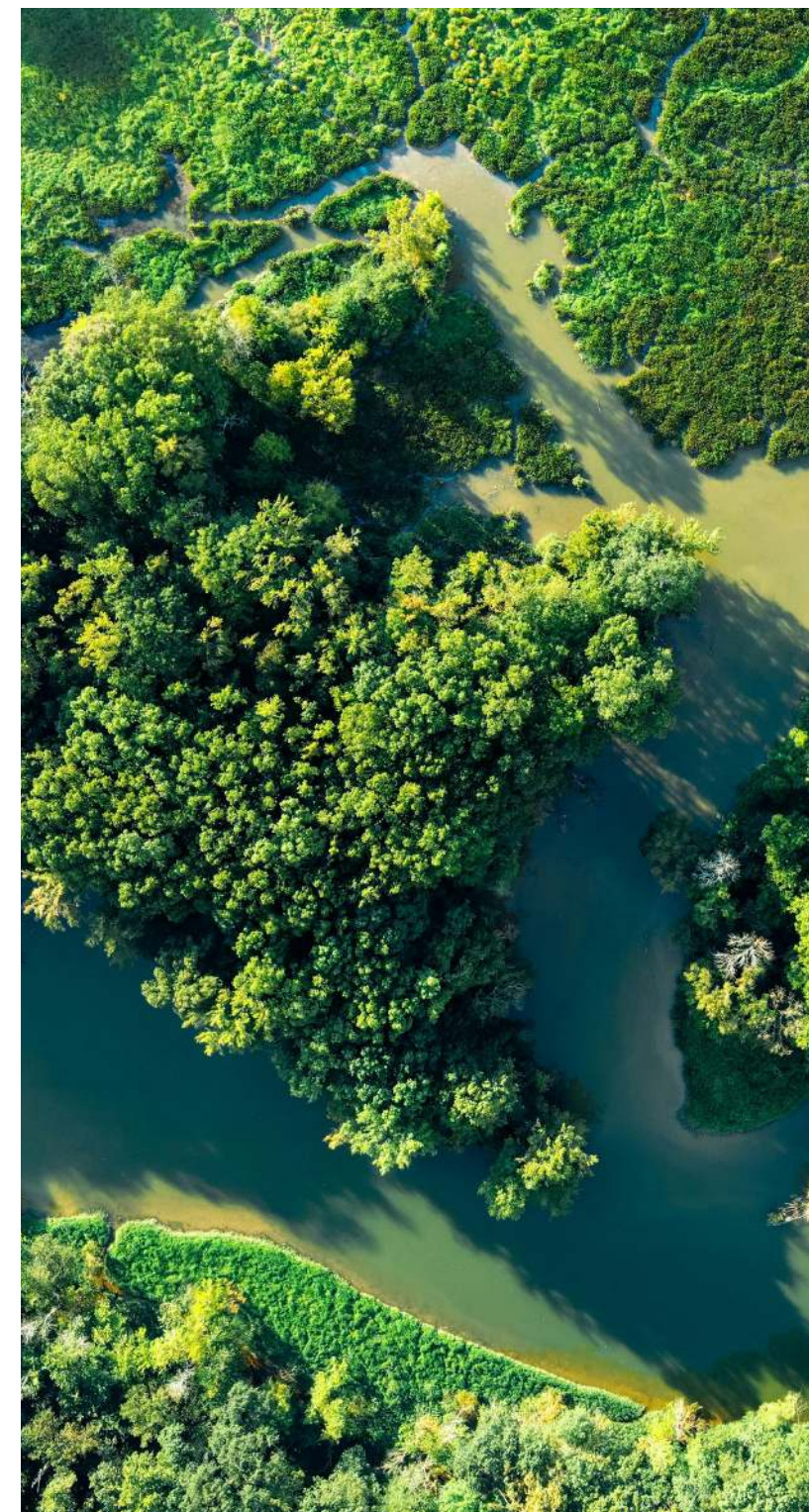
Hisense Hitachi has joined hands with the Green Life Public Welfare Organization to launch a new round of desert oasis co-construction actions in Alashan, Inner Mongolia, and other places. Through the "corporate donation + technology empowerment + public participation" model, it has planted 10,000 saxaul trees. Relying on Internet of Things monitoring technology, it tracks the growth status of vegetation in real time, using "digital guardianship" to improve the survival rate of desert vegetation, contributing to the construction of an ecological barrier in Northwest China.



Case: Sanden Corporation's Biodiversity Achievements Recognized

Sanden Corporation strictly adheres to and has passed the certification for the 30 by 30 Nature Coexistence Sites set by the Japanese Ministry of the Environment. They regularly conduct ecological monitoring to keep track of the dynamic changes in flora and fauna populations and promptly adjust conservation strategies. At the same time, they actively collaborate with local communities and environmental organizations to widely promote ecological conservation education, fostering a positive atmosphere for environmental protection and enhancing public awareness of conservation.

In 2024, Sanden Corporation contributed to achieving carbon neutrality and protecting biodiversity through initiatives such as supporting forest management, land use projects, and external support, earning the title of "Green Partner 2024."



04

Talent Appreciation and Collective Growth

Hisense places "respect " at the forefront of its corporate spirit, clearly recognizing that talent is the foundation for entrepreneurship, competition, and development. We implement this through specific measures such as talent strategies, incentive mechanisms, talent development systems, and emotional care. In 2024, Hisense deepened the three-pillar business model of HRBP (Human Resources Business Partner), COE (Center of Expertise), and SSC (Shared Service Center) to empower employee career development, experience enhancement, and growth support.

The main issues addressed in this chapter

- Employee Development and Training
- Employee Rights Protection
- Health and Safety

The main highlights of this chapter

- The Qualification System Iteration Project won the Grand Prize of the 2024 Ram Charan Management Practice Award.
- A total of 3 national model workers, 9 recipients of the National May 1st Labor Medal, 4 recipients of the Special Government Allowance of the State Council, and 4 national technical experts.
- The employee training platform offers over 60,000 courses, with an average annual learning time of 79 hours per person.



Key Objectives and Progress

Issue	Improvement Path	Indicator	Objective	2024 Performance	Completion Status
 Employee Development and Training	Adhering to the core philosophy of "talent-driven development," we systematically advance the professionalization of our talent pool.	Employee training platform courses	Offering a diverse range of training platform courses for employees	Over 60,000 courses	
		Average annual learning hours per person	Increase the intensity of employee training	79 hours	
 Health and Safety	Placing employee occupational health and safety in a prominent position lays a solid foundation for employees to work with peace of mind and for the company to develop steadily.	The number of major and above accidents	0	0	
		The number of violations with significant social impact	0	0	
		Rate of Major Safety Hazard Rectification	100%	100%	
		Recordable injury rate for 200,000 work hours in domestic factories	A year-on-year decrease of 20%	A year-on-year decrease of 78.4%	
		Work environment risk level	Decrease by 10%	Decrease by 16.47%	

Annotation:  Completed  Continuously advancing



Emphasizing Talent Recruitment and Development

Hisense Group is committed to establishing a fair and just promotion mechanism and a robust talent cultivation system. We have formulated a comprehensive employee career development management system, providing employees with diverse promotion opportunities and all-round career development paths. This encourages employees to continuously learn and grow, achieving development goals together with Hisense Group.

Talent Recruitment and Introduction

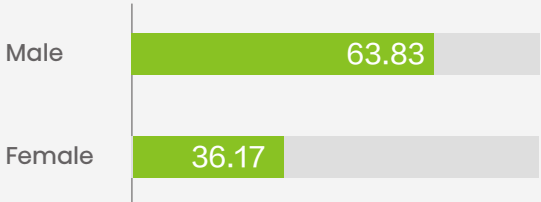
Hisense Group places great emphasis on the development of a diversified talent pool, viewing talent as the core driving force for corporate innovation and development. In response to the needs of different positions, we have formulated differentiated recruitment strategies, leveraging a variety of channels to attract outstanding talents from diverse disciplines and fields. In 2024, through measures such as optimizing recruitment processes, deepening cooperation with universities, and expanding talent reserves in emerging fields, we infused diverse vitality into our global strategic layout.

Hisense Group Talent Recruitment Optimization Measures

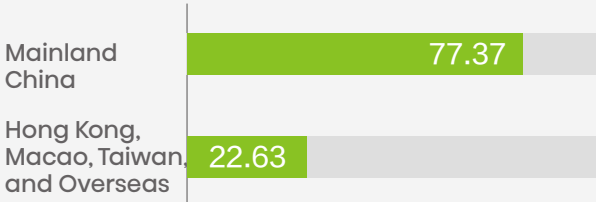
Comprehensive Digitalization of Talent Supply	Building an end-to-end intelligent recruitment management platform to achieve full-chain intelligence in business processes. On this basis, four core intelligent modules are developed to create a comprehensive solution covering "talent demand planning - intelligent matching - interactive experience - decision support," enhancing the accuracy of talent-job matching and process efficiency.
Optimizing Recruitment Processes and Mechanisms	To improve the efficiency and quality of recruitment, the hiring process has been optimized, including simplifying application procedures, enhancing screening efficiency, and strengthening the interview and evaluation stages.
Strengthening Cooperation and Training between Schools and Enterprises	Strengthen strategic cooperation with more than a hundred prestigious domestic universities, including Tsinghua University, Shandong University, and Ocean University of China, from building employer brands and attracting outstanding graduates to technical project collaboration and integration of industry, academia, and research, to jointly establishing joint training and internship bases, allowing Hisense to gain more and better talents.

Key Performance Indicators for Employee Employment

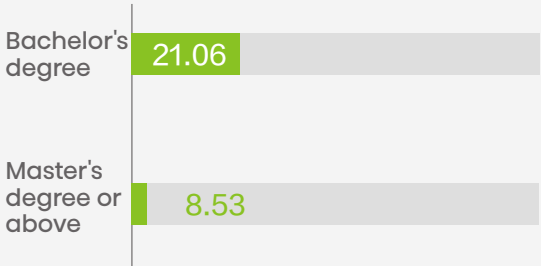
Employee Ratio by Gender (%)



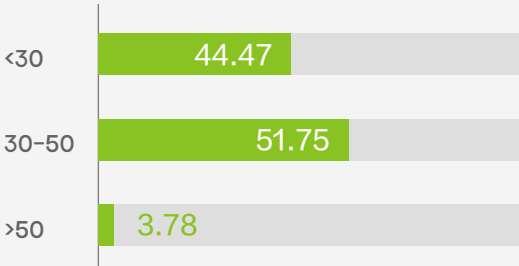
Employee Ratio by Region (%)



Employee Proportion by Educational Level (%)



Employee Ratio by Age (%)



Talent Cultivation and Career Development

We regard talent cultivation as a crucial driving force for enhancing employee competence and career development. We organize training activities for employees at all levels and in various professional series, ranging from the rapid integration of new employees to the broadening of strategic perspectives for senior managers. Each level of training programs is interconnected and progressively layered, forming a talent development ecosystem characterized by "aligned goals and collaborative efforts."

