

科技向善 绿色未来

Hisense

Hisense Group Holdings Co., Ltd. **2025**

Environmental, Social and Governance Report

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About This Report



Report Description

The *Hisense Group Holdings Co., Ltd. 2025 Environmental, Social and Governance Report* (hereinafter referred to as “this Report”) is the fourth Environmental, Social and Governance report published by Hisense Group Holdings Co., Ltd. This Report aims to disclose to global stakeholders Hisense’s sustainability concept, policies, and specific practices and key performance in the environmental, social, economic, and governance aspects for FY2025, respond to stakeholders’ concerns and expectations regarding Hisense’s sustainability work, and comprehensively communicate the progress of Hisense’s annual sustainability efforts with stakeholders.



Reporting Scope

This Report is based on Hisense Group Holdings Co., Ltd. as the main entity, covering all business units of the Group’s headquarters and its subsidiary companies. For ease of expression and reading, “Hisense Group Holdings Co., Ltd.’s headquarters, all business units, and its subsidiary companies” are collectively referred to as “Hisense,” “the Group,” or “we” in this Report. For the names of Hisense Group’s subsidiary companies, please refer to [Appendix III: List of Terms in this Report](#).

This Report covers the period from January 1 2025 to December 31 2025 (hereinafter referred to as “2025,” “the Year,” or “the Reporting Period”). To enhance the report’s comparability, completeness, and forward-looking nature, the coverage of certain content extends to preceding and subsequent years as appropriate.

Unless otherwise specified, the organizational scope of the information and data disclosed in this Report is consistent with the scope of the consolidated financial statements in the Hisense Group 2025 Annual Report. If the statistical scope of any data differs from the aforementioned scope, an explanation will be provided at the corresponding location in this Report (if applicable).



Basis of Preparation

This Report has been prepared in accordance with standards, rules, and guidelines including the Global Sustainability Standards Board’s (GSSB) *Sustainability Reporting Standards (GRI Standards)*, the International Sustainability Standards Board’s (ISSB) *IFRS S2 Climate-related Disclosures*, the *Self-Regulation Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (Trial)*, *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (Trial)*, *Appendix C2 Environmental, Social and Governance Reporting Code of Securities on the Stock Exchange of Hong Kong Limited*, and the United Nations Sustainable Development Goals (UN SDGs).



Reporting Principles

This Report adheres to the reporting principles of materiality, quantifiability, balance, and consistency in the prudent disclosure of sustainability-related information and data.

- **Materiality:** We systematically conducted annual Materiality Assessments for sustainability-related topics to identify and assess the significant impacts of each sustainability topic on Hisense’s business model, operations, development strategy, financial position, operating results, cash flows, financing methods, and costs (i.e., financial materiality), as well as their significant impacts on the economy, society, and the environment (i.e., impact materiality). For details on the process and results of the Materiality Assessments, please refer to the [Materiality Assessments](#).
- **Quantifiability:** This Report uses quantitative methods to measure applicable key performance indicators and discloses the measurement methods, bases, and scope (if applicable).

- **Balance:** This Report aims to present a fair and balanced account of Hisense’s practices and progress in the environmental, social, economic, and governance aspects. Hisense has made every effort to avoid selections, omissions, or presentation formats that could unduly influence the decisions or judgments of the report’s readers.
- **Consistency:** Unless otherwise stated, the information and quantitative indicators disclosed in this Report employ statistical methods consistent with those used in past reports to ensure the continuity and comparability of sustainability-related data with historical and future data. In cases where the statistical scope has changed, we provide explanatory notes in the corresponding section of this Report (if applicable).



Report Language

This Report is available in both Simplified Chinese and English. The English version is a translation of the Simplified Chinese version. If there is any discrepancy between the different language versions of this Report, the Simplified Chinese version shall prevail.



Access to the Report

This report is publicly available to stakeholders and the general public in PDF format on [the official Hisense website](#). For further inquiries, or if you have any questions or suggestions regarding this report or Hisense’s sustainability work, please contact us through the following channels:

Address: Block A, Hisense International Centre, 88 Hong Kong East Road, Laoshan District, Qingdao, Shandong, China

Phone: 0086 400 611 1111

Email: hiesg@hisense.com

Chairman's Statement



Chairman of Hisense Group and
Director of the ESG Committee

Shaoqian Jia



On the occasion of the official release of the Hisense Group Holdings Co., Ltd. 2025 Environmental, Social and Governance Report, I would like to extend my sincere respect and heartfelt gratitude to our investors, partners, and friends from all sectors of society who have long supported Hisense, as well as to all our employees.

This is the fourth consecutive year we have systematically disclosed our ESG practices and achievements, and it serves as another testament to Hisense's commitment to our founding principle of "Technology for Good, Business for Good" and our dedicated pursuit of sustainability. Hisense has always deeply integrated long-termism and the ESG concept into the entire process of corporate governance, industrial development, and business operations, establishing our reputation through responsibility and demonstrating our commitment through practical action, thereby balancing environmental, social, and industrial value amidst steady operation.



We define our brand through quality, solidifying its foundation.

We consistently adhere to the guiding principles of the "Seven Rules of Quality," continuously promoting a quality culture of full participation and the pursuit of excellence, thereby fostering a deep cultural consensus that "quality is character, quality is responsibility." We have built a quality and safety management system covering the entire product lifecycle and established digital quality management dashboards, increasing the digitalization rate of our end-to-end quality management to 70%. Driven by digital and intelligent empowerment, stringent standards, and a commitment to craftsmanship, Hisense Group was rated at the "Preventive Level" in the Quality Management Capability Assessment by the Ministry of Industry and Information Technology (MIIT), making it the first in the industry to receive this highest rating; additionally, five of our subsidiaries were recognized as high-level enterprises in quality management capability. This makes Hisense the enterprise with the highest ratings and the largest number of recognized companies in the Ministry's assessment. With the release of the guiding document *Hisense Quality Law*, Hisense's next-step quality initiatives will be deeply aligned with the strategy of "becoming the world's most trusted brand."

We are user-centered, practicing warm and inclusive technology for all.

We focus on our six core industries—home appliances, semiconductors, intelligent energy, laser technology, automotive electronics, and content platforms—and continuously drive industrial transformation and upgrading to meet user needs, gaining deep insights into market demands across different global regions and adapting to local lifestyles and cultural customs to create customized products and services; we have built a comprehensive online and offline service system and improved our Voice of the Customer (VOC) digital platform to widely listen to authentic user feedback from various channels, bringing us closer to our users through attentive service. Recently, Hisense Visual Technology's Qingdao factory was successfully selected as a "Customer-First Lighthouse Factory," becoming the first and only Lighthouse Factory in the global television industry; this factory utilizes big data and Hisense's self-developed "HiStar" large model to build an intelligent user recognition system that automatically collects and analyzes massive amounts of user feedback, shortening the new product launch cycle by 62%. To date, Hisense TV has ranked first in the industry for user satisfaction for eleven consecutive years.

With low-carbon development commitment, we are creating a digital and high-quality benchmark.

We solemnly pledge to achieve carbon peaking in our operations no later than 2026 and carbon neutrality in our operations by 2050. Using digitalization and AI as key drivers, we are deeply integrating green and low-carbon principles into the entire chain of R&D, manufacturing, and logistics, driving tangible energy savings and carbon reductions through digital and intelligent transformation. In the R&D phase,

we rely on digital simulation and an AI-powered energy efficiency optimization platform to precisely manage consumption from the source of product design through material upgrades, structural optimization, and intelligent consumption reduction; on the manufacturing end, led by our Lighthouse Factories, we continuously tap into energy-saving potential through our energy and carbon digitalization platform and digital-intelligent technical renovation projects, having established 3 Lighthouse Factories, 20 national-level Green Factories, and 4 Zero Carbon Factories. In the logistics sector, we use big data to intelligently plan transportation routes and optimize our warehouse network, achieving improved transport efficiency and reduced carbon emissions.

With innovation as our engine, we are co-building a collaborative ecosystem.

Taking a broad view of industry development, Hisense plays a leading and exemplary role as a chain-leading enterprise. We are deeply involved in the formulation and revision of standards in areas such as green and low-carbon development, smart manufacturing, and AI applications, having led or participated in the release of 78 international standards, 387 national standards, 273 industry standards, and 734 group standards, including a cumulative total of 155 green and low-carbon standards, thereby using advanced practices to build industry consensus and set development benchmarks. Upholding the concept of open innovation, we collaborate with universities, research institutions, and industry chain partners on key technologies, sharing innovations in green design, energy-saving retrofits, and digital intelligent manufacturing. We will also gradually open up more than 1,300 core patents for tri-color laser technology and 66 core patents for triple-drum washing machine to the entire industry, progressively breaking down technical monopolies and promoting the coordinated development of the entire industrial chain.

The road is long and arduous, but with perseverance, we will reach our destination. Our proactive efforts in the ESG field over the past year have earned us numerous honors and recognitions. We have remained one of China's top 10 global brands, been included in the Fortune China ESG Impact List, and won major design and industry awards both domestically and internationally. Our subsidiary, Gorenje d.o.o., was awarded the EcoVadis Platinum Medal, and Hisense Visual Technology and Hisense Home Appliances were included in the S&P Global Sustainability Yearbook, among other sustainable development honors.

Continuous effort ensures a promising future. Hisense has joined forces with over 20 leading Chinese enterprises to co-sign the "Sustainable Brand" vision initiative, which has been submitted to the United Nations Conference on Trade and Development (UNCTAD). In the future, we will practice sustainable development with a more long-term perspective, a greater sense of responsibility, and more innovative products and services, steadily advancing toward our goal of becoming a world-class enterprise and a trusted brand.

About Hisense

About Us

Hisense was founded in 1969 and is headquartered in Qingdao, China. It owns five listed companies: Hisense Visual Technology, Hisense Home Appliances, Sanden Corporation, Changelight, and Kelin Electric. The Group also owns multiple brands, including Hisense, Toshiba TV, RonShen, Kelon, Gorenje, and ASKO.

Hisense Visual Technology	Hisense Home Appliances	Sanden Corporation	Changelight	Kelin Electric
600060.SH	000921.SZ 00921.HK	6444.TY	300102.SZ	603050.SH
				

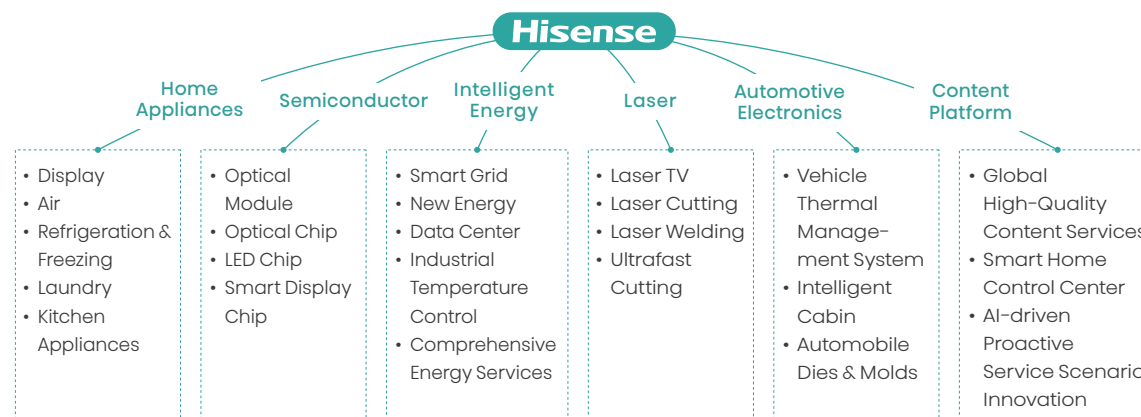
Hisense adheres to the development strategy of being a "technology-based enterprise with steady operation." The Group focuses on user needs to continuously drive industrial transformation and upgrading. It has established six core industries spanning home appliances, semiconductors, intelligent energy, laser technology, automotive electronics, and content platforms, accelerating our transition from a "product-centric hardware manufacturer" to a "user-centric smart life service partner."