• Corporate Culture Promotion

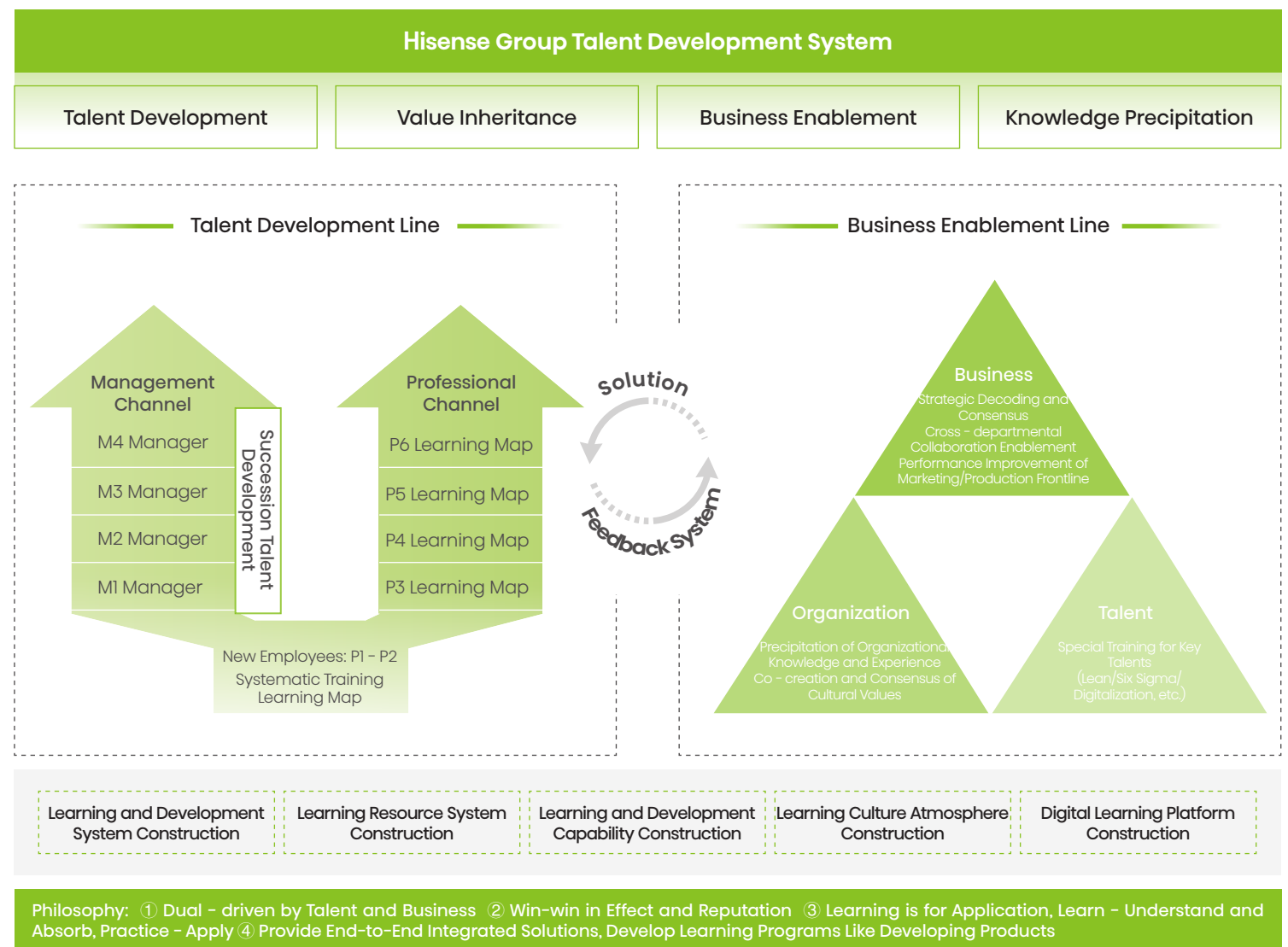
In 2024, we deepened the cultural system construction continuously, forming an enterprise cultural concept system with five core pillars: the concept system, the institutional system, the empowerment system, the organizational system, and the communication system. In terms of cultural concept system construction, we distilled 27 value mindset models and 22 leadership principles to solidify the top-level design of Hisense's cultural concept system. In terms of cultural organizational system construction, we built version 1.0 of the cultural organizational system to ensure systematic promotion of cultural implementation. In terms of cultural empowerment system construction, we developed standard courses for corporate culture to empower all employees to practice corporate culture. In terms of cultural communication system, we created a visual system for corporate culture, making it perceptible, tangible, and deeply rooted in people's hearts.



• Talent Development System

We focus on the professional development and career goal achievement of our employees, building a comprehensive dual-track system for professional and managerial development to provide diverse growth options for all staff. The professional track centers on capability value, while the managerial track focuses on position value. We develop job qualification standards based on the professional skills and career development needs of personnel in different tracks, achieving co-development of the organization and individuals. Additionally, the Group has established a 'business - organization - talent' tripartite business empowerment system. Business empowerment promotes knowledge accumulation, which in turn nurtures talent development, and talent development injects new momentum into business, forming an interactive closed loop that solidifies the foundation for corporate development.

◎ Hisense Group Talent Development System





Case: The Job Qualification Iteration Project Won Multiple Awards

Hisense Group Qualification Iteration Project is dedicated to building a new qualification system that is closely aligned with business operations and continuously promotes the growth of employee capabilities in tandem with the company. This system focuses on the precise evaluation and enhancement of individual employee skills, incorporating advanced management concepts and technologies. By scientifically mapping out personalized learning paths through the qualification system, it customizes exclusive career development routes for employees, helping the company swiftly respond to market changes and effectively support the implementation of strategic goals.

With innovative management concepts, cutting-edge technology applications, and significant implementation results, the project has won several major honors including the "Grand Prize" of the 2024 Ram Charan Management Practice Award, the DHR Guild Talent Management Innovation Excellence Award, and an outstanding digitalization case in human resources management for central and local state-owned enterprises, setting a benchmark for talent management innovation in the industry.



The Qualification System Iteration Project won the "Grand Prize" of the 2024 Ram Charan Management Practice Award

Employee Training and Development

Relying on the "Hisense Classroom" online platform, the Group has introduced AI and big data technologies to meet employees' diverse needs through intelligent recommendations and personalized learning maps, achieving "learning anytime, anywhere, and on-demand." In 2024, the platform offered over 60,000 courses, with an annual average learning time of 79 hours per person.

Honors

As of 2024

A total of **3** National Model Workers, **9** recipients of the National May 1st Labor Medal, **4** recipients of the Special Government Allowance of the State Council, and **4** National Skilled Technicians.

New Employee Training

We have developed a three-dimensional new employee onboarding training system that integrates "cultural integration, skill empowerment, and warm-hearted care," aiming to help new employees gain a deep understanding of the corporate culture, quickly master professional skills required for their positions, and enhance their job competence. During the training process, the Group pays attention to the adaptation status and mental changes of new employees, helping them through the transition period with various caring activities and communication seminars.

Leadership Training

We actively promote the development of leadership among management personnel, building a tiered training system. The Human Resources Department plans and implements the entire process, targeting reserve and newly appointed managers, grassroots managers, middle-level managers, and senior leaders, to formulate different types of training programs. We launch leadership development projects aimed at cultivating managerial leadership to drive the stable and sustainable development of the Group.



Case: Career Development of Frontline Employees

Hisense Group actively promotes large-scale technical competition and training, organizing employees to participate in industry competitions and proactively applying to host city-level and provincial skill contests. Currently, a total of 7,963 people have obtained skill level certification, including 4 chief technicians, 24 special-grade technicians, 318 senior technicians, and 775 technicians.

In addition, Hisense has established 14 craftsman innovation studios on the production front line, creating a base for skill talent learning and exchange, as well as innovation breakthroughs. Among them, several studios have been rated as industry master skill studios, Shandong Province Technician Workstations, Qilu Master Skill Characteristic Workstations, Shandong Province Model Worker Craftsman Innovation Studios, Qingdao Great Craftsman Studios, and Qingdao Craftsman Innovation Studios, among other honors and qualifications.

Equality, Diversity, and Inclusion

We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the relevant laws and regulations of the locations where we operate. We consistently uphold the principles of equal employment and equal pay for equal work. We have clearly stipulated in our policies that no employee shall be discriminated against on the grounds of gender, age, race, religious belief, disability, or any other factors, ensuring equal opportunities for all employees and candidates.

The Group signs labor contracts with employees based on the principles of equality and voluntariness, in accordance with the law. In the processes of signing, renewing, terminating, and dissolving contracts, we strictly follow legal procedures to ensure that employees receive their due benefits and treatment upon retirement or resignation. For overseas operations, we strictly comply with local employment laws, sign compliant labor contracts with overseas employees, and provide them with legally mandated benefits.



Case: Treating Special Groups Equally

Hisense Group has established a green channel for special groups at key stages such as recruitment and onboarding, fully ensuring they enjoy equal employment and development opportunities with other employees. We consider the skills, strengths, and physical conditions of employees from different special groups, and allocate suitable positions accurately based on their personal preferences, allowing them to maximize their value in areas where they excel. In addition, we actively engage in in-depth communication with employees regarding rest and leave arrangements, carefully understanding their actual needs and challenges, and flexibly adjusting relevant arrangements to create a healthy, comfortable, and convenient working environment for employees from special groups.



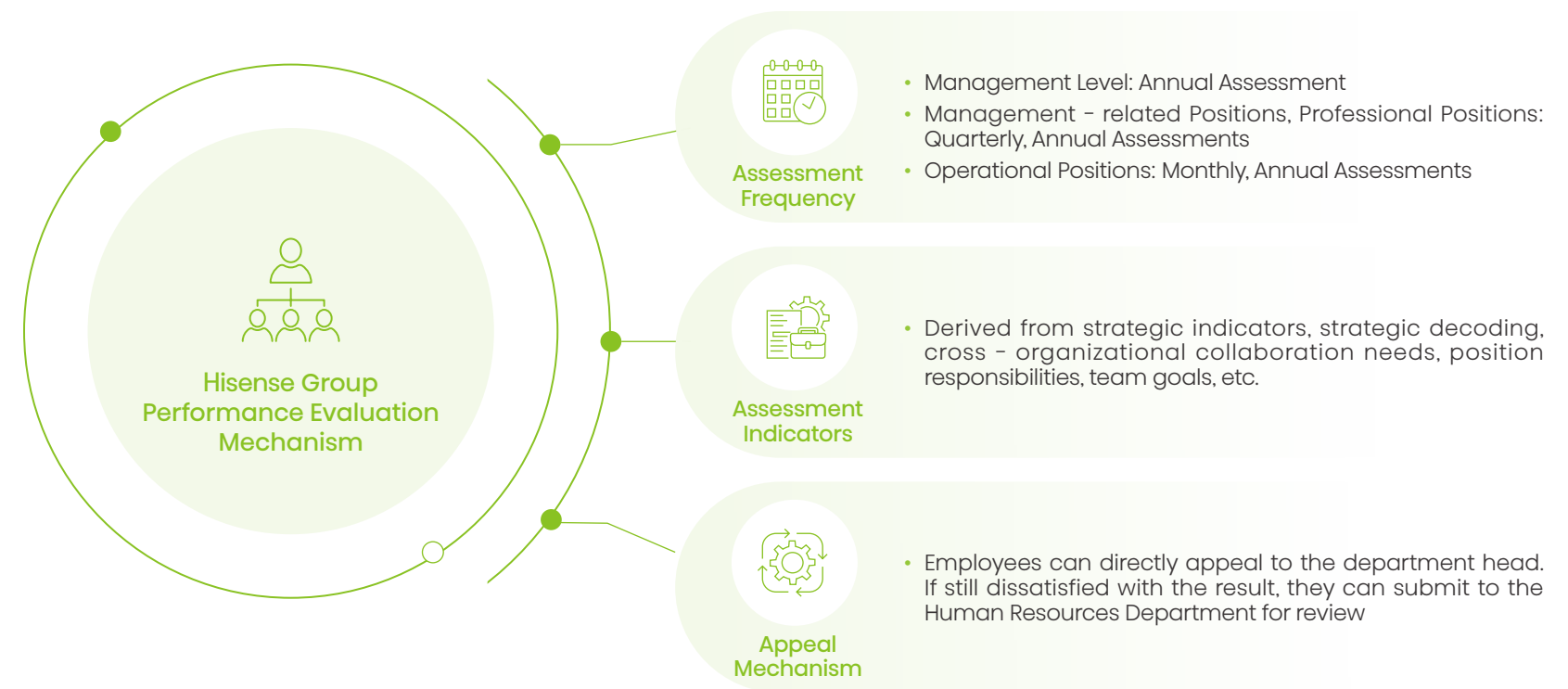
Strengthening Rights Protection and Care

Hisense Group always regards employees as the cornerstone of the company's sustainable development, fully ensuring the basic human rights and labor rights of employees, continuously improving the compensation and benefits system, and constantly enhancing team cohesion and value recognition.

Employee Compensation

Hisense Group adheres to the principles of fairness and respect, building a competitive compensation and benefits system in the market to ensure the stable development of talents with solid support. The compensation system covers basic salary, performance bonuses, special bonuses, and long-term incentives, and determines the pay levels, composition, and structure of personnel at all levels through internal and external pay benchmarking analysis, oriented towards performance, aiming to stimulate organizational vitality.

We have established a comprehensive employee performance incentive system, using evaluation metrics such as organizational performance to regularly assess all employees. This ensures that employees promptly understand their performance results and actively encourages them to tap into their potential, achieving the common development of individuals and the Group.



Employee Benefits and Care

Hisense Group provides comprehensive and diverse welfare and care measures for its employees in aspects such as benefits items, rest and vacation, logistics support, and health management, enhancing employee happiness and work enthusiasm.

Employee Welfare Protection

To continuously inspire the enthusiasm and creativity of our employees, we not only strictly implement statutory benefits such as five insurances and one fund, statutory holidays, but also provide a variety of benefits including major holiday benefits, transportation and housing subsidies, allowances for extreme weather conditions, health check-ups, etc., to comprehensively ensure the physical and mental health and quality of life of our employees. At the same time, Hisense Group has developed personalized care plans for different groups, such as single officials and core talents assigned to posts, families of employees on long-term overseas assignments, foreign experts, etc., fully considering the needs of each group.

Hisense Group Employee Welfare Protection

	On - boarding Care	On - boarding Training
	Parenting Support	Maternity Leave Prenatal Check - up Leave Breastfeeding Leave Paternity Leave Nursing Room
	Regular Holidays	Statutory Holidays Parental Leave for Children's School Enrolment Accompanying
	Cultural and Sports Activities	Festival Gala Sports Events
	Health Management	Annual Physical Examination Occupational Health Examination Mental Health Care Services Summer Cooling Benefits for Frontline Employees
	Insurance Protection	Commercial Insurance
	Family Life	First - home Mortgage Loan Preferential Rental Benefits Internal Purchase Appliance Discounts
	Festival Condolences	Festival Greetings and Gifts Arrange Special Vehicles to Pick up and Drop off Employees in Remote Areas During Spring Festival Travel Rush Arrange New Year's Eve Dinner for Employees Staying in the Factory

Health Management

We attach great importance to the health management of our employees and have consistently adopted a systematic approach to promote their health management over the years. We fully implement the primary responsibility for occupational health within the enterprise, providing solid protection for the health of our employees.

Comprehensive Employee Health Security System

Convenient Medical Care	Digital Empowerment	Safety and Hygiene Assurance
By formulating the <i>Health Management Standards for Regular Employee Physical Examinations</i> , we standardize health management practices. Relying on Hisense Hospital to establish a medical green channel, we provide convenient medical care for employees.	We develop an employee health management system independently, achieving full-process digital management with three-terminal linkage for doctors, administrators, and employees. We regularly organize emergency response training exercises to enhance the capability of handling emergencies.	We establish a regular supervision mechanism to conduct special inspections on environmental safety and food hygiene in the staff canteen, safeguarding employees' "safety on the tip of the tongue."

Case: Upgrading Corporate Clinic Services

In 2024, Hisense Group achieved new breakthroughs in medical security services: In the Qingdao area, two new designated medical insurance institutions were added—the Huangdao Medical Room and the International Center Medical Room—effectively saving employees’ medical costs. During the same period, the Shunde Outpatient Department of Hisense Home Appliances successfully passed the designated medical insurance institution review, becoming the first enterprise outpatient department to enhance its medical qualifications through the “medical-enterprise integration” model and obtain medical insurance designation. As a result, Hisense Group now has three designated medical insurance institutions, allowing company employees to enjoy top-tier hospital-level healthcare service without leaving the factory premises, with outpatient expenses directly covered by medical insurance reimbursements. This significantly improves both accessibility and cost-effectiveness of medical care.

• Caring for the Group of Female Employees

We always uphold the philosophy of respecting and caring for female employees, effectively safeguarding their legal rights and interests such as wages during maternity leave and maternity insurance. We have created a series of considerate care and benefits for female employees. We set up nursing rooms, dedicated elevators for pregnant women, and love seats, provide nutritious meals during pregnancy, and create a warm and comfortable working environment. We also regularly organize Mother's Day events, special health check-ups for women, health training seminars, makeup knowledge lectures, and other rich activities to support and care for female employees in all aspects, allowing the 'She Power' to shine at Hisense.



Setting up the Nursing Room



Conducting Women's Day Activities

Employee Communication

Hisense Group has established an effective employee communication and feedback mechanism, earnestly listening to the opinions and suggestions of employees. We collect feedback from employees on aspects such as corporate culture, management, and policies through channels like public email and internal employee forums, listening to the voices of employees and ensuring their right to speak.

For issues and non-compliant behaviors that arise at work, Hisense Group has established clear channels for complaints or reports. Employees can lodge appeals through a public email address, and upon receiving such appeals, the public email administrator will immediately notify the relevant department to organize an investigation. For complaints involving reports, Hisense strictly maintains the confidentiality of the reporter's information during the investigation process to ensure that employees' rights are fully protected, allowing employees to raise concerns without reservation and jointly maintain a good working environment.

Hisense Group has established a multi-dimensional and regular employee satisfaction survey mechanism to continuously improve management efficiency and employee experience. Among these efforts, the Group conducts two surveys each year targeting employee satisfaction with human resources shared services, dining facilities, and Hisense Hospital, to fully understand employees' satisfaction with various aspects of the company's operations. Based on the improvement suggestions and opinions raised by employees in the surveys, the Group assigns corresponding functional departments to take responsibility for rectification tasks, formulate improvement plans, and track their implementation. The optimized results are then fed back to employees in a targeted manner, forming a "survey - rectification - feedback" management loop, further enhancing employee satisfaction. In 2024, the employee service satisfaction of Hisense Group increased from 92.74% in 2023 to 93.00%.



Safeguarding Occupational Health and Safety

Hisense Group adheres to the principle of safety first, prevention first, and comprehensive management. We uphold the principle of source prevention, deeply integrating the concept of safe production into every aspect of corporate operations and production activities. The company has established and improved a dual-prevention mechanism for risk classification control and hidden danger investigation and management, creating a safe and reliable working environment for employees and effectively safeguarding their personal safety.

Occupational Health and Safety Management System

Hisense Group actively practices social responsibility, creating a safe and healthy working environment for employees. At the Group level, we have compiled systems such as the *Safety Production Performance Management Measures* and the *Prevention and Control of Occupational Disease Management Measures*. Each subsidiary has established a standardized occupational health and safety management system, all passing the ISO 45001 certification. The Group has formed a management committee led by the main responsible person, consisting of management and employee representatives. The committee forms a complete safety governance structure to ensure that safety management covers all aspects horizontally and vertically, achieving a closed loop of responsibilities and resource coordination.

Safety Production Organization Construction

We integrate the safety expertise resources within the Group, establish 10 professional safety committees, clarify the key points of group safety work, systematically sort out professional safety requirements and standards, implement the production safety responsibility mechanism, and continuously improve the level of occupational health and safety management.

The scientific structuring of the echelon

The proportion of full-time safety personnel increased from 3.98‰ to 4‰, and the proportion of staff with a bachelor's degree or higher reached 72.34%. The job-person fit rate improved to 91.8%, forming a management echelon centered on highly educated and well-matched talents.

Global Layout Synergization

In response to international business needs, dedicated safety personnel have been reserved and dispatched to multiple overseas production bases, ensuring the precise implementation of safety standards in regions such as Asia, Europe, and America, thus safeguarding global operational compliance.

Mechanizing Capability Enhancement

In response to international business needs, dedicated safety personnel have been reserved and dispatched to multiple overseas production bases, ensuring the precise implementation of safety standards in regions such as Asia, Europe, and America, thus safeguarding global operational compliance.

Safety Production Objectives

We aim for "zero accidents" as our safety goal, constructing a three-level indicator system for safe production (comprising 5 core first-level indicators, 8 second-level monitoring indicators, and 5 third-level monitoring indicators). Relying on digital construction and the maturity model of environmental and safety systems, we promote the realization of goals such as "zero major or above accidents" and "zero social impact violations." By the end of 2024, Hisense Ronshen (Yangzhou) Refrigerator Co., Ltd., Hisense (Chengdu) Refrigerator Co., Ltd., and Hisense Ronshen (Guangdong) Refrigerator Co., Ltd. have all passed the first-level certification for standardized safe production.

The primary safety production core objective monitored by Hisense Group		Achievement status for the Year 2024
1	Zero major and above accidents.	0
2	Zero incidents of non-compliance with significant social impact.	0
3	The recordable injury rate per 200,000 working hours in domestic factories decreased by 20% year-over-year.	a year-on-year decrease of 78.4%
4	The rectification rate of major potential safety accident hazard is 100%.	100%
5	The risk level of the working environment decreased by 10%.	Decrease by 16.47%

• Safety Production Measures Guarantee

To strengthen the foundation of production safety, Hisense adopts scientific management methods including standardization, unification, process-oriented, and informatization, systematically advancing a series of key measures from risk identification and assessment to digital empowerment, comprehensively safeguarding employee safety.

◎ Key Safety Management Measures

Risk Assessment	Risk Grading and Control	Third-party Professional Inspections	Security Digitalization Construction
The subsidiaries under Hisense Group conduct annual safety risk assessments and, in response to specific situations, conduct timely assessments.	The subsidiaries under Hisense Group have established management systems for identifying hazardous sources and managing major hazardous sources. They regularly conduct hazard inspections, control identified key hazardous sources according to the principle of risk level management, and manage the supervision of significant accident hazards.	The subsidiaries under Hisense Group annually invite third parties to test hazardous work environment points. Based on the test results, targeted safety improvements are carried out. In the daily operation of the system, particular attention is paid to individual protection and the operation status of occupational hazard facilities, providing employees with a good working environment.	Coordinating the digitalization of safety production platforms for Hisense Group, creating an intelligence-based safety management solution that leverages IoT, big data, and artificial intelligence technologies. This focuses on monitoring, early warning analysis, and closed-loop handling of safety risks across multiple domains.

To effectively identify and assess the safety risks posed by various factors to employees and other workers, in 2024, Hisense Group completed its first round of risk screening at all levels, identifying 55,000 health and safety risks. We also organized over 500 emergency drills, and established or upgraded 26 experiential training centers, established a reporting system to facilitate hazard feedback. We strictly implemented occupational health requirements, providing free health check-ups for relevant employees with a participation rate of 100%.

Case: Hisense Hitachi Conducts Practical Emergency Drills

On May 12, 2024, during the fourteenth National Disaster Prevention and Mitigation Day, Hisense Hitachi organized an emergency evacuation drill to enhance employees' safety awareness and emergency response capabilities. This drill was conducted on the principle of practical emergency exercises, with the participation of local fire departments and emergency medical centers. The process was tightly organized and smoothly executed, successfully completing tasks related to fire control and personnel rescue. The drill effectively tested the emergency response mechanism, improved employees' safety awareness and their ability to avoid risks, self-rescue, and mutual rescue, and strengthened the organizational coordination and rapid response capabilities of various departments.



Safety Control of Hazardous Chemicals

To ensure the safety of chemical management, we strictly adhere to the regulations on the *Safety Management of Hazardous Chemicals of the People's Republic of China* and the *Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, among other domestic and international laws and standards. Internally, we implement the Safety Management System for Hazardous Chemicals, identifying and evaluating all chemicals involved in materials and production processes, establishing a chemical inventory, and implementing benchmark verification control to ensure that the entire process of raw material usage complies with environmental protection regulations.

In the selection and use of chemicals, we prioritize the use of hazardous chemicals with lower risks or environmentally friendly alternatives, strictly controlling the entire process from introduction evaluation, use management to disposal, to minimize the impact of chemical use on employees, consumers, and the environment. In the storage and distribution phases, we implement categorized management based on the properties of the chemicals, accompanied by targeted safety measures, ensuring that the storage and distribution environments are safe and controllable, reducing risks to the lowest level.



Safety Culture Development

To effectively enhance the safety awareness of all employees, Hisense Group conducts safety culture building and training activities in diverse forms, continuously improving the safety awareness of all staff and the professional skills of safety technicians. At the same time, we organize all employees to sign the *Safety Production Target Responsibility Document*, clarifying the primary responsibility for safety of department heads, thereby establishing a safety management system with accountability to individuals.

◎ Diverse Training System

General Training

Broad coverage, solidifying the security foundation

- In 2024, all domestic base factories launched online safety training, covering important aspects such as fire safety, occupational health and safety, and mechanical protection. A total of 145,449 people were trained, an increase of 6,523 compared to 2023.
- All factories strictly implement the safety notification and confirmation procedures for entry into parks/factories to ensure that processes are standardized and orderly. For external visitors, a 100% safety training policy is rigorously enforced before they enter the park/factory, controlling safety risks at the source.