In 2025, Hisense maintained steady growth

Full-year operating revenue of RMB

224.4 billion

Industrial Layout



Brand Matrix



Globalization

Hisense is deeply committed to its global presence, with 31 R&D institutions, 41 industrial parks and production bases, and 65 overseas companies and offices worldwide, enabling rapid response to user needs through a "1+7" regional operations center model. Using sports as a bridge to deepen communication with global users, Hisense has sponsored seven top-tier international sporting events, including UEFA EURO 2024™, FIFA Club World Cup 2025™, and FIFA World Cup 2026™. Hisense has been ranked among China's top 10 global brands for nine consecutive years and is accelerating the journey toward becoming a world-class enterprise and a world-class brand.

In 2025, Hisense

Overseas operating revenue of RMB

110.7 billion

a year-on-year increase of

11 %

Accounting for

49.3 %
of total annual operating revenue

Overseas revenue from self-owned brands reached

87 %

¹ The "1+7" regional operation centers refer to China and the seven major overseas operation centers: Europe, North America, Central and South America, the Middle East and Africa, Asia-Pacific, ASEAN, and India.

Annual ESG Honors

Listed on the Fortune China ESG
Impact List(for 5 consecutive years)

Hisense Group
Fortune China



Sustainable Industrial Enterprise

Hisense Group
Forbes China



Environmentally Friendly (E)
Pioneer Enterprise Award

Hisense Group
Caillian Press



2025 China "Leading" Enterprise in
Industrial Carbon Peaking

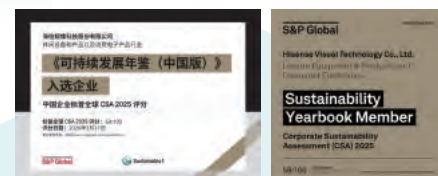
Hisense Home Appliances
China Federation of Industrial Economics



Selected for the S&P Global Sustainability
Yearbook 2026

Global edition: Hisense Visual Technology
China edition: Hisense Visual Technology |
Hisense Home Appliances

S&P Global



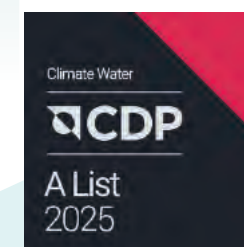
EcoVadis Platinum

Gorenje d.o.o.
EcoVadis



Included in the CDP A List
(Climate Change and Water Security)

Hisense Hitachi Company
CDP



Key Sustainable Development Performance²

Environment



National "Green Factories"

20



"Zero Carbon Factory"

4



Factories Certified with the ISO 50001 Energy Management System

29



Comprehensive Energy Saving Rate

8 %



Year-On-Year Change in Total Installed Photovoltaic Capacity at Industrial Parks

+36.3 %



Percentage of Green Power at Domestic Bases

23.7 %

Social



Cumulative Patent Applications

70,000+



Cumulative Green and Low-Carbon Standards Led/Participated in for Development and Revision

155



National Champion Enterprises in Manufacturing

6



Pledged to Progressively Open Up Core Tri-Color Laser Patents

1,300+



Open Up Core Patents for Triple-Drum Washing Machine

66



National "Green Supply Chain Management Demonstration Enterprises"

7



Coverage Rate of ISO 9001 Quality Management System Certification

100 %



Pass Rate for Domestic ISO 45001 Occupational Health and Safety Certification

100 %



Beneficiaries of the Yuchen Education Assistance Project

300,000+ Person-times

Governance



ISO 37301 Compliance Management System

Successfully Maintained



Number of Integrity and Warning Education Sessions Conducted

300+



Total Training Hours Related to Risk Management

6,200 Hours



Certifications



ISO 37301

Compliance Management System Certification



ISO 27001

Information Security Management System Certification



ISO 27701

Privacy Information Management System Certification



ISO 14001

Environmental Management System Certification



ISO 50001

Energy Management System Certification



GB/T 29490

Enterprise Intellectual Property Compliance Management System Certification



ISO 9001

Quality Management System Certification



IATF 16949

Quality Management System Certification



ISO 45001

Occupational Health and Safety Management System Certification



² All indicators below are sourced from the main body of the report. For the statistical scope and methodologies of these indicators, please refer to the corresponding chapters.

Sustainable Development Management

Hisense considers sustainability as a vital component of corporate strategy, continuously strengthening our management foundation and building a sustainable development management system centered on strategic leadership, institutional guarantees, and practical synergy. Through measures such as optimizing top-level design, enhancing stakeholder communication, and conducting Materiality Assessments, Hisense systematically improves the sustainability management capabilities to continually boost overall competitiveness.

Hisense's Sustainability Commitment

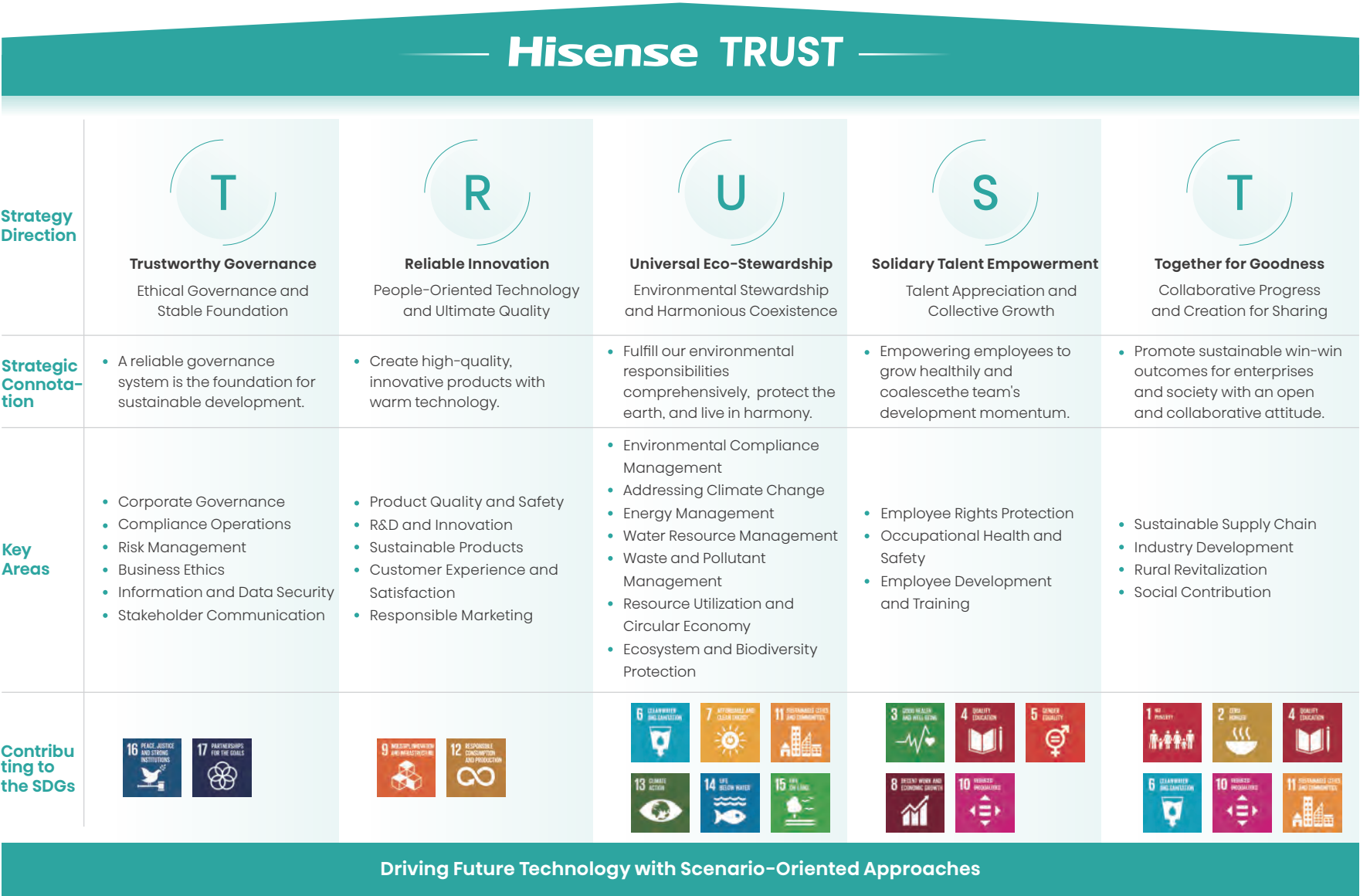
We consistently uphold the principle of **"Technology for Good, Business for Good,"** interpret the concept of sustainable development with a long-term perspective, and commit to "achieving carbon peaking in our operations no later than 2026 and carbon neutrality in our operations no later than 2050" (for details, see [Addressing Climate Change](#)).



Top-Level Design for Sustainable Development

With our vision to "Build a century-old Hisense and become the world's most trusted brand," we have constructed the **"Hisense TRUST"** sustainability strategic model, which is closely aligned with the United Nations Sustainable Development Goals and grounded in our business positioning and industry responsibilities.

In 2025, we systematically optimized and adjusted the issues in key areas by integrating the dynamic changes in the internal and external environments with the new expectations of stakeholders (see [Materiality Assessment](#) for details), aiming to enhance the strategy's forward-looking nature, relevance, and operability.



Sustainability Management Structure

To support the implementation of top-level design for sustainability and to enhance the sustainable governance capabilities and executive efficiency, we have established a three-tiered ESG management structure—"Decision-making Level, Management Level, and Executive Level"—that clarifies the responsibilities and division of labor at each tier, strengthens overall coordination and synergy, and ensures the orderly and efficient advancement of the ESG strategy. The Board of Directors is the highest ESG decision-making body; an ESG Committee under the Board coordinates and promotes ESG governance; and various functional and business departments collaborate to primarily implement Hisense's ESG strategy and other ESG tasks.

We continuously improve our ESG management structure and establish a collaborative mechanism for dedicated working groups. In 2025, we formally established nine cross-departmental ESG dedicated working groups at the executive level, covering key areas such as R&D, manufacturing, supply chain, recycling, logistics, compliance, social contribution, human resources, branding, and listed companies, to further strengthen Hisense's ESG executive efficiency and achieve comprehensive, end-to-end ESG management.

Stakeholder Communication

Communication is a key link for Hisense in building long-term trust and sustainable value. We maintain regular communication with key stakeholders, proactively listening and responding to their concerns through multiple channels, and integrating stakeholder feedback into our strategies and decisions to continuously enhance their recognition and trust in us. A systematic analysis of the key concerns of different stakeholders in environmental, social, and governance aspects, as well as their degree of impact, provides guidance for identifying and managing material issues.