Specialized Training

Precise empowerment to enhance professional competence

- For high-risk positions such as main operators of large equipment and equipment maintenance workers, the principal leaders and divisional leaders organize specialized training and symposium activities. Through face-to-face communication and guidance, they thoroughly analyze the key points of safety and potential risks in the work, enhancing the safety operation skills and emergency response capabilities of personnel in high-risk roles.
- Each base factory has actively responded to the Group's call, completing the construction or upgrade of 26 "experiential safety training centers" as required. These training centers have carefully optimized the experiential scenarios based on actual risk conditions, allowing employees to deeply feel the materiality of safety through immersive experiences, effectively enhancing their safety awareness.



Case: Hisense Group Actively Conducts Experiential Safety Training

Hisense Group has established 26 safety training experience centers in domestic factories across various regions, setting up simulated accident scenarios such as electric shock and object impact to address production safety concerns through immersive experiential teaching to strengthen safety awareness. In the onboarding of new employees and regular training for key positions, we integrate practical operations of AED (Automated External Defibrillator) and CPR (Cardiopulmonary Resuscitation) emergency rescue projects, break through the limitations of traditional didactic models, significantly enhance employee training participation and emergency response capabilities, thus fortifying the human defense line for safe production.



VR Smart Safety Experience Center for Work Injury Prevention



Case: The Group Security Skills Competition Was Successfully Held

The third Hisense Group Fire Safety Themed Sports Meet was based on daily fire safety work, closely simulating real combat scenarios. It set up 12 competition events, using the practical approach of "training through competition" to enable employees to proficiently master fire safety skills and truly enhance their emergency response capabilities.



Case: Hisense Visual Technology Co., Ltd. Overseas Factory Safety "Culture Fusion, Growing Together" Learning Journey

In 2024, Hisense Visual Technology Co., Ltd. launched safety benchmarking improvement projects at overseas bases in Mexico, South Africa, and Europe, promoting the Group's best practices. The focus was on addressing frontline "pain points" and "difficulties," enhancing local safety governance through on-site support and experience replication, and building a bridge for transoceanic safety communication.

During the period, the European Factory optimized the handling process for large-size TVs through communication and learning. The Mexican Factory introduced headquarters' safety slogans and laser warning systems, achieving local application transformation. For the largest overseas factory in Mexico, specialists were dispatched to promote AI monitoring and early warning, ensuring that the "triple protection" of robots covers 100%, and implementing the "five essentials" safety requirements for forklifts. Measures were taken to improve construction management according to local conditions, gradually establishing an overseas safety responsibility system, and promoting the global implementation of Hisense's safety culture.

05

Collaborative Progress and Creation for Sharing

Hisense Group upholds the concept of win-win cooperation, working with suppliers to build a sustainable supply chain, promote green production, and enhance operational efficiency. We leverage technology alliances to share achievements and accelerate industrial upgrading. We empower smart cities through intelligent transportation and smart buildings, optimizing urban management and residents' lives. Meanwhile, we actively engage in community public welfare, earnestly practice social responsibility, and contribute to the creation of a harmonious and mutually beneficial social environment.

The main issues addressed in this chapter

- Sustainable Supply Chain
- Industry Contribution
- Social Contribution

The main highlights of this chapter

- Accumulated leading or participating in the formulation and revision of more than 130 green and low-carbon national/industry/group technical standards.
- Incorporating ESG into the full lifecycle management process, including supplier admission, evaluation, and assessment.
- Conducting a comprehensive green and low-carbon work assessment for over 1,000 suppliers.



Key Objectives and Progress

Issue	Improvement Path	Indicator	Objective	2024 Performance	Completion Status
 Sustainable Supply Chain	Sustainable development is used as the core link for value chain collaboration, building a responsible and sustainable supply chain system.	The number of suppliers conducting a comprehensive green and low-carbon work assessment.	1,000 companies	1,000 companies	✓
		The proportion of new suppliers screened by environmental rating dimensions.	95%	98.9%	✓
		The proportion of suppliers signing the <i>Corporate Social Responsibility Agreement</i>	98%	99.3%	✓
 Industry Contribution	Play an industry-leading role and provide technical support for the standardization and sustainable development of the industry.	The cumulative number of green and low-carbon national/industry/group technical standards that have been formulated or revised	Actively participate in the formulation and revision of green and low-carbon standards	Over 130 items	🔄
 Social Contribution	Actively practicing corporate social responsibility, effectively promoting community development.	Continuously expanding the influence of social public welfare	Greater participation in social welfare	Set October 19th of each year as "Hisense Global Charity Day"	🔄

Annotation: ✓ Completed 🔄 Continuously advancing



Building a Sustainable Supply Chain

Hisense Group has always attached great importance to long-term cooperation and collaborative development with suppliers, promoting sustainable procurement practices to build an industrial ecosystem for sustainable development.

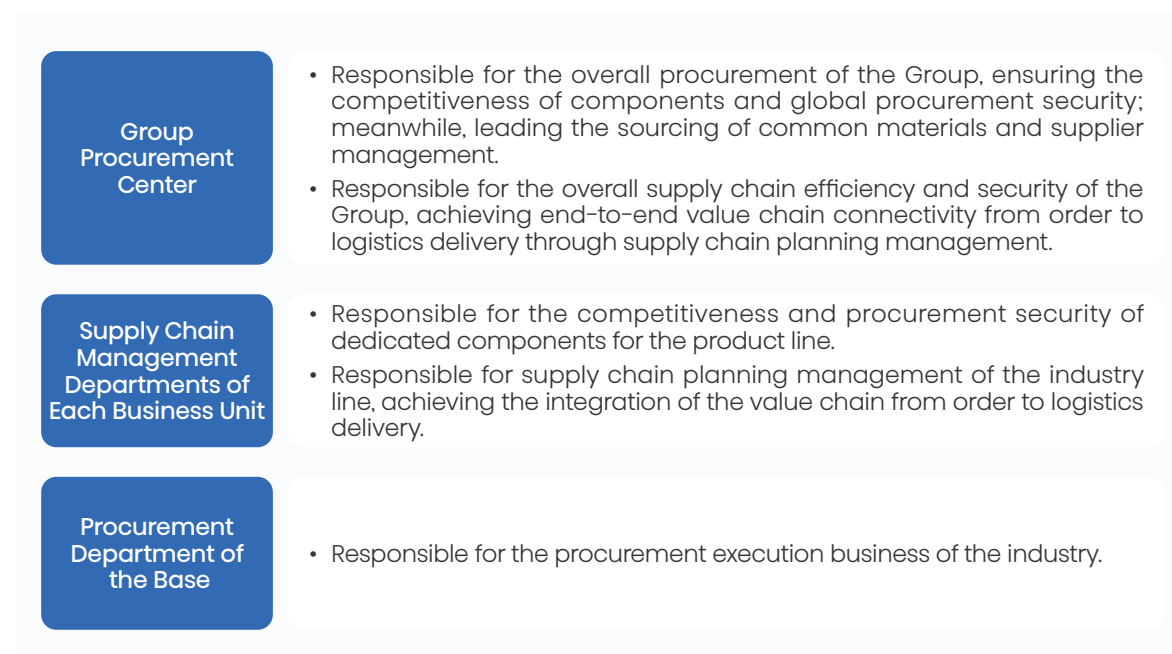
Sustainable Supply Chain Management System

A healthy and stable supply chain is a key factor in the sustainable development of enterprises. We continuously improve the entire process control of suppliers and proactively consider the ESG performance of suppliers in procurement decisions, continuously enhancing the resilience of the supply chain to jointly empower the sustainable development of the value chain.

• Supplier Management Framework

We have established a three-tier supplier management structure consisting of the "Procurement Center - Supply Chain Management Departments of Each Business Unit - Base Procurement Department," and incorporated sustainable procurement into the performance evaluation of procurement personnel to promote the balance between environmental protection, social responsibility, and economic benefits.

© Supplier Management Framework



• Supplier Management System

We identify and assess environmental and social risks in the supply chain based on laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. We have formulated the *Supplier Standard of Conduct* and require suppliers to sign a *Compliance Commitment Letter for the Supplier Standard of Conduct*, promoting the implementation of supply chain management and supervision by suppliers.

© Supplier Standard of Conduct

Labor	Health and Safety	Environment	Business Ethics	Management System
- Freedom of occupation - Eligible Workforce - Working Hours - Salary and Benefits - Humanitarian Care - Employment Discrimination - Union Freedom	- Occupational Safety - Emergency Response Plan - Work-related Injuries and Occupational Diseases - Occupational Hygiene - Physical Labor - Device Security - Hygiene in Catering and Accommodation - Health and Safety Communication	- Environmental Impact Assessment Permit and Report - Preventing Pollution and Conserving Resources - Hazardous Substances - Solid Waste - Gas Emissions - Controlled Materials - Water Management - Energy Consumption and Greenhouse Gas Emissions	- Business Integrity - No improper Benefits - Information Disclosure - Intellectual Property - Fair Business, Advertising, and Competition - Identity Protection and No Retaliation - Responsible Raw Material Procurement - Privacy	- Supplier Commitment - Management Accountability and Responsibility - Legal and Hisense Requirements - Risk Assessment and Risk Management - Improvement Objectives - Training - Communication - Employee Feedback, Participation, and Appeals - Audit and Evaluation - Corrective Action Process - Files and Records

• Digital Supplier Management Platform

Hisense Group leverages the SRM digital system to empower the supply chain management platform for efficient full-process management and timely monitoring of green procurement implementation, collaboratively promoting the intelligence and green transformation of the supply chain.

The SRM system covers core functional modules such as category procurement strategies, procurement sourcing, tendering and bidding management, price allocation management, supplier management, procurement collaboration, financial collaboration, external collaboration, and supplier carbon management. It builds an integrated digital system from procurement strategy formulation to the full lifecycle management of suppliers. It not only achieves efficient control over the entire supplier process but also promotes the realization of green procurement goals through real-time data monitoring, assisting in the intelligent upgrading and low-carbon transformation of supply chain management.

**Case: Hisense Hitachi Empowers Supplier Carbon Management**

To empower suppliers to manage their own carbon emissions, Hisense Hitachi organized specialized training for suppliers on the SRM supplier carbon management function, covering modules such as collecting organizational carbon data, collecting carbon reduction data, and product carbon footprint management. Currently, over 200 suppliers have achieved online tracking of carbon emission data through the carbon management module of the SRM system, establishing a digital management system for supply chain collaborative carbon reduction, promoting the improvement of green transformation efficiency in the industrial chain.

Supply chain management throughout the entire process

Hisense Group actively incorporates sustainable development into its full lifecycle management processes. Internally, we focus on improving the construction of a sustainable supply chain system, enhancing the standardization and normalization of management. Externally, we collaborate with upstream and downstream partners through methods such as ESG training for suppliers and holding supplier conferences.



• Supplier Admission

We continuously optimize the supplier admission process, setting strict standards according to the *Determination of Suppliers Management Measures*, and clearly defining the procurement process for suppliers. This includes specifying qualification thresholds from various dimensions such as material quality levels, resource classification, and procurement risks. At the same time, we focus on evaluating the performance of suppliers in multiple aspects including compliance management, social responsibility, and green development, ensuring that they meet the requirements in industry experience, corporate risk, quality management, and environmental protection before being admitted to our supplier list. To ensure the implementation of all these requirements, we conduct on-site audits of suppliers from dimensions such as employee rights, environmental protection, green supply chain, conflict minerals, and hazardous materials management, thoroughly assessing their sustainable development performance.

◎ Key Points for On-site Supplier Audit

ESG-related Dimensions		Evaluation Content
Employee Rights	Labor rights	Whether it involves (1) forced, imprisoned, illegal contract, or bound labor in the factory (2) employees in the factory are under the age of 16.
	Employment of special groups	Whether to hire special groups.
	Employee rights	Whether there is protection of employee rights, including signing formal employment contracts with employees, process control of working hours, timely payment of wages, and payment of overtime according to local regulations; whether there is a safe and complete living environment for employees.
	Special occupations and equipment	Whether special equipment is registered and has an annual inspection certificate; whether there are certificates for operating special equipment and performing special operations such as elevators/forklifts/electricians/welders.
Environmental Protection	Environmental protection aspects such as wastewater and waste discharge	Whether it complies with the <i>Environmental Protection Law</i> , whether it involves illegal outsourcing and contains the Wanli logo and brand identity, and the illegal outsourcing of products, accessories, and packaging materials bearing the WM logo and WM brand identity.
Green Supply Chain		Examine whether the supplier has established carbon footprint and carbon emission monitoring indicators.
Conflict Minerals		Whether the supply chain involves the procurement of conflict minerals.
Hazardous Waste Management		Whether there is a copy of the permit for hazardous waste transportation/disposal; whether the storage, transfer, and transportation documents for hazardous waste from the past year are complete.
System Certification		Whether certified by the ISO 9001 or IATF 16949 Quality Management System (high-pollution enterprises need to be certified by the ISO 14001 Environmental Management System) and within the validity period.

• Supplier Evaluation and Assessment

Hisense Group continuously monitors the social and environmental management practices of its suppliers, actively taking measures to ensure the compliance and sustainability of the supply chain. By the end of 2024, we deeply integrated ESG principles into our supplier performance evaluations, incorporating ESG-related metrics into the performance management and evaluation system. We also released a model process for *Supplier Performance Management*, establishing a six-dimensional evaluation system and an annual review mechanism.

Six-dimensional Evaluation System

The new supplier performance evaluation system covers six dimensions: technology, cost, delivery, service, quality, and ESG. Among these, the ESG assessment dimension focuses on evaluating suppliers' carbon inventory, carbon emission data, and the creation of a green supply chain. For key suppliers, we incorporate critical dimensions such as green materials, green packaging, reduction in the use of harmful substances, and the recyclability of products into our considerations, ensuring that all links in the supply chain continuously meet the requirements of sustainable development.

Supplier Grading	Supplier Definition	Management Measures
Above 90 points 	The supplier performance is good, maintaining a stable and excellent performance across all key indicators, meeting or exceeding the expected targets and standards.	No corrective actions are required. Continue to maintain the current cooperation.
70-90 points 	The supplier's performance generally meets the requirements, but there are certain deviations or risks in some areas.	Continuously monitor supplier performance to prevent issues from escalating. Regularly oversee suppliers, which may require minor improvements or adjustments.
60-70 points 	The supplier has performed poorly on several key metrics, with significant issues that have already impacted the partnership or the normal operation of the overall supply chain.	Take corrective actions and negotiate an improvement plan with the supplier. If improvements cannot be made within a certain period, consider replacing the supplier.
Below 60 points 	The supplier's performance has been seriously substandard, affecting the normal operations of the company, and there may have been significant errors or breaches.	Consider terminating the cooperation and finding an alternative supplier.

Annual Audit Mechanism

We conduct routine audits of suppliers each year, with the audit content being the same as that of the initial qualification audit. If a supplier fails to pass the re-audit, it will be required to make rectifications within a specified period. If the supplier fails to pass the review after the rectification period, it will be eliminated. In addition, the Group conducts annual evaluations and monitoring of suppliers' integrity, compliance, and trade security. Suppliers whose final evaluation results do not meet the standards will be assessed by the Supplier Management Committee and may face actions such as suspension or elimination.

• Co-construction with Suppliers

Hisense Group continues to promote the coordinated development of suppliers, empowering them through training, co-construction, and other methods. By relying on deep collaborative cooperation, we work together to build a vibrant, mutually beneficial, and green ecosystem.

Collaborative Supplier Emission Reduction

Hisense Group is committed to achieving carbon neutrality across the value chain, prioritizing collaboration with strategic core suppliers to jointly set emission reduction targets. In 2024, we conducted comprehensive green and low-carbon assessments of over 1,000 suppliers through surveys, gathering key information on their carbon emissions, renewable energy usage and plans, emission reduction targets, and third-party certifications. In the same year, Hisense Group signed the *Emission Reduction Action Commitment Letter* with strategic suppliers, explicitly requiring them to implement emission reduction measures and set clear carbon reduction targets, driving strategic suppliers to accelerate their low-carbon development.



Case: Hisense Europe Builds a Low-Carbon Partner Ecosystem

Hisense Europe actively responds to the CSRD requirements, systematically disclosing information on sustainable development. Hisense Europe not only stands on the dual carbon strategy itself but also commits to co-creating a low-carbon future with all partners, requiring all partners to follow the same sustainable development strategy, and conducting sustainability audits for high-risk partners.



Strengthen Capacity Building

Hisense Group actively constructs a training system to enhance quality management capabilities and establishes an exchange platform (holding supplier conferences and strategic communication meetings every two years in various formats) to promote long-term cooperation. Meanwhile, we focus on the ESG capacity building of internal supply chain and procurement teams and deepen ESG awareness through specialized training, ensuring the organic integration of economic benefits and social responsibility in supply chain operations.



Case: Hisense Hitachi drives the green upgrade of the air conditioning smart control system

Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd. practices ESG development concepts, engaging in strategic collaboration with Qingdao Kaituo Longhai Refrigeratory Accessory Co., Ltd. through the Green Upgrade Project of Air Conditioning Intelligent Control System to achieve a win-win situation for environmental and social values. The project relies on IoT centralized control gateways and dynamic load adjustment technology to build an intelligent Energy Management System, achieving precise temperature control within $\pm 0.5^{\circ}\text{C}$ and intelligent time and area control, reducing annual comprehensive power consumption by 19% year-over-year. Due to its outstanding performance in environmental information disclosure and technological innovation application, Qingdao Kaituo Longhai was awarded the ESG Innovation Collaboration Partner Award, setting a model for green collaborative development in the industry.



Case: The First "Supplier Lean Management Empowerment Conference" of Hisense Home Appliances Was Successfully Held

In 2024, Hisense Home Appliances Group Co., Ltd. held its first "Supplier Lean Management Empowerment Conference," inviting over a hundred outstanding suppliers to gather. Through in-depth sharing of lean production models and mutual learning from benchmark practice cases, the conference aimed to break down traditional boundaries of supply-demand collaboration, promoting an evolution from single cooperation to value chain synergy among upstream and downstream partners. Ultimately, the conference wanted to achieve a development pattern of co-prosperity and win-win across the entire chain.



Supplier Lean Management Empowerment Conference



Case: Hisense Group and Wanhua Chemical Establish Joint Laboratory

Hisense Group and Wanhua Chemical focus on the R&D of advanced material technologies, establishing a specialized joint laboratory. The ultra-low density thin-wall foaming technology co-developed by both parties significantly reduces the wall thickness of Hisense's ultra-thin products by 44% compared to ordinary products, breaking through the technical bottleneck of 33mm. In terms of energy conservation and emission reduction, this technology reduces the foaming agent usage by 1.92 kilograms per unit, leading to a carbon emission reduction of 6.86 kilograms, achieving a revolutionary breakthrough in product process.

Conflict Minerals

Hisense Group continuously strengthens conflict minerals management to build a conflict-free supply chain system. We annually apply the conflict minerals reporting template and questionnaire to suppliers involved in responsible minerals, requiring them to trace smelter sources level by level, strictly prohibiting the procurement of minerals from conflict-affected and high-risk areas.

In the standards for introducing new suppliers and the routine review of existing suppliers, Hisense has established evaluation criteria regarding conflict minerals. During the screening phase of new suppliers, we collect information on the sources of tantalum, tin, tungsten, gold, and other minerals to ensure that materials do not contain conflict minerals that benefit armed groups involved in human rights abuses. During the on-site audit phase, suppliers must submit a *Conflict Mineral Non-Use Statement*. When signing contracts, suppliers are required to sign the *Corporate Social Responsibility Agreement*, which stipulates that suppliers develop policies to reasonably ensure that the tantalum, tin, tungsten, and gold contained in their manufactured materials do not, directly or indirectly, finance or benefit armed groups in the Democratic Republic of Congo or neighboring countries/regions that are seriously violating human rights. The supplier signature rate is 99.3%.



Case: Sanden Corporation Advances Conflict Minerals Investigation

In 2024, Sanden Corporation released the Supplier Basic Principles, explicitly prohibiting all suppliers from using "conflict minerals" to eliminate supply chain risks at the source. In the same year, Sanden Corporation actively carried out special investigations, completing the screening of 113 suppliers through Conflict Minerals Reporting Template (CMRT) investigations. Simultaneously it advances Extended Minerals Reporting Template (EMRT) investigations, covering 110 companies, to fully understand the origins of minerals. Through strict institutional constraints and in-depth investigations, Sanden Corporation effectively strengthened its supply chain management, ensuring the compliance of raw materials, fulfilling corporate social responsibility, and setting an example for the green and sustainable development of industry supply chains.



Driving Industry Development

As an industry leader, Hisense Group has diversified its own development while injecting strong momentum into the industry's sustainable innovation and transformation as an "ecosystem builder," promoting the industry to advance towards a more resilient and responsible direction.

• Standard System Construction

We actively develop green and low-carbon standards, converting advanced technological achievements and mature industrialization experiences into standards. We collaborate closely with research institutions and companies along the industrial chain to jointly promote technical progress and low-carbon transformation across the industry. The standards cover various products such as displays, commercial air conditioning, home air conditioning, refrigeration, and more. They include multiple aspects like green design of products, energy efficiency rating evaluation, product carbon footprint evaluation, and green supply chain evaluation, promoting the green development of the home appliance industry and enhancing international competitiveness. By the end of 2024, Hisense Group had led or participated in the formulation and revision of over 130 green and low-carbon national/industry/group technical standards.

© Standards on green and low-carbon led or participated in by Hisense Group

Field of Technology	Standard Number	Standard Name	Field of Technology	Standard Number	Standard Name
Green Design	SJ/T 11771-2020	Technical specification for green-design product assessment – television sets	Green Factory	T/CESA 1090-2020	Evaluation requirements for green factories in the television manufacturing industry
	SJ/T 11923-2023	Technical specification for green-design product assessment – projection display products (the first industry standard for green product design in the projection display industry)		T/CESA 1093-2020	Evaluation requirements for green factories in the projector manufacturing industry
	JB/T 14568-2023	Technical specification for green-design product assessment – air-source heat pump water heating units		T/GDES 42-2020	Guidelines for the evaluation of green factories in the LCD TV manufacturing industry
	JB/T 14569-2023	Technical specification for green-design product assessment – multi-split air conditioning (heat pump) and similar units	Green Supply Chain	GB/T 41505-2022	Green supply chain management standards for electronic information manufacturing enterprises
	JB/T 14572-2023	Technical specification for green-design product assessment – steam compression cycle water-source chiller (heat pump) units		GB/T 43902-2024	Green manufacturing implementation guidelines for green supply chain management in manufacturing enterprises
	QB/T 5500-2020	Technical specification for green-design product assessment – household refrigerators		GB/T 43903-2024	Green manufacturing requirements for information traceability and disclosure in the green supply chain management of manufacturing enterprises
	T/CESA 1033-2019	Technical specification for green-design product assessment – projectors		QB/T 5501-2020	Green supply chain management for home appliances (Part 1 – 5)
	T/CESA 1068-2020	Technical specification for green-design product assessment – monitors		T/CESA 1079-2020	Evaluation standards for green supply chain management in the flat panel television manufacturing industry
	T/CESA 1110-2020	Technical specification for green-design product assessment – liquid crystal display devices	Carbon Emissions	T/CAQI 339-2023	Comprehensive evaluation of carbon emissions in the operation phase of civil buildings
	T/CESA 1125-2020	Technical specification for green-design product assessment – interactive touch all-in-one machines			
	T/CESA 1126-2020	Technical specification for green-design product assessment – active speakers	Product Carbon Footprint	T/DZJN 127-2022	Carbon footprint assessment of electrical and electronic products – part 5: room air conditioners

Case: Hisense Visual Technology Co., Ltd. Promotes the Development of Industry Standards in the Global Laser Display Field

In 2014

The International Electrotechnical Commission’s Electronic Display Technology Committee (IEC TC110) established a laser display working group, and Dr. Weidong Liu of Hisense was elected as the convenor of the working group.

In 2017

Actively promoted the establishment of the Laser Display Subcommittee.

In 2020

The first sub-technical committee on new display technology in the country — the Sub-Technical Committee on Laser Display Devices of the National Standardization Technical Committee for Electronic Display Devices (SAC/TC547/SC1) was established, with the secretariat located at Hisense Visual.