Stakeholders	Expectations and Demands	Communication Methods	Response Methods
 Government and Supervisory Bodies	- Compliant operations - Tax payment in accordance with the law - Economic contribution - Anti-corruption - Product responsibility	- Supervision and inspection - Meetings and exchanges - Work reports	- Responding to the development strategies of China and operating locations - Operating in compliance with laws and regulations - Implementing multiple measures to achieve performance growth - Paying taxes in accordance with the law
 Shareholders/Creditors	- Corporate governance - Compliance operations - Risk control - Shareholder rights - Information disclosure - Business ethics	- Shareholder meetings - Information disclosure, including ESG Reports - On-site research - Conference calls - Investor relations website	- Stable and compliant operations - Dynamic risk control - Achieving performance growth - Dynamic communication through multiple channels - Focusing on investor returns
 Employees	- Rights protection - Remuneration and benefits - Equal employment	- Employee Representative Congress - Internal communication platforms	- Implementing fair employment policies - Continuously improving remuneration and incentive mechanisms

Stakeholders	Expectations and Demands	Communication Methods	Response Methods
 Employees	- Employee training and development - Employee safety and health - Employee care	- Employee satisfaction surveys - Performance appraisals - Union	- Conducting diverse training - A healthy working environment - Considerate humanistic care
 Customers/Consumers	- Product quality and safety - Customer experience and satisfaction - Product R&D and innovation - Customer privacy protection - Responsible marketing - Responsible sourcing	- Customer satisfaction surveys - Complaint and suggestion hotline - Customer follow-up visits - Social media platforms - Customer supply chain audits	- Focusing on product and service quality - Practicing responsible marketing - Customer service hotline - Questionnaire surveys - Multi-channel information interaction - Building a sustainable supply chain
 Suppliers	- Fulfilling contracts with integrity - Sustainable procurement - Product quality and safety - Business ethics - Intellectual property protection	- Online supplier platform - Supplier training - Supplier conferences and exchanges - On-site research - Exhibitions	- Open communication channels - Good cooperative relationships - Strictly executing cooperation agreements - Conducting due diligence - Providing training support
 Partners	- Win-win collaboration - Industry development - Fulfilling contracts with integrity - Risk prevention and control - Responsible sourcing	- Strategic collaboration - Industry exchanges - On-site inspections - Supply chain due diligence	- Diligently fulfilling contracts - Strengthening operational risk management - Strengthening strategic cooperation - Developing industry standards - Empowering sustainable supply chain development
 Community and the Public	- Rural revitalization - Educational support - Public welfare and charity - Environmental protection - Community development - Promoting employment	- Public welfare activities - Community activities - Media communication - Public consultations	- Providing educational support - Conducting volunteer activities - Providing local employment opportunities - Disaster relief support - Targeted assistance - Deepening overseas responsibility
 Media	- Product responsibility - ESG performance - Employee rights protection	- Press conferences - Social media platforms - On-site interviews	- News reports and publicity - Participation in themed forums - Public and media communication
 Industry Associations and Social Organizations	- Scientific research and innovation - Talent development - Good public relations	- Industry activities and cooperation - Public welfare activities - Special meetings - Telephone and Email	- Standard revisions - Supporting NGO activities - Strengthening communication and collaboration with industry organizations

Materiality Assessment

Materiality assessment is a key component of sustainable development management and information disclosure. In 2025, we conducted our annual materiality assessment following the principle of double materiality from the two dimensions of financial materiality and impact materiality, identifying and analyzing the financial impact of ESG topics' risks and/or opportunities on Hisense, as well as the impact of Hisense's performance on related topics on the economy, environment, and society. This process culminated in a materiality matrix, which provides support for further defining sustainable development management priorities and formulating action plans.

Materiality Assessment Process

Background Analysis and Topic Identification

By combining the nature of Hisense's business with regulatory guidance, referencing relevant regulatory rules, mainstream international standard frameworks, and rating systems, and benchmarking against industry peer practices while integrating stakeholder concerns, we systematically compiled a long list of sustainable development topics. In 2025, we adjusted and optimized the previous year's topic list. After topic integration, splitting, addition, and renaming, we ultimately confirmed 25 topics highly relevant to Hisense. The main adjustments are explained below.

Adjustment Method	Adjustment Result	Reason for Adjustment
Merged	"Anti-Corruption and Anti-Bribery" was merged into "Business Ethics".	"Anti-corruption and anti-bribery" can be considered a specific practice under "Business Ethics", and merging them ensures the integrity of the "Business Ethics" content.
Split	"Industry and Social Contribution" was split into "Industry Development" and "Social Contribution".	This reflects the independence of the "Industry Development" and "Social Contribution" topics and highlights their importance.
	"Compliance Operations and Risk Management" was split into "Compliance Operations" and "Risk Management".	This reflects the independence of the "Compliance Operations" and "Risk Management" topics and highlights their importance.
Added	Added the "Corporate Governance" Topic.	This achieves a systematic and complete framework covering the three pillars of Environmental, Social and Governance.
	Added the "Stakeholder Communication" Topic.	This responds to the requirements of regulatory rules in China.

Topic Establishment and Assessment

The Group organized management from the Group's headquarters, various functional departments, and business units to collaborate with external experts in systematically assessing the list of sustainable development topics, conducting a materiality analysis from the two dimensions of "financial materiality" and "impact materiality".

Topic Review and Confirmation

The assessment results for financial materiality and impact materiality were submitted to the Board's ESG Committee for review to ensure the rationality and strategic perspective of the outcomes. Ultimately, we finalized this year's materiality assessment results and created the "2025 Materiality Matrix".

Materiality Matrix

The final assessment results show that 11 topics have extremely high impact materiality and 5 topics have extremely high financial materiality. Among these, 4 topics have both extremely high financial materiality and extremely high impact materiality, including:

- [Addressing Climate Change](#)
- [Product Quality and Safety](#)
- [R&D and Innovation](#)
- [Compliance Operations](#)



Risk and Opportunity Analysis for Financially Material Topics

For the five topics of extremely high financial materiality, we conducted an in-depth analysis of sustainability-related risks and opportunities. For the risk and opportunity analysis related to the “Addressing Climate Change” topic, please see the [Addressing Climate Change](#) section; the remaining content is presented in the table below. In the corresponding chapters, this Report will disclose information on these five topics from four dimensions: “governance,” “strategy,” “risk and opportunity management,” and “indicators and targets.”

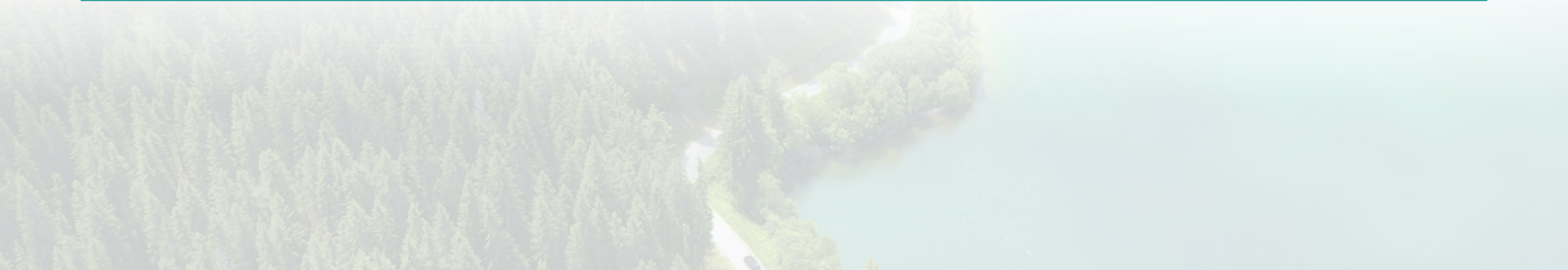
○ Short-term ● Medium-term ● Long-term

Topic	Definition	Time Horizon ³	Risk	Opportunity
Product Quality and Safety	Management measures and practices for establishing a strict quality control system throughout the product design, production, and delivery processes to ensure compliance with standards and user requirements, thereby safeguarding product quality and maintaining user safety.	○ Short-term ● Medium-term ● Long-term	- Quality risk: Substandard product quality can lead to user complaints, returns, or recalls, increasing after-sales costs and potentially resulting in compensation liabilities and regulatory fines, which impacts profitability and corporate reputation. - Safety risk: Products with safety hazards can cause accidents and legal litigation, damaging brand trust and leading to a long-term loss of market share.	- Brand value enhancement: Consistently providing high-quality, safe, and reliable products helps to enhance brand image and increase user satisfaction and loyalty. - Market expansion: High-quality products facilitate entry into high-end markets, accelerate the pace of global business expansion, and optimize the revenue structure.
R&D and Innovation	Management measures and practices that drive product and experience upgrades through scientific research breakthroughs and innovative technologies, thereby maintaining industry competitiveness and promoting the sustainable development of the industry.	● Medium-term ● Long-term	- Technical risk: The uncertainty of technological breakthroughs is high. Failure in R&D or failure to achieve expected goals will make it difficult to recover substantial upfront investments, affecting financial statement performance. - Market risk: Innovative products face market uncertainty. Failure to meet user needs or gain market acceptance will affect expected sales returns and the investment payback period. - Financial risk: High-intensity investment in innovation may create a periodic financial burden, impacting cash flow and the efficiency of capital allocation for other key businesses. - Intellectual property risk: Insufficient intellectual property protection or overseas compliance risks (such as patent disputes or unclear ownership) may lead to infringement of core technologies or legal disputes, weakening innovation returns and competitive advantages.	- Technical moat construction: Continuous innovation helps to increase product added value, build a globally coordinated R&D system, establish technical barriers, and enhance overall competitive advantage. - New market penetration: Conduct user-centered R&D and innovation, refine product pain points based on real needs, and iterate technical solutions by deeply exploring application scenarios; expand into new business areas such as intelligent energy, semiconductor, and automotive electronics to achieve revenue diversification. - Resource efficiency improvement: Enhance operational efficiency, conserve resources, and optimize the cost structure through extreme energy efficiency improvement, clean energy transition, and energy and carbon digitalization transformation. - Assetization and value conversion of intellectual property: Strengthen patent layout and participation in standards to build technical barriers, and promote the conversion of technological achievements into licensing revenue, new business opportunities, and brand premiums, thereby enhancing long-term corporate competitiveness and attractiveness to capital.

³ Time Horizon: The expected period during which a risk or opportunity event affects Hisense after its occurrence. Short-term: within 1 year; Medium-term: 1 to 5 years; Long-term: over 5 years.

○ Short-term ◐ Medium-term ● Long-term

Topic	Definition	Time Horizon ³	Risk	Opportunity
Compliance Operations	Systematic practices to protect operational security and market reputation by establishing a sound institutional framework, implementing regular monitoring and auditing, and conducting specialized training and cultural development to ensure all business activities comply with local laws, regulations, and commercial norms.	○ Short-term ◐ Medium-term ● Long-term	- Financial risk: Stricter external compliance requirements, such as those related to ESG, may lead to fines, compensation, and increased compliance costs, thereby increasing the financial burden. - Reputational Risk: Non-compliance can easily lead to a decline in public trust and deterioration of stakeholder relationships, damaging the brand image. - Technological Risk: New regulations may restrict technology applications or collaborations, hindering the progress of product innovation and R&D. - Market Risk: Compliance barriers raise market entry thresholds, weakening competitiveness and market share in key regions. - Operational Risk: Evolving compliance requirements may lead to supply chain disruptions or inefficient internal processes, affecting normal operations.	- On a financial level, we reduce financing costs through green subsidies and green credit, while offsetting compliance investments with energy-saving technological transformations and digital efficiency improvements. - In terms of reputation, full-chain ESG compliance shapes a green brand identity, increases product premiums, and solidifies upstream and downstream partnerships. - Technologically, we actively participate in setting industry standards and in innovation and R&D, converting compliance requirements into technology barriers. - On the market side, comprehensive overseas compliance qualifications help secure global market share, while digital management optimizes the supply chain and ensures stability.
Information and Data Security	Management measures and practices to protect our data and business information from leakage and misuse risks through data security management and network protection measures.	◐ Medium-term ● Long-term	- Technological Risk: The widespread application of digitalization and AI technologies may pose risks to the trade secrets of corporate business management. - Storage and Transmission Risk: New storage and transmission technologies, such as cloud storage and cross-platform data flows, may face risks, including hacker attacks, data ransomware and theft, and inadequate control over data circulation. - Data Quality Vulnerabilities: Massive datasets commonly have issues such as missing, distorted, or redundant data, which not only interfere with AI-driven intelligent decision-making but can also easily trigger compliance risks and operational hazards.	- AI-Powered Risk Control: AI-powered intelligent monitoring identifies abnormal access and malicious attacks in real time, automatically issues security risk alerts, and replaces traditional manual risk control, reducing the probability of security incidents. - Storage Vulnerability Defense: Technologies such as data encryption, access-level permissions, and cloud protection can comprehensively patch storage and transmission vulnerabilities, achieving end-to-end security control over the entire data process. - Data Quality Governance: Standardized data management criteria can provide high-quality data support for intelligent business decision-making.