In 2022

The first Chinese industry standard for laser TVs, SJ/T 11791—2021 *Standard for TV Receiving Equipment Laser Projection Display*, officially came into effect.

In 2023

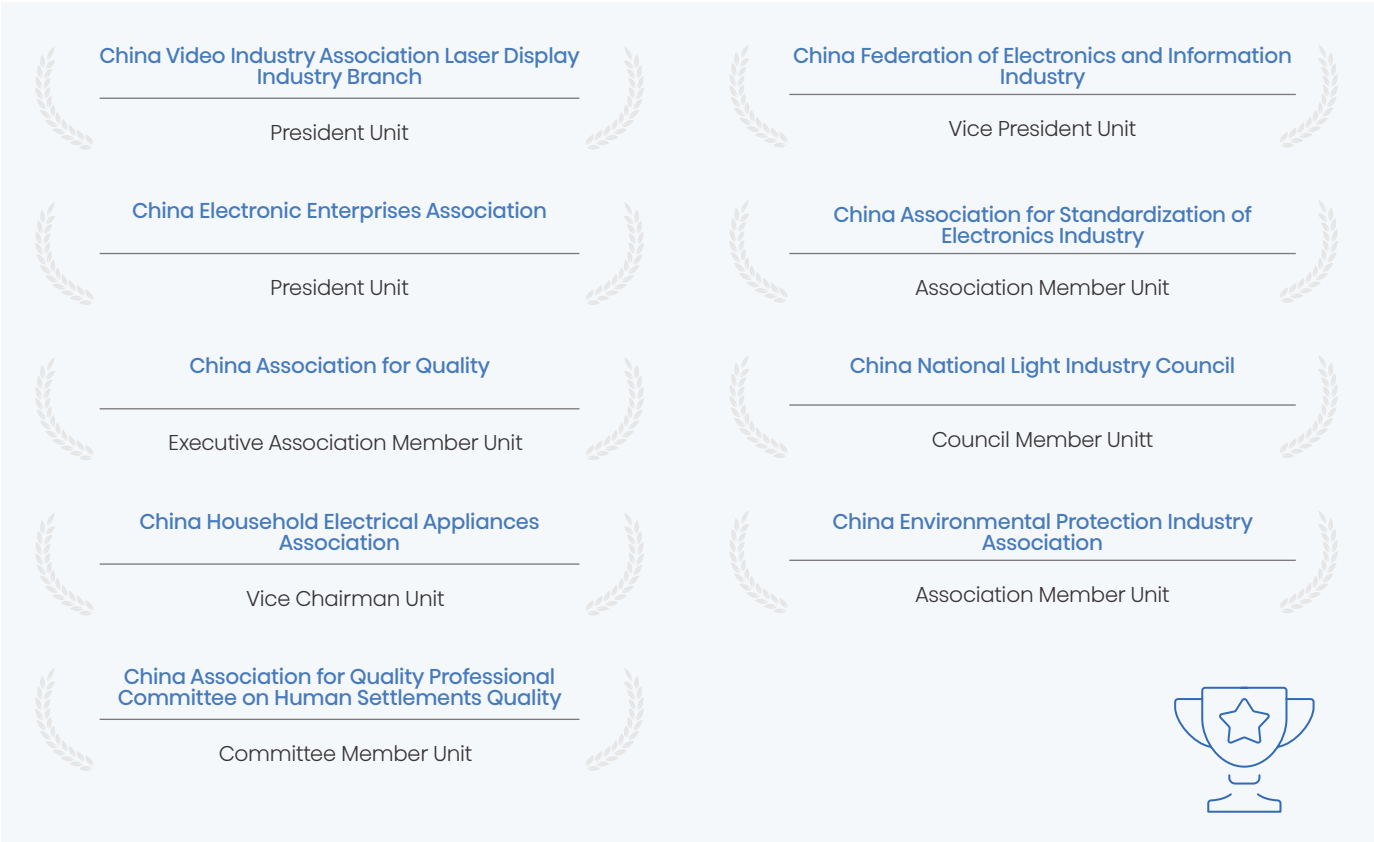
The first industry standard for the green design of projection products, SJ/T 11923—2023 *Technical Standard for Green-Design Product Assessment – Projection Display Products*, officially came into effect.

In 2024

Participated in drafting the national standard *Requirements for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, which is the first “National Mandatory Standard” in the field of hazardous substance control for household appliances.

• Industry Exchange and Cooperation

Hisense Group focuses on industry ecosystem collaboration and actively builds bridges for joint progress with peers. By regularly participating in technical conferences organized by associations and organizations, we stay abreast of the latest industry trends. Together with partners from academia, research, and industry, we undertake joint research on common technologies, promoting the transition from competition to cooperation within the industry. As a leader, we contribute momentum to global industrial upgrading.



Case: Leading the Development of the Standard for Evaluating Fresh Air Function of Room Air Conditioners

To meet users’ demand for healthier products, Hisense Home Appliances Group Co., Ltd., based on extensive market research and technical validation, led the formulation of the *Standard for Evaluating Fresh Air Function of Room Air Conditioners* (QB/T8001 - 2024). As the first industry standard for fresh air functions in domestic household air conditioning, this standard provided detailed regulations on performance indicators, testing methods, and grading criteria for fresh air functions. It provided a basis for the production and sales of fresh air conditioners, promoting healthy market development, and leading technological advancements in the industry.

Case: Hisense Hitachi Collaborates with Multiple Parties to Release *Cooling and Heat Pump Technologies for Carbon Neutrality – Pathways and Case Studies (2024)*

To promote the greening and intelligence transformation of the industry, Hisense Hitachi took the initiative to lead, collaborating with academic and research institutions such as the China Refrigeration Society and Tsinghua University, integrating resources and working together on challenges. Under the impetus of the “dual carbon” goals, they jointly released the *Technical Pathways and Case Studies for Refrigeration and Heat Pumps to Support Carbon Neutrality (2024)*, which aggregated outstanding achievements in the industry, providing a practical guide for the green transition of the refrigeration and heat pump sector. In this collaboration, Hisense Hitachi fully leveraged its technological and manufacturing advantages, driving coordinated development among upstream and downstream enterprises, and promoting the prosperity of the entire industry ecosystem.

Empowering Smart Cities

From “smooth-flowing” urban traffic to people-friendly smart cities, and on to energy-saving smart buildings. Hisense Group has established a green and sustainable model that covers the entire process from product development, production, to service, using innovative technology to help cities reduce costs and improve efficiency, as well as save energy and reduce emissions, becoming a key force in promoting high-quality green development in cities.

In 2024, Hisense Group focused on smart transportation and smart buildings, launching six high-quality product development projects. The Group also advanced two technology pre-research projects centered around big data and AI, successfully obtaining approval as a “Ministry of Industry and Information Technology (MIIT) Artificial Intelligence Smart Transportation Chain Leader Enterprise.” Additionally, we applied for the “Shandong Province Smart City Brain Key Laboratory” and provincial science and technology department domain-specific large model projects, promoting the application of AI in urban governance and deepening ESG practices through technological innovation.

• Intelligent Transportation

In the field of smart transportation, Hisense Group drives its core business of “alleviating traffic congestion and ensuring smooth flow” with big data and artificial intelligence as the engine. We continuously improve urban management and governance efficiency and residents’ travel experience through an innovative product system.

Aiming at the challenge of congestion management in high-density scenarios, Hisense Group has pioneered an “integrated source and flow control” regional intelligent traffic signal system, breaking through the bottlenecks of traditional governance. This system achieves intelligent control throughout the chain from the source of congestion to the flow nodes through precise traffic flow prediction and dynamic recommendation of signal control strategies, significantly improving traffic efficiency.

Hisense Urban Intelligent Traffic Signal Control System

Traffic flow increased by

10%

↑

The number of parking instances and driving time on roads has been reduced by

30%

↓

Exhaust emission pollution reduced by

20%

↓

China Intelligent Transportation Systems Association Innovation Award

The 14th Qian Xuesen City (Transportation) Gold Medal

Key Technologies and Applications for Dynamic Collaborative Optimization of Urban Traffic Flow Control Driven by Multimodal Big Data won the Second Prize of Shandong Province Science and Technology Progress Award

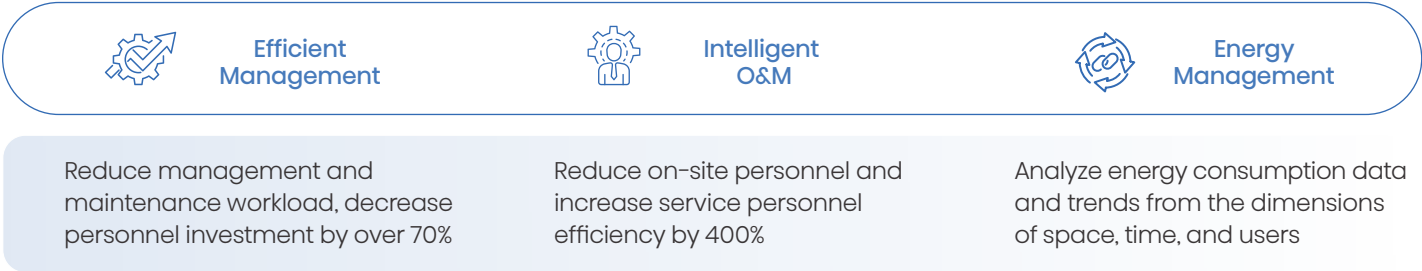
Intelligent Control Technology and Industrialization of Big Data-Driven Urban Traffic Congestion won the Second Prize of Science and Technology Progress in Hunan Province.



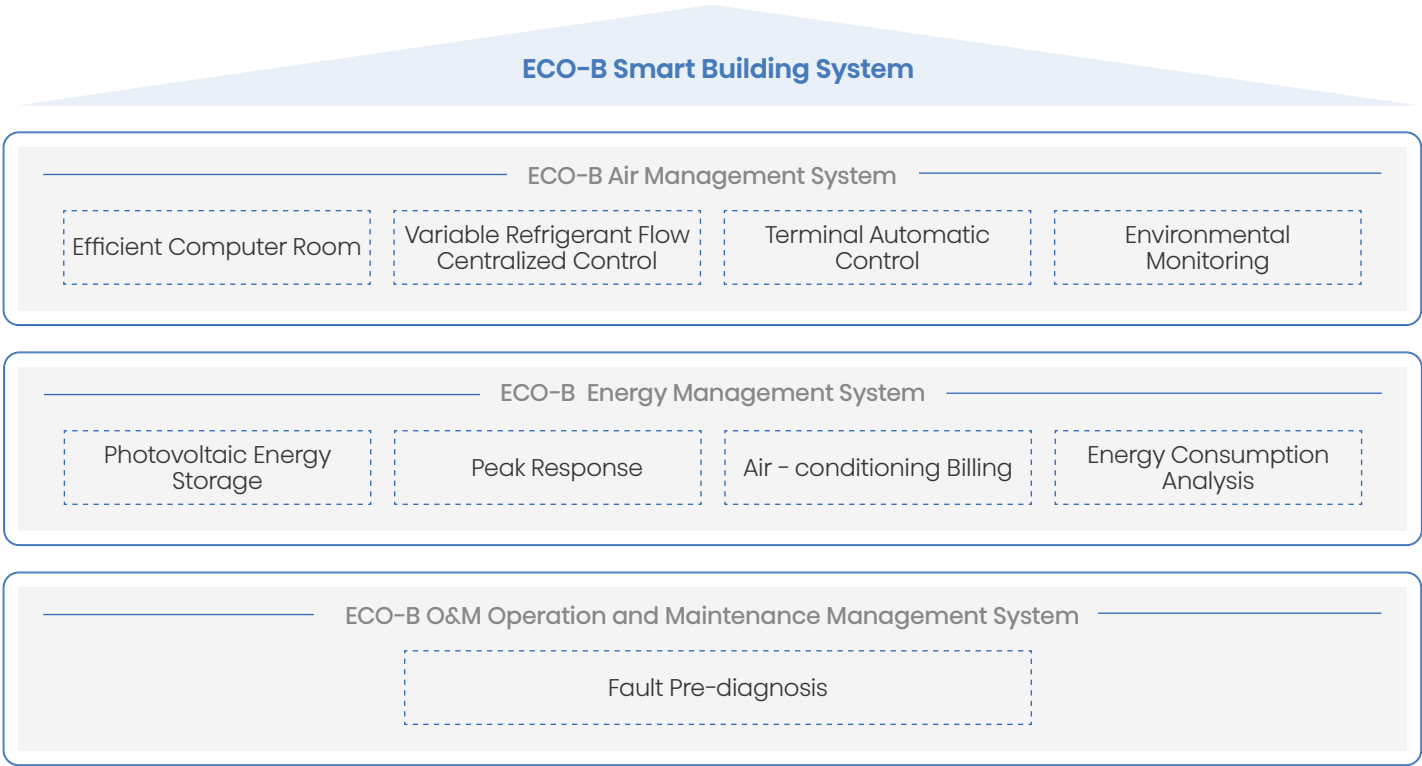
• Smart Building

Hisense Group, with IoT, sensors, and AI technology at its core, is reshaping the relationship between people, buildings, and the environment, providing full lifecycle management and operation services for buildings. The independently developed ECO-B Energy Management System serves as the core control center, comprising three major subsystems: air management, energy management, and operation management. Through technological integration and practical application, it promotes the transformation of buildings from traditional operations to green and intelligent management.

◎ Core Functions of Smart Buildings



◎ ECO-B Smart Building System



Developing the New Energy Industry

Hisense Group leverages its advantages in new energy business to contribute green solutions for sustainable development. Our subsidiary, Qingdao Hisense Network Energy Co., Ltd., is dedicated to providing a full-chain digital energy storage solution covering all storage scenarios from grid side, industrial and commercial side, to residential side. In 2024, the Group successfully acquired the listed company Shijiazhuang Kelin Electric Co., Ltd., encompassing smart electrical, new energy, and internet + three major business sectors. This acquisition aimed to offer customers comprehensive services throughout the entire lifecycle of energy and power systems. Together, Qingdao Hisense Network Energy Co., Ltd. and Shijiazhuang Kelin Electric Co., Ltd. formed the Group's energy sector, which would focus on areas such as clean energy, smart grids, intelligent transportation, and smart cities, shaping unique competitive advantages and development space in the global new energy market.



Case: Shijiazhuang Kelin Electric Co., Ltd. State Grid Hebei Electric Power Co., Ltd. Lingshou Man Mountain Huaxigou 4 MWh Energy Storage Project

In 2024, Shijiazhuang Kelin Electric Co., Ltd. completed the 4 MWh energy storage project for the Ling Shou Man Mountain Flower Valley of State Grid Hebei Electric Power Company. The project adopted wind-cooled PACK and energy storage systems produced by Kelin Electric Co., Ltd., achieving 100% utilization of distributed photovoltaic power generation from the newly built substation. It successfully addressed issues such as long power outage times and low supply voltage on 10 kV lines, improving power supply reliability and energy security, and making positive contributions to energy transition and emission reduction.





Promoting Community Development

Hisense Group upholds the philosophy of “business for good, technology for good,” focusing on educational equity, rural revitalization, environmental protection, and care for vulnerable groups. We deliver warmth and hope through sustainable charitable models. In 2024, we have designated October 19th as the annual “Hisense Global Charity Day,” actively calling on Hisense Group, all companies, and all employees to participate in public welfare activities.

Educational Balance Development

We promote the balanced development of educational resources through methods such as building Hope Schools, donating teaching equipment, and launching science popularization courses. Various projects focus on fostering students' comprehensive qualities, helping young people broaden their knowledge horizons and enhance their exploration skills. By leveraging educational equity as a fulcrum, we aim to reduce the disparities in educational development between urban and rural areas, enabling more children to share in high-quality growth opportunities.



Case: Hisense Refrigerator's Yuchen Scholarship Program Continues to Thrive

The “Hisense Refrigerator · Yuchen Education Assistance” project focuses on educational support in remote areas. Since its launch in 2017, it has covered more than 30 schools in over 10 provinces and cities across the country, donating nearly 10,000 teaching materials, benefiting about 250,000 teachers and students. The project adopts a full-chain model of “material donation + course development + teacher training + psychological care,” setting up educational spaces such as “love laundry rooms” and “Hisense Classroom” to improve school conditions. At the same time, it promotes the construction of public welfare libraries, the “one-to-one sponsorship program,” and psychological course support, empowering both hardware facilities and teaching capabilities, aiming to narrow the gap in urban-rural education and continuously promote the equitable development of education.



Case: Actively Promoting New Practices in Science Education

Hisense Exploration Center continues to expand the boundaries of science education through various forms of public welfare activities such as entering schools, communities, and online classrooms, aiming to enhance the scientific literacy of the public. Relying on the platform of Qingdao Popular Science Expert Group, Hisense Exploration Center has visited 39 schools in Qingdao throughout the year, conducting 49 classes and science shows, reaching over 7,000 teachers and students. In collaboration with projects like “Spring Bud Program” and “Reading for a Better Life,” it has cared for more than 600 children in difficult circumstances, organized on-site science exploration for over 30 people, and invited 22 teachers and students from mountainous areas to participate in the “Going Far Away” science journey. It also collaborates with universities and brand enterprises to hold popular science exhibitions, salons, and other activities, building a multi-party interactive popular science ecosystem.



Social Assistance

Hisense Group focuses on the needs of vulnerable groups, providing assistance with living supplies, medical support, employment aid, and mental care, promoting social equity and harmonious development.

Case: Hisense Hospital Conducts Free Clinic Activities

Hisense Hospital actively fulfills its social responsibilities by regularly organizing multidisciplinary expert teams to conduct free clinics in communities, universities, and enterprises, providing comprehensive health services including blood pressure and blood glucose testing, disease diagnosis, and health consultations. In 2024, Hisense Hospital joined forces with Qilu Hospital (Qingdao) and Haici Medical Group and other tertiary hospitals, cumulatively conducting 16 large-scale free clinics.

Case: Protecting Children's Growth

Hisense Group has always regarded caring for children as an important part of fulfilling its social responsibilities. In 2024, the subsidiary Hisense Finance Co., Ltd. launched a donation initiative to collect books, food, and clothing for special children, and visited the "Companion Home" organization to conduct companion activities, conveying warmth and care through concrete actions.



Rural Revitalization

Hisense Group shoulders corporate social responsibility, officially launching the "Science and Technology for Agriculture, Rural Revitalization" three-year action plan in 2021. We are dedicated to improving living conditions for impoverished areas and rural communities through concrete actions, contributing to rural revitalization. We have cumulatively invested over RMB 20 million in the field of rural revitalization, benefiting more than 100,000 people, forming a sustainable assistance system with "industrial support, technical assurance, and sales channels."

Specific Practices

Targeted Assistance to Create Revitalization Models

- Donating RMB 3 million to Qiandongnan Prefecture in Guizhou Province, focusing on the construction of four model villages, implementing the "rural revitalization model village" projects in Leishan and Guanling, improving facilities, developing special industries, and enhancing the villages' self-sustaining capabilities.

Empowering with Intelligence, Upgrading the Agricultural Industry

- Creating a smart agriculture park in Pingdu, Shandong, integrating intelligent planting and digital management to promote agricultural modernization.
- Establishing the "company + cooperative + farmer" model to develop projects such as hawthorn and traditional Chinese medicine, providing technical support and standardized management to enhance the quality and competitiveness of agricultural products.

Driven by Education and Science, Strengthening the Support for Development

- Organizing agricultural technology training for over 2,000 participants, covering areas such as planting and processing, to cultivate talent in rural areas.

Integrating Production and Sales to Enhance Brand Value

- Relying on the Juhaolian platform to expand online sales channels for agricultural products and enhance brand influence.
- By means of "live streaming to assist farmers" and "e-commerce empowerment," promoting the integration of production and sales with brand development.

Key Performance Indicators (KPIs)

Economic Indicators

Indicator	Unit	2024
Annual revenue	RMB 100 million	2,153
Year-over-year growth rate of operating revenue	%	6.5
Overseas income	RMB 100 million	996
Percentage of overseas revenue in total annual revenue	%	46.3

Governance Indicators

Indicator	Unit	2024
Composition of the Board of Directors	The number of Board of Directors' members	/ 9
	The number of independent directors	/ 3
	Percentage of female executives	% 33.3
Compliance Operations and Risk Management	Special compliance training	sessions 104
	Coverage of training for key position personnel	% 100
Business Ethics	The number of cases involving unfair competition leading to litigation or significant administrative penalties	/ 0
	The amount involved in lawsuits or significant administrative penalties due to unfair competition practices	RMB 10 thousand 0
Anti-Corruption and Anti-Bribery	Accumulated completion of warning education and training	sessions 91
	Employee participation rate in warning education	% 100
	Business ethics (including anti-corruption) training course duration	hours 223

Indicator	Unit	2024
Anti-Corruption and Anti-Bribery	Coverage of Board members in business ethics training	% 100
	Coverage of business ethics training for management and employees	% 96
Digital Construction and Information Security	The cumulative number of Lighthouse Factory	/ 1
	The number of cybersecurity incidents during the reporting period	/ 0
	The number of information security incidents	/ 0
	The total number of customers, consumers, and employees affected by the information security incident	/ 0
	The number of substantiated complaints related to breaches of customer privacy and loss of customer data	/ 0
	The number of data security incidents	/ 0

Environmental Indicators

Indicator	Unit	2024
Environmental Management	Environmental audit coverage	% 100
	The number of environmental complaints	/ 0
	The number of environmental incidents	/ 0
	The number of environmental penalties	/ 0
	The number of environmental litigation cases	/ 0
	The cumulative number of factories that have obtained ISO 14001 Environmental Management System certification	/ 41
	The number of environmental protection training sessions	/ 82
	The number of participants in environmental protection training	10 thousand 54.4

Environmental Indicators

Indicator		Unit	2024
Addressing ClimateChange	Scope 1 greenhouse gas emissions	tCO ₂ e	245,268
	Scope 2 greenhouse gas emissions	tCO ₂ e	383,369
	Total greenhouse gas emissions	tCO ₂ e	628,637
	Greenhouse gas emission intensity (Scope 1 and Scope 2)	tCO ₂ e per RMB million of output value	0.0510
	The actual amount of greenhouse gas emissions reduction achieved in the work dedicated to addressing climate change ¹	tCO ₂ e	35,558
Energy Management ²	Total energy consumption	tce	100,646
	Total energy consumption intensity	tce per RMB 10 thousand of output value	0.0082
	Total direct energy consumption	tce	17,376
	Direct energy consumption	Diesel consumption ³	tons45
		Diesel consumption intensity	kg per RMB 10 thousand of output value0.0036
		Gasoline consumption	tons37
		Gasoline consumption intensity	kg per RMB 10 thousand of output value0.0030
		Natural gas consumption	10 thousand cubic meters1,297
		Natural gas consumption intensity	standard cubic meters per RMB 10 thousand of output value1.0521

¹This indicator represents the greenhouse gas emission reductions achieved by the 2024 special project for energy conservation and carbon reduction.

²The conversion factors of total energy consumption, total direct energy consumption, total indirect energy consumption are sourced from GB/T 2589-2020 *General Rules for the Calculation of Comprehensive Energy Consumption*. The scope of data statistics for various types of energy consumption and intensity includes Hisense Home Appliances Group Co.,Ltd. (including Sanden Corporation China Region), Hisense Visual Technology Co., Ltd., Qingdao Intelligent & Precise Electronics Co., Ltd., and Hisense Broadband Multimedia Technologies, Ltd., but does not include Xiamen Changelight Co., Ltd. and Shijiazhuang Kelin Electric Co., Ltd.

³Compared to the data in 2023, there has been an improvement, mainly due to Hisense Group's active promotion of forklift replacement in the park in 2024, substituting diesel forklifts with electric ones.