Topic I

Industrial Synergy to Build an All-Scenario Green Ecosystem

With its home appliance industry as a solid foundation, Hisense is deeply invested in four core scenarios: green homes, smart buildings, green mobility, and green energy. Leveraging accumulated technological capabilities in the home appliance sector, Hisense deeply empowers its B2B industries, achieving technological interoperability, capability sharing, and mutual value empowerment. This approach connects B2B and B2C business links, facilitates bidirectional empowerment and value feedback between both ends, and creates a green industrial ecosystem characterized by comprehensive linkage and collaborative carbon reduction.

Green Homes: Deepening Product Carbon Reduction to Build a Green Appliance Matrix

Relying on its independent R&D capabilities and complete industrial layout, Hisense is advancing all categories of home appliances—including televisions, air conditioners, refrigerators, laundry care products, and home robots—towards being more intelligent, energy-efficient, and recyclable. We have integrated low-carbon concepts into the full lifecycle of our products, from design and R&D to production, manufacturing, and recycling, and continuously enrich our green appliance matrix, leading the industry's energy-saving transformation with core technologies.

Hisense's RGB-Mini LED consumes **over 30%** less energy than conventional QD-Mini LEDs. Its front-load washing machines exceed the European standard A-**65%** for energy efficiency. The proportion of eco-friendly recycled materials in its tumble dryers is **over 30%**, and the usage rate of recycled EPS in refrigerator packaging base pads has reached **40%**. Several of our air conditioner models have been included in the energy-saving, carbon-reducing, and environmentally friendly products list by the Chinese Association of Refrigeration. Currently, the proportion of Level 1 energy-efficient home appliances has surpassed **85%**, as we continue to implement energy-saving and carbon-reduction practices through technological innovation.



Hisense responds to green packaging trends by independently developing recycled EPS material

In 2025, Hisense launched the "Research on the Application of Recycled EPS Material in Packaging Base Pads" project. This project systematically optimized the formulation design and extrusion process of recycled EPS and improved the pre-expansion and molding parameters for EPS components, addressing common challenges such as insufficient mechanical properties, long molding cycles, and high production costs associated with conventional recycled EPS materials. The resulting material fully meets the mechanical performance tests for base pads and the transportation/drop tests for complete packaged units. It also complies with EU regulations on hazardous substance control, providing a technical solution to address the regulatory trend towards harmless and recyclable green packaging.



Display of Hisense Recycled Materials Including ABS and EPS

Smart Buildings: Implementing Intelligent Management and Control to Achieve High-Efficiency Energy Savings

Leveraging advantages in refrigeration and thermal management and comprehensive energy management and control technologies, Hisense integrates the Internet of Things (IoT), big data, and AI to create the ECO-B2.0 comprehensive smart HVAC and Energy Management system. This system deeply empowers the intelligent transformation of HVAC systems in urban infrastructure such as factories, hotels, hospitals, museums, schools, and convention centers. It provides smart HVAC services throughout the building's full lifecycle, offering standardized technical support for smart city construction and regional carbon neutrality implementation. In 2025, the contract value for smart HVAC increased by **38.8%** year-on-year, and at the China Refrigeration Expo in the same year, the ECO-B2.0 smart HVAC and Energy Management system won the sole **gold award** in the control equipment and systems category.



Hisense collaborates with Fuyao University of Science and Technology to create a benchmark for green, low-carbon smart campuses

Hisense has partnered with Fuyao University of Science and Technology to build an intelligent management and operation system based on the HiBuilding Smart Building AI digital platform. This system covers an 870,000-square-meter campus, 34 buildings, and 29,000 IoT devices. Through refined AI-driven energy-saving management, the comprehensive electricity saving rate for the campus's central air conditioning system has exceeded **27%**, with water chillers achieving a **27.6%** saving rate, multi-split units **28.9%**, and smart lighting **30.1%**. This effectively reduces the campus's overall energy consumption and supports the development of a green, low-carbon campus.



Fuyao University of Science and Technology's Campus Digital Twin Platform

In 2025, the Hisense HiBuilding Smart Building AI energy-saving control system was evaluated by an expert panel of academicians from the China Association of Building Energy Efficiency and was recognized as being at an **internationally leading level**. It also won the **first prize** for outstanding achievements in BIM/CIM and energy-saving applications at the 6th "Golden Standard Cup".

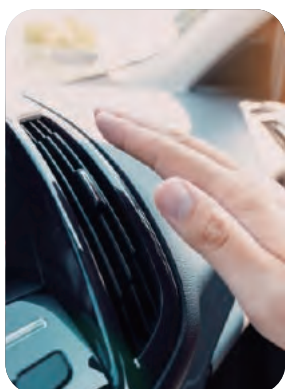
Green Mobility: Comprehensive Layout of Software and Hardware to Support Low-Carbon Transportation

Hisense approaches integrated smart mobility solutions from multiple dimensions, including road network optimization, public transit efficiency improvement, EV range enhancement, and the construction of green refueling facilities. These solutions cover EV components, smart transportation, and green infrastructure to improve urban traffic efficiency and travel convenience. Our various business segments work in synergy: Sanden Corporation, a leading global supplier of EV compressors and thermal management systems, provides highly adaptable and flexible thermal management system products. The Hisense TransTech Company focuses on the smart transportation field, empowering the intelligent upgrade of urban transportation with its cloud brain platform. Kelin Electric leverages its technical advantages in source-grid-load-storage to develop integrated photovoltaic-storage-charging facilities, enhancing the green transportation infrastructure system.

Hisense focuses on three key areas: automotive thermal management, smart transportation, and green refueling. By integrating the entire chain of vehicles, road networks, and energy supply, we build integrated smart mobility solutions that comprehensively enhance urban traffic efficiency and low-carbon travel. Our business segments collaborate to form a full-stack mobility service capability.

Automotive Thermal Management Field

Our subsidiary, Sanden Corporation, a core supplier of thermal management systems and compressors to leading global automakers, provides customized, highly adaptable, and reliable vehicle thermal management systems that effectively optimize the energy consumption of EVs and enhance their driving range;



Smart Transportation Field

Our Hisense TransTech Company leverages advanced AI algorithms and big data analytics to provide intelligent products and solutions for the efficient operation of urban road networks, accurately addressing urban traffic congestion and reducing carbon emissions caused by traffic jams;



Green Infrastructure Field

Our subsidiary, Kelin Electric, utilizes its core technological advantages in source-grid-load-storage to vigorously develop integrated photovoltaic-storage-charging refueling facilities, improving the green refueling network for EVs and addressing shortcomings in low-carbon mobility infrastructure.



Hisense's smart transportation solutions empower the green and efficient development of urban mobility

The Hisense city-level signal control intelligent agent platform transforms Hisense's years of technological accumulation and practical experience into a systematic and reusable signal control knowledge base, creating a closed-loop system for identifying traffic conflicts, analyzing root causes, recommending strategic solutions, and updating performance evaluations. The platform can mine traffic patterns at macro and meso levels, diagnose intersection problems at a micro level, and divide areas into optimization sub-zones. By integrating multi-source data, it achieves cost-effective perception, reducing costs by **over 70%** compared to traditional solutions. In practical applications at nearly 200 intersections in Beijing's Fengtai and Chaoyang districts, the non-stop passage rate on 68 coordinated arterial roads increased by **20%**, and the average vehicle speed in 11 coordinated areas increased by **24%**.



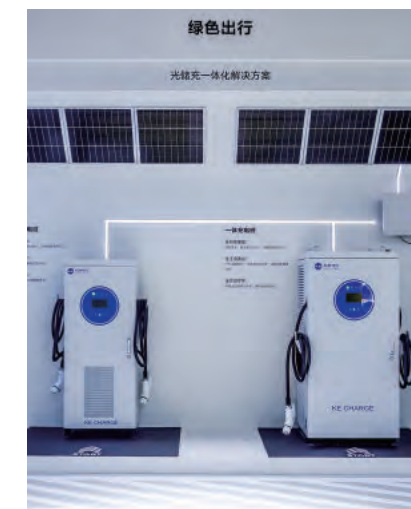
Hisense Signal Control Intelligent Agent Platform

Currently, Hisense's smart transportation solutions have been implemented in 183 cities across China, with a coverage rate of **up to 95%** in key cities.



Hisense's integrated PV-storage-charging solution

Hisense is actively expanding into the green transportation infrastructure sector. Kelin Electric leverages distributed photovoltaic, liquid-cooled energy storage, and smart cloud platform technologies to build an integrated photovoltaic-storage-charging intelligent demonstration station, creating a new, low-carbon, and efficient energy refueling system. The demonstration station is equipped with self-developed photovoltaic inverters and integrated liquid-cooled energy storage units, supporting megawatt-level high-power charging and flexible dynamic power allocation, making it adaptable to various application scenarios. The system is connected to the Kelin Smart Cloud Platform, enabling closed-loop management of the entire process, including photovoltaic power consumption, intelligent charging scheduling, and emergency power supply. This effectively improves the utilization of clean energy, alleviates grid load, and supports the low-carbon transformation of the transportation sector.



Kelin Electric's Integrated PV-storage-charging Solution

Green Energy: Integrating Source-Grid-Load-Storage to Create a Low-Carbon Energy System

Keeping pace with the global energy transition, Hisense has designated intelligent energy as a core strategic growth sector. Supported by the self-developed hardware and ecosystem-synergistic technologies, we are comprehensively developing the entire source-grid-load-storage industry chain, and aim to create one-stop intelligent energy solutions to facilitate the intelligent and green upgrade of the energy industry.