Indicator		Unit	2024
Energy Management	Total indirect energy consumption	tce	83,270
	Indirect Energy Consumption	Purchased electricity usage	10 thousand kWh57,733
		Purchased electricity consumption intensity	10 thousand kWh per RMB 10 thousand of output value0.0047
		Total purchased steam	GJ360,980
		Purchased steam consumption intensity	GJ/RMB 10 thousand of output value0.0293
		The cumulative number of factories certified with ISO 50001 Energy Management System Certification	/23
		Cumulative installed capacity of distributed photovoltaic in the park	MW99.2
		The usage of distributed photovoltaic power generation	10 thousand kWh10,000
		Hydropower procurement volume	10 thousand kWh1,317
		Green certificate procurement volume	MW-hour50,080
Water Resource Management ⁵	The proportion of green power usage ⁴	%	21.20
	The cumulative number of Zero Carbon Factory	/	4
	The cumulative number of national "Green Factories"	/	17
	The cumulative number of provincial "Green Factories"	/	6
Waste and Pollutant Management ⁶	The cumulative number of national "Green Supply Chain Management Demonstration enterprises"	Enterprise(s)	7
	Total water consumption	tons	3,385,812
	Total water consumption intensity	tons per RMB 10 thousand of output value	0.2745
	Total waste gas emissions ⁷	10 thousand cubic meters	980,537
	Waste gas emission intensity	10 thousand cubic meters per RMB 10 thousand of output value	0.0795

⁴Green power includes photovoltaic power generation, hydropower, and eligible renewable energy power corresponding to green power certificates.

⁵The scope of water resource management data statistics includes Hisense Home Appliances (including Sanden Corporation China Region), Hisense Visual Technology Co., Ltd., Qingdao Intelligent & Precise Electronics Co., Ltd., and Hisense Broadband Multimedia Technologies, Ltd., but does not include Xiamen Changelight Co., Ltd. and Shijiazhuang Kelin Electric Co., Ltd.

⁶The statistical scope for waste and pollutant management data includes Hisense Home Appliances (including Sanden Corporation China Region), Hisense Visual Technology Co., Ltd., Qingdao Intelligent & Precise Electronics Co., Ltd., and Hisense Broadband Multimedia Technologies, Ltd., but does not include Xiamen Changelight Co., Ltd. and Shijiazhuang Kelin Electric Co., Ltd.

⁷Compared to the data in 2023, there has been an improvement, mainly due to Hisense Group's enhancement of waste gas treatment facilities in 2024, which centralized the previously unorganized emissions.

Environmental Indicators

Indicator			Unit	2024
Waste and Pollutant Management	Types of atmospheric pollutants	Sulfur dioxide	tons	1.5
		Nitrogen oxides	tons	6.6
		Particulate matter	tons	11.4
		Total non-methane hydrocarbons	tons	132
		VOCs	tons	570
		Ozone-depleting substances (ODS)	tons	42
	Total wastewater discharge		tons	2,254,894
	Wastewater discharge intensity		tons per RMB 10 thousand of output value	0.1828
	Types of wastewater discharge ¹	Industrial wastewater	tons	471,081
		Domestic wastewater	tons	1,783,813
	Total waste emissions		tons	75,254
	Waste emission intensity		tons per RMB 10 thousand of output value	0.0061
	Types of waste emissions	Harmless waste	tons	73,439
		Hazardous waste ²	tons	1,815

Social Indicators

Indicator			Unit	2024
Product Quality and Safety ³	The cumulative number of ISO 9001 Quality Management System certifications		/	12
	ISO 9001 Quality Management System Certification Coverage		%	100
	The cumulative number of companies covered by IATF 16949 certification		/	4
	The cumulative number of companies covered by North American safety certification		/	7
	The number of recall incidents due to product quality issues		/	0
	The number of violations or lawsuits related to product safety		/	0
	Product qualification rate		%	98
	The number of quality training sessions organized		/	242
	The number of participants in quality training		/	12,097
	The number of quality improvement projects		/	886
	The number of company-level quality improvement projects		/	100
	The number of QC activities conducted		/	1,546
	The number of QC Quality Management Teams		/	405
	The number of WORST Quality Improvement Team		/	189
Sustainable Products	The cumulative number of national "Green-Design Demonstration Enterprises"		/	6
	The proportion of appliance models with first and second-level energy efficiency ratings		%	>90
R&D and Innovation	The number of top-tier talents		/	295
	The number of patent applications	Total number	/	5,966
		Among them: the number of utility patent applications	/	2,366
		Among them: the number of invention patent applications	/	3,189

¹Compared to the data in 2023, there has been an improvement, mainly because Hisense Home Appliances Group further optimized the statistical criteria in 2024.

²The scope of disclosure for hazardous waste is defined according to the "National Catalogue of Hazardous Wastes" (2021 Edition) issued by the Ministry of Ecology and Environment of the People's Republic of China; compared to the data from 2023, there has been an increase, mainly because in 2024, Hisense Group processed some accumulated waste circuit boards uniformly.

³The category indicators cover companies related to the home appliance industry.

Social Indicators

Indicator			Unit	2024
R&D and Innovation	The number of patent grants	Total number	/	4,077
		Among them: the number of utility patent authorizations	/	1,872
		Among them: the number of authorized invention patents	/	1,888
	The number of copyrights		/	301
	The cumulative number of enterprises certified with an intellectual property management system		/	2
	The cumulative number of national intellectual property advantage enterprises and model enterprises		/	16
	The number of patent application promotion and training sessions		/	25
	The number of employees participating in patent application publicity and training		/	1,353
	The number of employees rewarded for patents		/	4,268
	The amount of rewards granted to employees due to patents		RMB 10 thousand	713
Customer Experience and Satisfaction ¹	Customer Satisfaction Survey Coverage		%	100
	Customer Satisfaction Score		%	98
	Customer Complaint Response Rate		%	100
	Customer Complaint Resolution Rate		%	100
Employee Employment	Employee ratio by gender	Male	%	63.83
		Women	%	36.17

Indicator			Unit	2024
Employee Employment	Employee Ratio by Region	Mainland China	%	77.37
		Hong Kong, Macao, Taiwan, and Overseas	%	22.63
	Employee Proportion by Educational Level	Bachelor's degree	%	21.06
		Master's degree or above	%	8.53
	Employee ratio by age	<30	%	44.47
		30-50	%	51.75
		>50	%	3.78
Employee Development and Training	The total number of employee training sessions		/	6,465
	The number of trained employees by gender	Male	/	74,031
		Women	/	41,945
	Average training duration per person		hours	79
Occupational Health and Safety	Employee Health Check Participation Rate		%	100
	Work-related fatality rate		%	0
	The number of people who died due to work-related accidents		/	0
	The number of production safety accidents		/	0
Sustainable Supply Chain	Percentage of new suppliers screened using environmental evaluation criteria		%	98.9
	Corporate Social Responsibility Agreement supplier signatory rate		%	99.3
	Integrity Commitment Agreement supplier signatory rate		%	99.3
	Supplier Standard of Conduct Ssupplier signatory rate		%	99.5

¹The 2024 China regional customer service data does not yet include Qingdao Hi-Image Technologies Co., Ltd. and Qingdao Hisense Real Estate Co., Ltd..

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GRI Index



Terms of Use

Hisense Group has prepared the Report with Reference to the GRI standards for the period from January 1, 2024, to December 31, 2024 (with some content appropriately reflecting on past years or including forward-looking statements).



GRI used

GRI1: Foundation 2021

Standard	Disclosure	Location and Explanation
GRI 2: General Disclosure	2-1 Organizational details	3-6
	2-2 Entities included in the organization's sustainability report	1
	2-3 Reporting period, frequency, and contact point	1
	2-4 Restatements of information	Not Applicable
	2-5 External assurance	Not Applicable
	2-6 Activities, value chain and other business relationships	6、 78-80
	2-7 Employees	67-75
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	9、 20
	2-10 Nomination and selection of the highest governance body	20
	2-11 Chair of the highest governance body	20
	2-12 Role of the highest governance body in overseeing the management of impacts	9、 20、 22
	2-13 Delegation of responsibility for managing impacts	9、 20、 22
	2-14 Role of the highest governance body in sustainability reporting	9
	2-15 Conflicts of interest	20
	2-16 Communication of critical concerns	9-10

Standard	Disclosure	Location and Explanation
GRI 2: General Disclosure	2-17 Collective knowledge of the highest governance body	20
	2-18 Evaluation of the performance of the highest governance body	20
	2-19 Remuneration policies	20、 70
	2-20 Process to determine remuneration	20、 70
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	2-25 Processes to remediate negative impacts	25
	2-26 Mechanisms for seeking advice and raising concerns	25
	2-27 Compliance with laws and regulations	Strictly Comply with Laws and Regulations
	2-28 Membership associations	83
GRI 3: Material Issues	2-29 Approach to stakeholder engagement	10-11
	2-30 Collective bargaining agreements	/
	3-1 Process to determine material topics	11-12
GRI 201: Economic Performance	3-2 List of material topics	11-12
	3-3 Management of material topics	11-12
	201-1 Direct economic value generated and distributed	/
	201-2 Financial implications and other risks and opportunities due to climate change	52-54
	201-3 Defined benefit plan obligations and other retirement plans	70-71
	201-4 Financial assistance received from government	/

Standard	Disclosure	Location and Explanation
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	/
	203-2 Significant indirect economic impacts	/
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	24
	205-2 Communication and training about anti-corruption policies and procedures	24-25、 88
	205-3 Confirmed incidents of corruption and actions taken	24-25、 88
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	88
GRI 207: Tax	207-1 Approach to tax	23
	207-2 Tax governance, control, and risk management	23
	207-3 Stakeholder engagement and management of concerns related to tax	23
	207-4 Country-by-country reporting	/
GRI 301: Materials	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	/
GRI 302: Energy	302-1 Energy consumption within the organization	89
	302-2 Energy consumption outside of the organization	/
	302-3 Energy intensity	89
	302-4 Reduction of energy consumption	56
	302-5 Reductions in energy requirements of products and services	/
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	59
	303-2 Management of water discharge-related impacts	59
	303-3 Water withdrawal	/
	303-4 Water discharge	/
	303-5 Water consumption	89

Standard	Disclosure	Location and Explanation
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
	304-2 Significant impacts of activities, products and services on biodiversity	/
	304-3 Habitats protected or restored	64
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	89
	305-2 Energy indirect (Scope 2) GHG emissions	89
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	89
	305-5 Reduction of GHG emissions	89
	305-6 Emissions of ozone-depleting substances (ODS)	90
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	90
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	306-2 Waste by type and disposal method	61
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	308-2 Negative environmental impacts in the supply chain and actions taken	/
GRI 401: Employment	401-1 New employee hires and employee turnover	/
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70-72
	401-3 Parental Leave	71
GRI 402: Labor-Management Relations	402-1 Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	71、 73

Standard	Disclosure	Location and Explanation
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	74
	403-3 Occupational health services	71
	403-4 Worker participation, consultation, and communication on occupational health and safety	72-73
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	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	/
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/

Standard	Disclosure	Location and Explanation
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	/
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	/
	413-2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	78-80
	414-2 Negative social impacts in the supply chain and actions taken	/
GRI 415: Public Policy	415-1 Political contributions	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	42-43
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	90
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	46
	417-2 Incidents of non-compliance concerning product and service information and labeling	/
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GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	88

Reader Feedback

Thank you for reading Hisense Group *2024 Environmental, Social, and Governance Report*. To provide more valuable information to you and other stakeholders, and to promote the improvement of ESG management capabilities and levels at Hisense Group, we sincerely welcome your comments and suggestions on the report, which can be fed back to us via email: hiesg@hisense.com.

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

- ☐ consumer
- ☐ government and regulatory authorities
- ☐ employee
- ☐ shareholder/investor
- ☐ partners (suppliers, distributors)
- ☐ media
- ☐ community
- ☐ nonprofit organizations / industry associations
- ☐ other _____

2.Do you think the report comprehensively reflects Hisense Group’s performance in environmental, social, and governance aspects?

- ☐ Yes
- ☐ General
- ☐ No

3.Do you think the report can comprehensively respond to the expectations and requirements of Hisense Group stakeholders?

- ☐ Yes
- ☐ General
- ☐ No

4.Do you think the quantitative information disclosure in the report is objective, true, and effective?

- ☐ Yes
- ☐ General
- ☐ No

5.Do you think the text in the report is well-organized and easy to understand?

- ☐ Yes
- ☐ General
- ☐ No

6.Do you think the layout design of the report helps you understand the relevant information?

- ☐ Yes
- ☐ General
- ☐ No

7.The content you wish to know but is not disclosed in the report:

8.What other opinions and suggestions do you have regarding the ESG management work and ESG report of Hisense Group?

Hisense