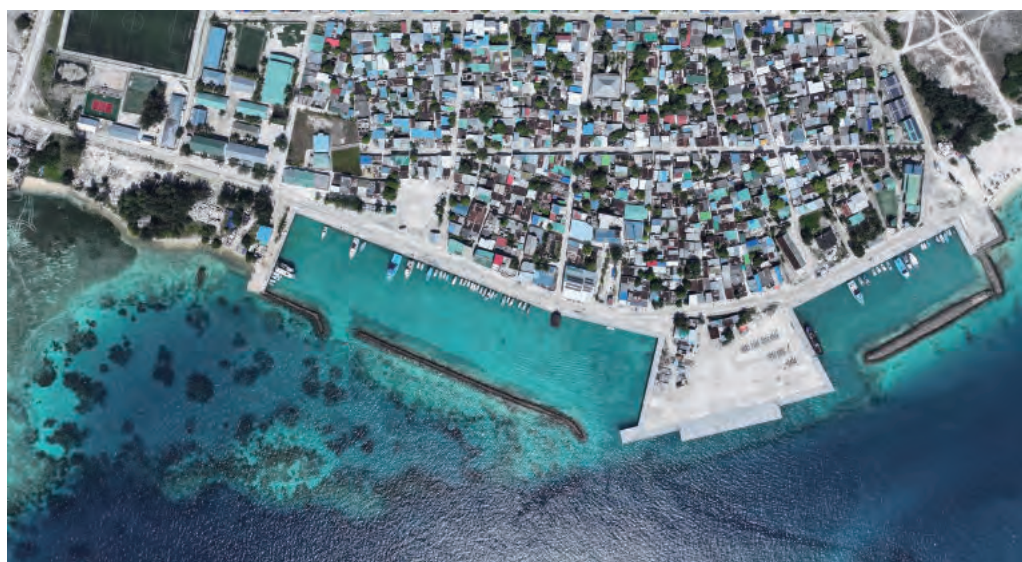
Our business portfolio covers the smart grid, new energy power generation, comprehensive energy services, and new energy storage, as well as niche sectors like data centers, communication base stations, and industrial temperature control, providing full lifecycle service capabilities for energy project planning, construction, and O&M. Leveraging the advantages of full-chain integration, we connect all links of energy production, transmission, consumption, and storage to achieve efficient and cascaded energy utilization, providing solid energy technology and service support for carbon reduction across society.



Kelin Electric supports clean energy supply projects for the Maldives archipelago

In 2025, Kelin Electric provided a comprehensive island microgrid solution for the Maldives archipelago, centered on a "photovoltaics + energy storage" model. The project has a completed photovoltaic installed capacity of 38 MW and an energy storage capacity of 38 MWh, which can replace over 90% of traditional diesel power generation and achieve a system power supply reliability rate of **99.96%**.

To adapt to the high-temperature, high-salinity, and highly corrosive marine environment, all project equipment features a C5-grade marine anti-corrosion and fully sealed protective design. By incorporating a self-developed EMS energy management system, the project establishes a cross-island energy dispatch platform that supports real-time operational status monitoring and millisecond-level power response. This has effectively improved the reliability of power supply and the proportion of clean energy in the Maldives, providing stable technical and operational support for the construction of green energy systems in island regions.



Aerial View of the Kelin Electric Clean Energy Supply Projects in the Maldives Archipelago



Hisense innovation achieves direct DC connection for photovoltaics, air conditioning, and energy storage, promoting the efficient development of green energy

Following the "PV-storage-DC-flexible" development trend, Hisense launched the M3 Photovoltaic & Direct-Drive Multi-Source Flexible Control Integrated Central Air Conditioner. This product innovatively achieves a direct DC connection for photovoltaics, air conditioning, and energy storage, effectively addressing the industry pain points of high conversion losses and low local consumption rates in traditional photovoltaic energy use. The product features core photovoltaic direct-drive technology, eliminating the multi-stage conversion process of "photovoltaics-inverter-air conditioner," thereby reducing energy loss at the source, significantly increasing the efficiency of local green electricity consumption, and shortening the project's investment return period.

The M3 Photovoltaic & Direct-Drive Multi-Source Flexible Control Integrated Central Air Conditioner can intelligently and flexibly adapt its load dynamically to match photovoltaic output, enabling green electricity to be used as it is generated. It relies on seamless switching between AC and DC dual power sources to ensure stable, all-weather equipment operation. At the same time, its high-efficiency unit architecture reduces operational energy consumption, and its integrated prefabricated design is adaptable to various commercial and industrial scenarios. It can be seamlessly integrated into DC microgrids, providing an efficient, low-carbon end-use energy solution for zero-carbon buildings and green parks, and continuously supporting the large-scale implementation of clean energy.



Hisense M3 Photovoltaic & Direct-Drive Multi-Source Flexible Control Integrated Central Air Conditioner

Topic II

Lighthouse Factories Lead to Accelerate the Upgrade of Green and Intelligent Manufacturing

Aligning with the trend of developing new quality productivity and the requirements for high-quality manufacturing development, Hisense adheres to a dual-driver approach of "technological innovation + green transformation." The Group has deeply cultivated technologies such as AI, big data, and the Internet of Things (IoT), and since 2024, has successively won landmark industry lighthouse certifications, establishing a model for the digital, intelligent, and low-carbon transformation of the home appliance industry.

Hisense "Lighthouse Factory" Milestones

October 2024

- Hisense joined the Global Lighthouse Network for the first time, with the Hisense-Hitachi Huangdao Factory filling the gap for a "Lighthouse Factory" in the multi-split air conditioner industry.

September 2025

- The Hisense-Hitachi Huangdao Factory was further recognized as a "Sustainability Lighthouse," becoming the only dual Lighthouse Factory in the global air conditioning industry.



Hisense-Hitachi Huangdao Factory

January 2026

- The Hisense Visual Technology Qingdao Factory was selected as a "Customer-Centric Lighthouse," becoming the first and only Lighthouse Factory in the global television industry.



Hisense Visual Technology Qingdao Factory

AI and Digital Empowerment

Hisense deeply applies AI and digital technologies, focusing on areas such as lean production, efficiency improvement, and green manufacturing. Using our Lighthouse Factories as core platforms, we comprehensively advanced the intelligent upgrading of production models, restructured the entire manufacturing process, and simultaneously enhanced production efficiency, product quality, and low-carbon capabilities. By building a full-chain digital management and control platform, Hisense promotes a shift from reactive responses to proactive prediction across all production stages, achieving precise scheduling from individual equipment to entire factory systems and solidifying the foundation for digital green manufacturing development.

Leveraging technological innovation, we continuously break through industry barriers and implement multiple industry-first technology applications.

- To address the manufacturing pain points of multi-split central air conditioners, the Hisense-Hitachi Huangdao Factory has independently developed and implemented **over 40** digital and intelligent scenarios. It has built the industry's first "dark factory" workshop for two devices and implemented more than 20 innovative automation and unmanned technologies, comprehensively enhancing production automation and lean manufacturing levels.
- The third-generation television production line at the Hisense Visual Technology Qingdao Factory has achieved **100%** automation in key processes. It integrates **25** self-developed, first-of-their-kind automated equipment sets, **11** of which are industry-first technologies. Through technological breakthroughs and process re-engineering, the factory has set a benchmark for intelligent manufacturing in the home appliance industry.

AI implementation across the full chain of green and intelligent manufacturing promotes energy conservation, carbon reduction, and energy efficiency improvement.

- At the product level, the Hisense-Hitachi Huangdao Factory utilizes massive data to build an AI-based energy efficiency simulation and adaptive control system, significantly reducing product energy consumption and carbon emissions during use. At the production level, it employs an industry-first AI pre-diagnostic model, transforming building air conditioning systems from major energy consumers into efficiency pioneers, thereby substantially lowering operational energy consumption and carbon emissions. At the process level, leveraging pioneering refrigerant high-efficiency recovery and precision reuse technology and a full-process refrigerant management system, the factory achieves a **100%** recycling and reuse rate for refrigerant from faulty and experimental units.
- The Hisense Visual Technology Qingdao Factory has applied over 40 advanced use cases integrating intelligent agents, big data, VR, and simulation technologies. Driven by full-chain AI, it has created an intelligent closed loop from user demand insight, R&D, and production to delivery, reducing the R&D cycle by **34%**, lowering material costs by **18%**, and cutting new employee training time by **60%**.

Jointly Building a Zero-Carbon Value Chain

As an industry chain leader, we leverage our technological and platform advantages to extend our green management system to both upstream and downstream partners. Through technology empowerment, joint standard-setting, and data control, Hisense drives collaborative energy conservation and carbon reduction across the entire value chain, building a symbiotic and win-win green industrial ecosystem.

The Hisense-Hitachi Huangdao Factory, through its dedicated green supply chain platform, collaborates closely with **315** green partners, achieving **100% green electricity usage among its core suppliers**.

The Hisense Visual Technology Qingdao Factory continuously promotes green collaborative innovation in its supply chain. It works with suppliers on low-carbon technology initiatives such as raw material optimization and packaging recycling, and disseminates its green development concept through industry exchanges. In 2025, the factory established strategic partnerships for low-carbon energy conservation with several key enterprises, further strengthening its green supply chain foundation.

01

Ethical Governance and Stable Foundation

A reliable governance system is the foundation for sustainable development.

Hisense is committed to its development goal of "building a world-class enterprise and creating a world-leading brand", continuously improving its modern corporate governance system, optimizing the routine operations of its board of directors, and adhering to strong governance, strict compliance, robust risk control, and upholding fundamental principles. The Group is strengthening the foundation for secure global operations and establishing a benchmark for modern corporate governance in China.

✦ Relevant Sustainable Development Topics

- Corporate Governance
- Compliance Operations
- Risk Management
- Business Ethics
- Information and Data Security



Goals and progress

Topic	Indicator	Target	2025 Performance	Status
Corporate Governance	Improving the modern corporate governance system	Establish a professional, independent, and diversified governance structure	The Group has appointed three independent directors with no affiliations to related parties, ensuring all current directors hold a master's degree or higher, thereby enhancing the Board's diversity and expertise.	
	Optimizing the compliance management system	Perfect the compliance organizational structure	The Group upgraded the overall compliance framework, which features the establishment of a dedicated Compliance Working Group	
Compliance Operations	Coverage rate of full-time and part-time compliance personnel across all global business divisions and independent subsidiaries	Maintain the validity of the ISO 37301 Compliance Management System Certification	The Group headquarters successfully passed the re-assessment for the GB/T 35770-2022 / ISO 37301 Compliance Management System Certification by a third-party, ensuring the uninterrupted validity of the Certification.	
		100%	100%	
Information and Data Security	Privacy Information Management System certification	Maintain the validity of the ISO 27701 Privacy Information Management System Certification	The Group headquarters successfully passed the ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certifications	
	Information security training coverage rate for employees in key positions	100%	100%	
	Number of major information security incidents	0	0	

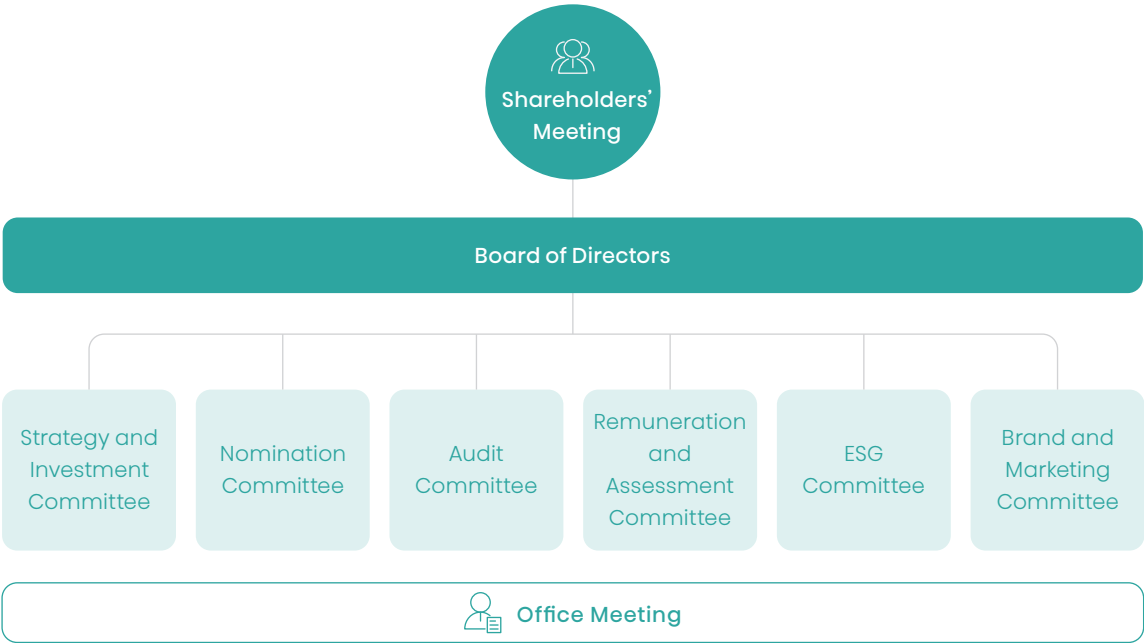
Corporate Governance

Hisense continuously improves the corporate governance system, enhances the performance of the Board of Directors, strengthens director independence and diversification, and incorporates sustainable development indicators into the executive compensation assessment system, effectively safeguarding the legitimate rights and interests of shareholders and all stakeholders, thereby building a solid governance foundation for our long-term steady operation and sustainable development.

Governance Structure

Hisense Group strictly abides by the *Company Law of the People's Republic of China* and other laws, regulations, and supervisory norms, continuously improving the internal control system and management regulations to build a modern corporate governance structure with a clear framework and well-defined powers and responsibilities.

The Group operates with the shareholders' meeting as the highest authority, ensuring institutional investors participate in an orderly manner in shareholders' meeting deliberations and maintaining regular, effective communication and positive interaction with management on major issues such as corporate governance and business management. At the same time, it has established a governance system centered on the Board of Directors to coordinate the overall operations and strategic planning. The Board has six specialized committees that collaborate and provide specialized supervision, comprehensively standardizing corporate governance operations and strengthening the foundation for compliant and stable governance.

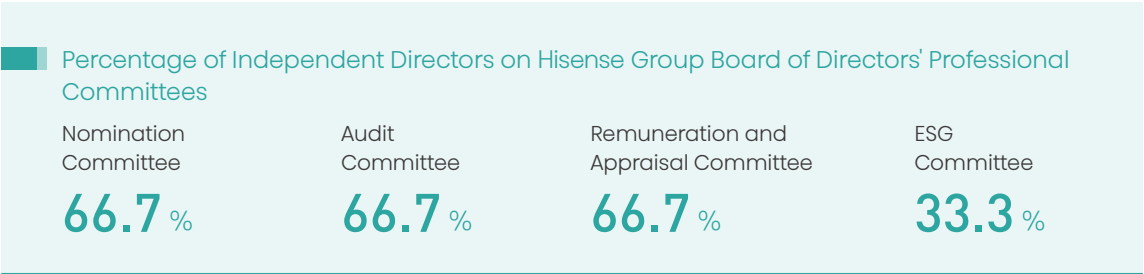


Hisense Group Corporate Governance Structure

Board Independence

Hisense Group has established a comprehensive independent director system, with independent directors accounting for one-third of the total number of directors. None of the independent directors hold positions in related parties. Through independent research and conference discussions, they provide professional opinions on major matters, ensuring the objectivity and independence of the Board's decisions.

In 2025, the independent directors strictly followed institutional requirements, attended general meetings, Board of Directors meetings, meetings of various professional committees, and special meetings for independent directors. They meticulously reviewed all proposals, offered reasonable suggestions based on their professional skills, and exercised their voting rights in accordance with the law.



Board Diversification

Hisense strictly regulates the nomination and selection mechanism for directors, comprehensively considering factors such as the candidates' gender, age, educational background, professional expertise, industry experience, and tenure to continuously build a Board of Directors with a diverse structure and complementary skills.

All current directors hold a master's degree or higher and have extensive experience in fields such as finance, investment, corporate management, risk control, and strategic planning. A diversified Board brings broader perspectives and experience to the governance of Hisense Group, enhancing the scientific basis and inclusivity of decision-making and strengthening Hisense's strategic resilience and innovation capabilities in a complex market environment.

Remuneration and Appraisal

Hisense Group adheres to compliant and transparent principles for remuneration management, establishing an incentive system where shareholders, management, and key personnel share benefits and risks, achieving a balance between incentives and constraints. ESG performance is incorporated into the executive performance appraisal system, and an audit and clawback mechanism is established in annual salary management: if a subsidiary experiences a major operational incident, the corresponding organizational performance will be deducted, and the incremental incentives for the responsible individuals will be canceled; part of the bonus is deferred until the audit of the following year is completed, and any overpaid amounts are clawed back based on the audit results, ensuring the incentive mechanism is prudent, stable, and has clear responsibilities.

Compliance Operations

Hisense fully integrates compliance management into the global operations, building a risk prevention and control system that covers all businesses and processes. Relying on institutional improvements, mechanism implementation, and cultural promotion, we continuously strengthen our compliance management capabilities and actively fulfill our compliance commitments.

Governance

Hisense has formulated policies such as the *Hisense Group Compliance Management Measures* and the *Hisense Group Compliance Management System Manual* to continuously improve the compliance management system and comprehensively prevent various compliance risks. We issued the [Hisense Group Compliance Statement](#), making a commitment to compliant operations for stakeholders including customers, suppliers, partners, and the public. We also promote the signing of compliance commitment letters by the headquarters, subsidiaries, and all employees to embed compliance requirements into all business segments and the organizational management system.

We have built a complete compliance governance structure, establishing a three-tiered, grid-based compliance management system.



Governance
Level

Group's Compliance Governance Body

Hisense Group Board of Directors and Audit Committee



Management
Level

Group's Compliance Working Group

Headed by the Hisense Group Chief Compliance Officer, with members from various headquarters department executives



Execution
Level

Group's Compliance Working Body

Full-time (or part-time) compliance management personnel or compliance internal auditors from the Group headquarters' Legal Department, other functional departments, business divisions, and subsidiaries

Hisense Compliance Governance Organizational Structure

Strategy

Relying on the "Three Lines of Defense" model, Hisense has established a compliance management mechanism with clearly defined responsibilities, synergistic collaboration, and multi-level control. This mechanism clearly delineates the functional boundaries of business departments, the legal compliance team, and the audit department, and formulates specific compliance policies for key areas. The Group regularly conducts internal compliance reviews and rectifies issues, and advances the annual surveillance audit for the ISO 37301 Compliance Management System. It conducts tiered and categorized compliance training, establishes diversified reporting channels, improves whistleblower protection mechanisms, and promotes the deep integration of compliance requirements into daily operations.

Internal Compliance Survey

Based on the requirements of the ISO 37301 Compliance Management System, Hisense has established an internal compliance survey mechanism and formulated policies such as the *Hisense Group Compliance Internal Audit Management Measures*, the *Hisense Group Compliance Management Review Measures*, and the *Hisense Group Compliance Investigation and Rectification Management Measures* to standardize key processes including compliance self-inspections, reviews, and issue rectification. In 2025, we selected **nine key departments** to conduct special internal compliance surveys, focusing on a strict review of the completeness, accuracy, and standardization of compliance records, and ensuring that 100% of identified issues were rectified and improved on schedule.

Compliance Management System Certification

Hisense Group headquarters obtained the GB/T 35770-2022/ISO 37301 Compliance Management System Certification in 2024. In 2025, it completed the annual third-party surveillance audit as required. Following an on-site inspection, the compliance management system was found to be in full compliance with standard requirements, and the audit was successfully passed.

Building a Compliance Culture

Hisense continues to deepen compliance culture, practicing the concept of "compliance creates value." To address key risks in international operations, we invited external professional institutions to conduct specialized training for senior executives to strengthen top-level risk assessment and compliance decision-making capabilities. Leveraging the "Hisense Academy," we have developed and launched a series of standardized compliance courses for personnel in key positions, embedding compliance requirements into all business processes, including R&D, procurement, marketing, and logistics, to comprehensively enhance training effectiveness.

Compliance Reporting Mechanism

We have established multiple compliance reporting channels, allowing employees and stakeholders to report compliance issues through the following methods:



- Submitting a report to the Legal Department, the Discipline Inspection and Supervision Department, or other relevant departments of Hisense Group;
- Making an anonymous or named report to the dedicated compliance reporting email addresses: hegui@hisense.com or compliance@hisense.com.

An incentive and protection mechanism has been established to encourage employees to proactively report potential violations. Confirmed reports receive corresponding rewards, while any form of retaliation is strictly prohibited. If a whistleblower experiences improper treatment, they can file a complaint with the relevant Group departments in accordance with regulations to protect their rights.

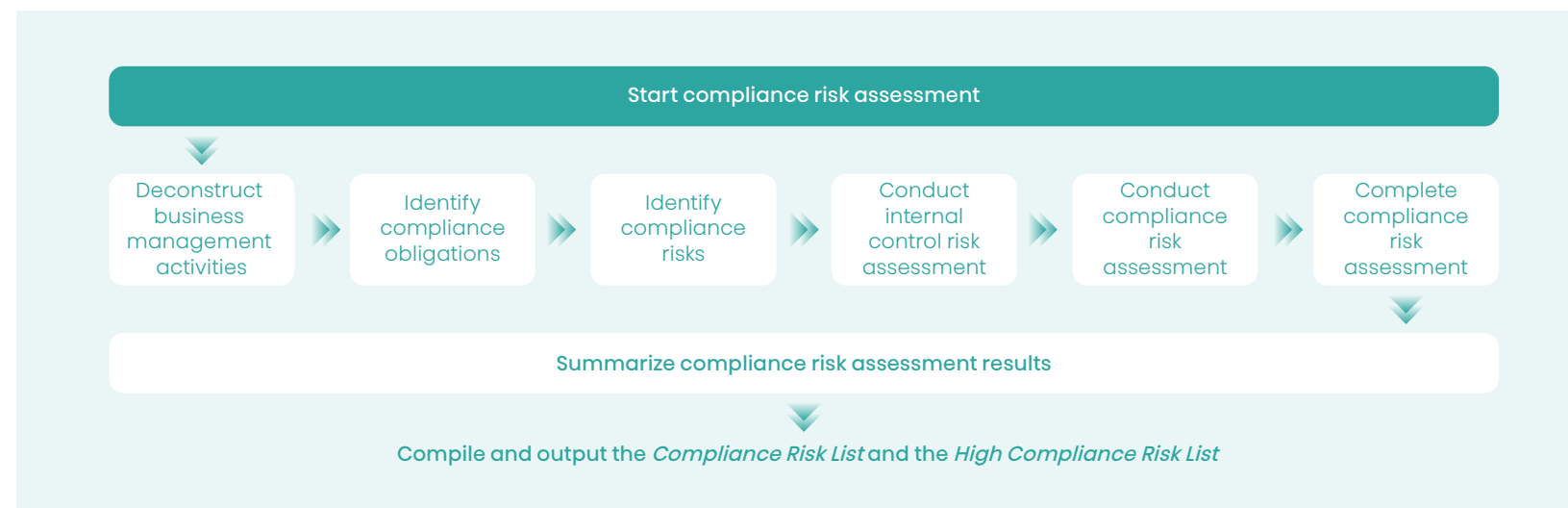
© Compliance Management Practices

We deeply integrate compliance management into our global operations, focusing on key areas such as trade and customs, antitrust, anti-corruption, intellectual property, and taxation. We continuously improve our compliance system and dynamically optimize internal management mechanisms to ensure all business activities strictly adhere to the laws and regulations of China and overseas locations.

Key Compliance Areas	Major Compliance Practices and Actions	Relevant Policy Documents of the Group Headquarters (Partial)
Antitrust and Anti-Unfair Competition	- Strictly comply with the <i>Anti-Unfair Competition Law of the People's Republic of China</i> and relevant laws and regulations in operating locations, resolutely prevent all forms of monopoly and unfair competition, and fully maintain a fair, open, standardized, and orderly market competition environment; - Starting from the second half of 2024, specialized antitrust compliance training was conducted for employees of Hisense Europe Holding. Through online dissemination and regular refresher training, we effectively enhanced the awareness and practical compliance capabilities of front-line employees regarding antitrust regulations; - In 2025, external professional lawyers were hired to conduct mock antitrust compliance inspections at two core European subsidiaries, comprehensively screening for potential compliance risks in business operations and reinforcing the defense line for compliant operations in overseas markets.	<i>Hisense Group Domestic Antitrust Compliance Management Measures</i> <i>Hisense Group Overseas Antitrust Compliance Management Measures (Trial)</i>
Anti-Corruption and Anti-Commercial Bribery	Strictly comply with anti-corruption and anti-bribery laws and regulations in China and operating locations, integrate integrity into all aspects of business operations, and strengthen the baseline for clean and compliant operations through institutional development, risk control, and employee training (see Business Ethics for details).	<i>Hisense Group Overseas Anti-corruption Work Management Measures</i> <i>Hisense Group Management Measures for Responding to Overseas Employee Fraud</i>
Trade and Customs Affairs	- Closely monitor regulatory developments in various countries and promptly conduct business compliance impact analysis and risk screening; - Based on policy changes, we dynamically iterate and optimize the Enterprise Compliance Service System (ECSS) and the review mechanism to comprehensively enhance the informational and procedural control capabilities for trade compliance. - In 2025, special customs compliance inspections were conducted for 40 overseas subsidiaries and factories to identify potential risks through methods such as questionnaire surveys and Q&A training sessions, thereby strengthening compliance supervision and support for overseas institutions.	<i>Hisense Group Customs Compliance Management Measures</i> <i>Hisense Group Customs and Tariff Compliance Management Measures</i> <i>Hisense Group Export Compliance Management Measures</i>
Intellectual Property Protection	- The Group strictly adheres to the laws and regulations concerning intellectual property in China and other operating locations, and has established an intellectual property compliance management system covering the entire process of research and development, procurement, production, and marketing. - The Group resolutely opposes all forms of infringement and legally protects its independent innovation achievements through measures such as patent portfolio development, trademark registration, and trade secret protection.	<i>Hisense Group Intellectual Property Management Measures</i>
Tax Compliance	The Group adheres to lawful and honest tax payment, strictly complies with the <i>Individual Income Tax Law of the People's Republic of China</i>, the <i>Value-Added Tax Law of the People's Republic of China</i>, and other relevant tax laws and regulations in operating locations, continuously enhancing the standardization of the tax management. A special tax working group has been established to coordinate global tax affairs, building a systematic tax compliance and risk control system through clear division of labor and improved mechanisms.	<i>Hisense Group Tax Management Measures</i>

Risk and Opportunity Management

Hisense deeply embeds compliance risk management into the entire business operation process, systematically carrying out compliance risk identification, assessment, and response.



Indicators and Targets

Compliance Management Targets



Compliance Management Indicators



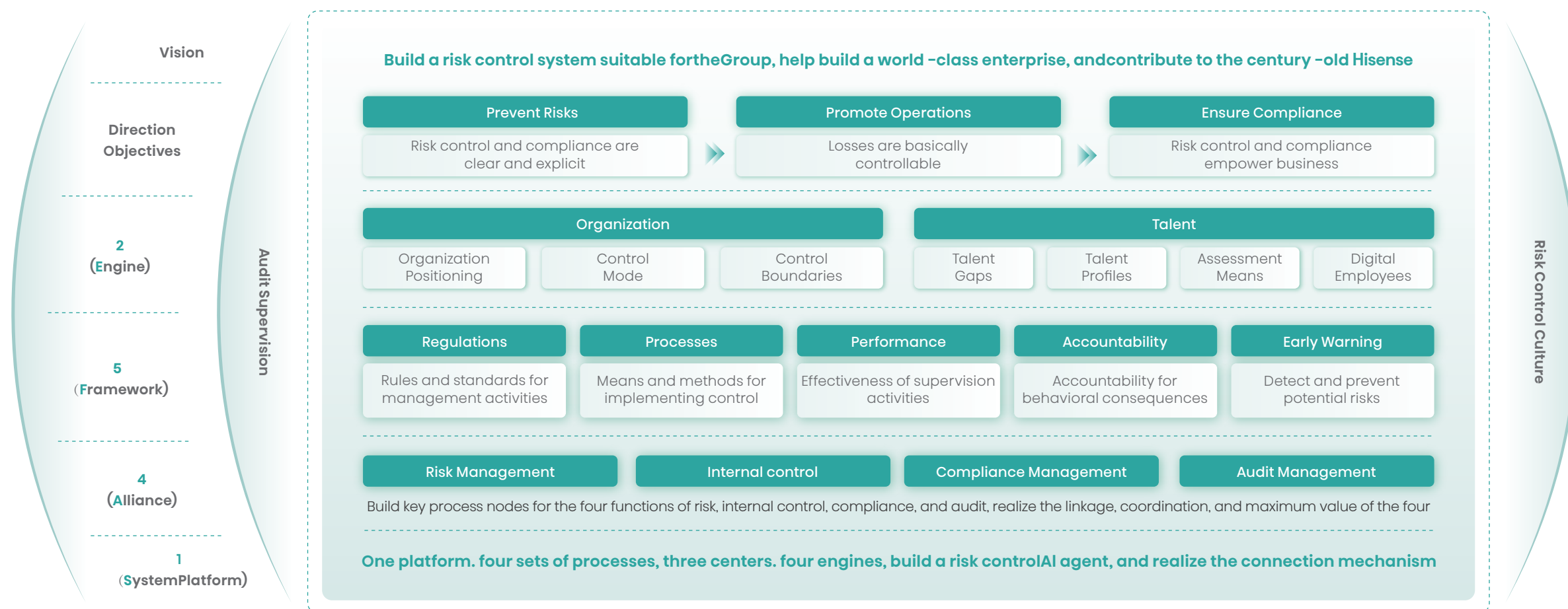
Risk Management

Hisense fully integrates risk management into corporate governance, building a systematic management mechanism that runs through strategy implementation and all business processes.

Risk Management Framework

Relying on a three-tiered risk management organizational structure with clear responsibilities and effective operations, Hisense systematically standardizes the duties and work requirements for each level in risk management.

We have built a distinctive “**Hi-SAFE**” risk control management framework, which targets the three major areas of risk prevention, business promotion, and compliance assurance. This framework uses a system platform (S) as the carrier, is supported by a four-in-one collaborative business mechanism alliance (A) of risk management, internal control, compliance management, and audit management, utilizes five major frameworks (F)—institutions, processes, performance, accountability, and early warning—as the levers, and is driven by organization and talent as two key engines (E). It creates a collaborative mechanism that runs through all processes and forms a closed management loop that includes supervision, evaluation, and accountability.



Hisense deeply integrates risk control into daily business processes, establishing a risk-oriented internal control and risk management system that covers the entire business chain. The Group has formulated core policies such as the *Hisense Group Internal Control Management System*, the *Hisense Group Measures for Implementing Internal Control Responsibilities*, and the *Hisense Group Internal Control Evaluation Management Measures* to systematically standardize the mechanisms for internal control construction, execution, and supervision. Additionally, it develops special internal control guidelines for key business areas to deeply embed risk control requirements into business processes.

Throughout the entire cycle of business process design, execution, and evaluation, we focus on key risk points that affect operational objectives, clarify control measures and verification standards, and embed risk control requirements into various systems and operating procedures.

To continuously enhance the risk literacy of all employees, we regularly conduct risk awareness campaigns and specialized training through platforms such as the "HiChat" official account and Hisense Academy. Each subsidiary cultivates a risk culture based on its operational realities through various means such as special training sessions and business analysis meetings, integrating risk control concepts into daily operations. These efforts comprehensively improve the ability of all employees to identify and handle risks, thereby strengthening the group-wide risk management system.

In 2025, Hisense

Promoted general risk control management knowledge via the internal publication *Xiang "Xin" Nei Kong (Trust in Internal Control)*, with a total annual readership of

25,000+ person-times

Employees participated in risk management training

1,800 person-times

Total annual risk management training duration

6,200 hours

Dimensions of Risk Management

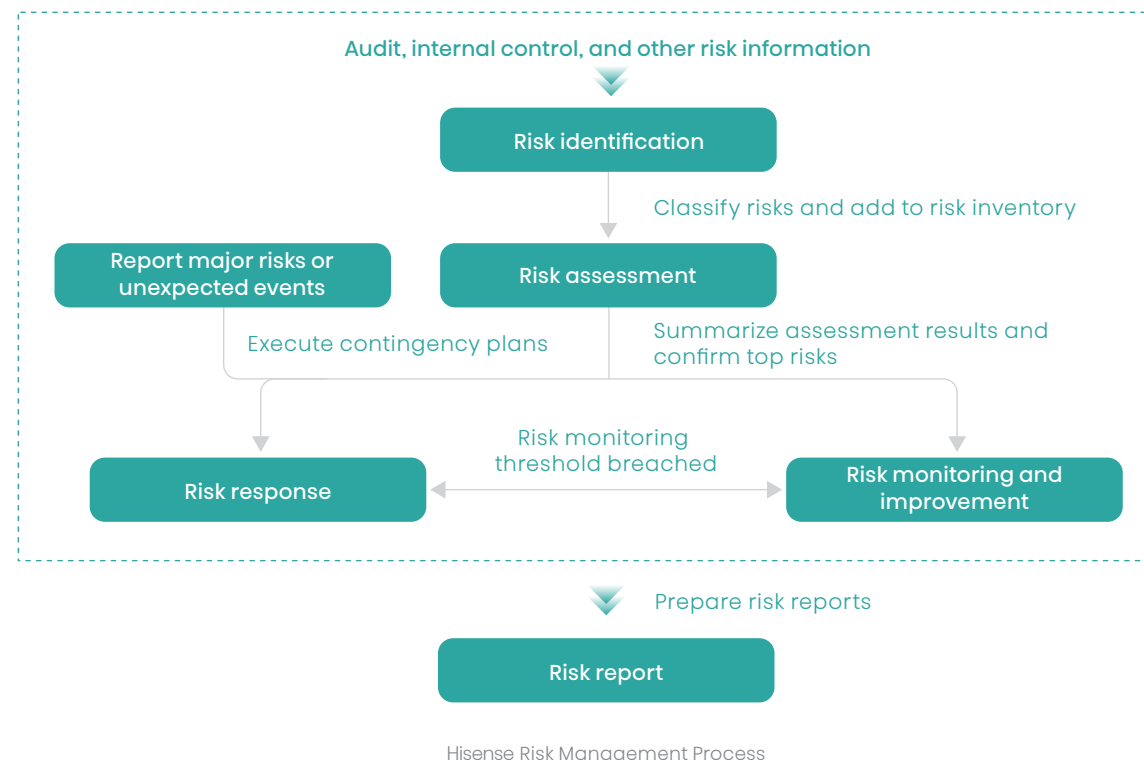
Hisense has established a systematic risk landscape as the foundation of risk management, adopting a "three-level, five-dimension" framework that covers **5** primary risks, **36** secondary risks, and **137** tertiary risks. This creates a comprehensive risk view that extends from macro to micro levels and from strategy to execution, thoroughly mapping out all of Hisense's major risk areas.



Hisense Risk Factor Landscape (Dimensions/Primary Risks)

Risk Management Process

Hisense has established a standardized, end-to-end risk management process that achieves closed-loop risk control through systematic risk identification, assessment, response, and dynamic monitoring. The process features a clear division of responsibilities, with each risk assigned to a specific department, and is deeply embedded in daily operations to ensure the consistent and long-term implementation of risk management.



Full-Chain Risk Assessment

Leveraging the COSO Enterprise Risk Management Framework and the ISO 31000 Risk Management Guidelines, Hisense conducts comprehensive, full-scope risk assessments to systematically identify and manage various uncertain risks in the operating environment. Survey questionnaires were distributed to 1,773 members of management and key business personnel to thoroughly investigate major potential risks across all business segments.

We use a "likelihood-impact" matrix to perform quantitative risk analysis, compiling a list of key risks for each business segment. Through weighted calibration and risk aggregation based on each business's revenue contribution, strategic positioning, and risk sensitivity, we accurately identify the Group's overall priority risks. For these key priority risks, we work with all business segments to develop specific response strategies, which are deeply integrated into strategic planning and daily operations to continuously enhance overall risk resilience and operational fortitude.

Business Ethics

Hisense consistently adheres to the principle of operating with integrity, strictly managing insider trading and preventing conflicts of interest. Guided by institutional constraints and cultural leadership, we uphold a code of conduct based on integrity, transparency, and due diligence, striving to create a healthy and trustworthy business environment.

Business Ethics Management

Hisense has formulated a series of management systems, including the *Regulations on Supervision and Management by All Discipline Inspection and Supervision Personnel*, *Regulations on Responsibility Management for Anti-Corruption and Integrity Promotion*, *Regulations on Accountability Management for Anti-Corruption and Integrity Promotion*, *Management Measures for Overseas Anti-Corruption Work*, and *Regulations on Inspection and Assessment Management for Anti-Corruption and Integrity Promotion*. Supported by the *Code of Business Conduct for Employees* and the *Code of Business Conduct for Partners*, these systems clearly define the business conduct boundaries and ethical norms for both internal employees and external partners, advocating for all commercial activities to be conducted based on principles of legality, compliance, integrity, and transparency.



We strictly implement the *Hisense Group Management Measures for Proactive Corruption Risk Investigation Mechanism* and continuously enhance the integrity risk prevention and control capabilities of grassroots units through measures such as identifying medium- and high-risk positions, reviewing requirements related to employees' personal relationships that may affect business decisions, and conducting regular integrity talks.

Additionally, we deepen integrity and compliance governance in procurement, collaborating with upstream and downstream partners to adhere to business ethics standards. We have established a standardized supply chain compliance management system centered on six key dimensions: certification management, intellectual property protection, ecological and environmental protection, international trade, labor practices, and data security. Maintaining a "zero-tolerance" stance on violations, we rigorously implement multi-dimensional compliance controls and work with partners to build a value chain ecosystem characterized by integrity, fairness, and mutual success.

Building a Culture of Integrity

We continue to deepen the integrated mechanism to ensure that officials "**dare not, cannot, and do not want to be corrupt**," focusing on cultivating an integrity culture ecosystem with Hisense's unique characteristics. In 2025, drawing on Hisense's corporate culture and core values, we launched the "Xin Lian" (Trust and Integrity) professional integrity culture brand. This brand encapsulates an anti-corruption concept: "honesty and trustworthiness, legality and compliance, clear distinction between public and private interests, and striving for good," providing all employees with clear value guidance and behavioral norms.



Hisense's "Xin Lian" Professional Integrity Culture Brand

We continuously innovate methods of warning education and actively conduct various integrity education activities. In 2025, we organized business units and subsidiary companies to regularly hold over 300 warning education events, with more than 50,000 participants in total. We also implemented the second "Warning Education Month" special program, organizing **97** different activities.



Complaint and Reporting Mechanism

We have established a corruption reporting center at the Group's headquarters, creating reporting channels such as email, telephone, mail, and in-person feedback to encourage employees and partners to report or file complaints regarding corruption or business ethics risks.

	Mailing/Visitation Address	Hisense International Center, Building A, No. 88 Hong Kong East Road, Laoshan District, Qingdao, Shandong Province, China
	Reporting Email Address	jituanjiwei@hisense.com
	Reporting Hotline	0532-80878056

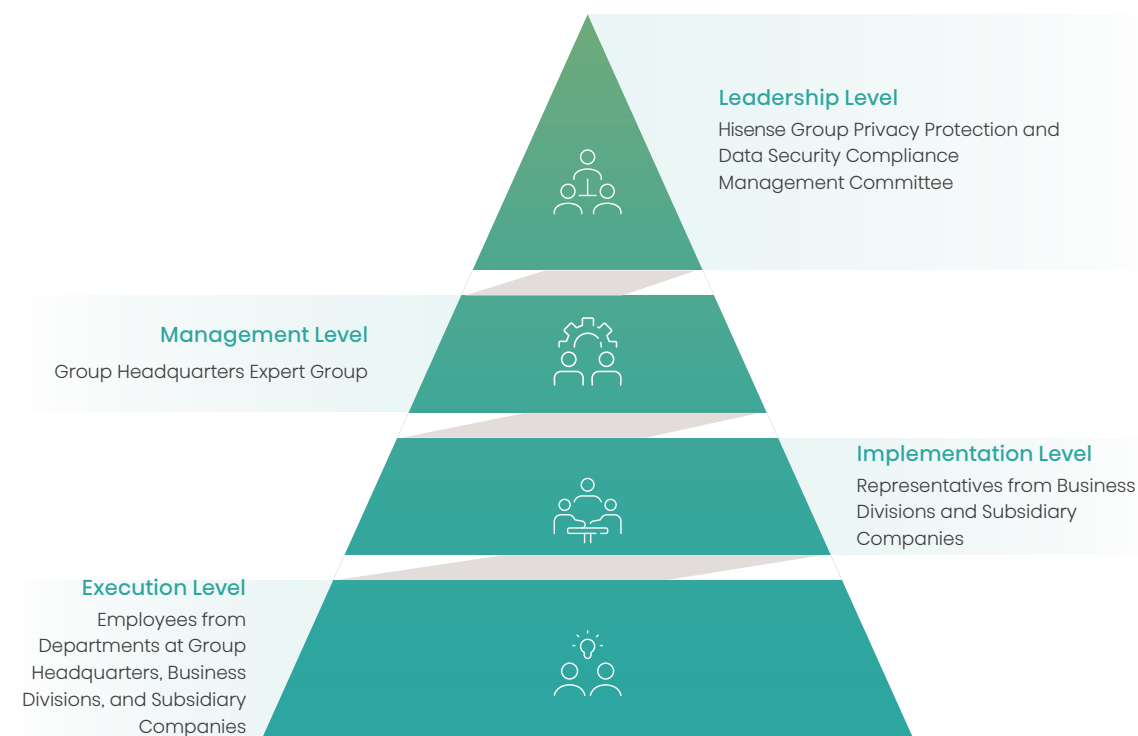
To safeguard the legitimate rights and interests of whistleblowers, Hisense has fully implemented a whistleblower protection mechanism based on the *Hisense Group Employee Supervision and Management Measures*. Identity information such as name, work unit, and contact details is kept strictly confidential throughout the process, with access granted only to authorized personnel in accordance with regulations. Transferring reporting materials to the accused party is strictly prohibited. Confidentiality responsibilities are also defined at each stage to prevent retaliation. Verified reports made by named individuals are rewarded based on the value of the information provided.

Information and Data Security

Hisense regards information and data security as a critical foundation for building corporate compliance competitiveness and public credibility. The Group continuously strengthens information and data protection in product design, service provision, and global operations to effectively ensure information and data security.

Governance

Hisense strictly complies with laws, regulations, and policies related to information and data security, such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, and *Personal Information Protection Law of the People's Republic of China*, as well as the EU's *General Data Protection Regulation (GDPR)*. We have established an information and data security management system covering all business scenarios, further optimized the information and data security management organizational structure, and improved the four-tier information and data security management organization.



Hisense Information and Data Security Management Organizational Structure

Hisense Group headquarters has successfully passed and maintained certifications for the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System. It has also obtained the Level 4 (Quantitatively Managed Level) certification under the Data Management Capability Maturity Model (DCMM). In 2025, Hisense Group was awarded the title of **"China's Leading Enterprise in Industrial Data Governance"** by the China Federation of Industrial Economics.



○ Strategy

We consider information and data security to be the core pillar of our digital transformation and global operations. Guided by the *Hisense Group Cybersecurity Management Measures* and based on our overall objectives for confidentiality and cybersecurity, we have unified our information and data security management framework to provide a basis for cybersecurity management for all business divisions and subsidiary companies. Building on this foundation, we coordinate the development of a global compliance framework, the enhancement of our security technology system, and capacity building.

◎ Institutional Safeguards

Hisense is committed to building and improving the information and data security protection system, establishing specialized management systems that cover areas such as data security, cloud security, and industrial network security.

Key Security Technology Areas	Key Policies	Description of Actions
Endpoint Security	<i>Hisense Group Endpoint Security Management Measures</i>	Establish endpoint security control procedures, define endpoint security baselines, and build standards for endpoint detection, behavioral auditing, virus protection, media access, and account/configuration management.
Data Security	<i>Hisense Group Data Security Management Measures</i>	Establish data security management procedures, comply with relevant data security compliance standards, and achieve effective governance throughout the full data security lifecycle, which includes formulating data classification and grading standards, developing technical data security protection measures, and creating data security operational mechanisms.
Network Security	<i>Hisense Group Network and Communication Security Management Measures</i>	Establish network and communication security control procedures, form a foundational network security framework guide applicable to Hisense Group, and focus on security protection at each stage of the foundational network security lifecycle.
Industrial Network	<i>Hisense Group Industrial Network Security Management Measures</i>	Establish industrial network management procedures and formulate security protection standards to regulate the technical requirements for Hisense Group's industrial network protection; develop industrial network technical procedures to standardize the security of key elements of Hisense Group's industrial internet (equipment and control, platforms and applications, networks and identification, data); and create industrial network management procedures to regulate requirements for industrial network monitoring, emergency response, and security operations and maintenance.
Application Security	<i>Hisense Group Application Security Management Measures</i>	Establish application security control procedures and formulate construction standards and management specifications for unified application-layer security systems, including identity authentication, authorization and access control, and application-layer communication encryption, to effectively control and ensure application access, application transmission, application self-security, and overall application security assurance.
Cloud Security	<i>Hisense Group Cloud Security Management Measures</i>	Establish Hisense Group's cloud security management procedures, focusing on internal container security, platform security, and identity security within the cloud environment as key priorities for the cloud security framework construction, thereby ensuring the development of Hisense Group's overall cloud security environment.
Artificial Intelligence Security	<i>Hisense Group Artificial Intelligence Security Management Measures</i>	Establish Hisense Group's artificial intelligence security management procedures to standardize security requirements throughout the full lifecycle of artificial intelligence technologies, products, systems, applications, and services, including standards for foundational security, data, algorithm, and model security, network technology and system security, security management and services, security testing and assessment, security labeling, content identification, and product and application security.
.....		

◎ Capacity Building

Hisense focuses on managing the daily conduct of employees to strengthen the first line of defense for data, information, and network security. To systematically enhance the security literacy of all personnel, we have established comprehensive standards for personnel security management and educational training. We regularly conduct information and data security education for all employees, incorporate information security training into the job qualification system, and continuously cultivate a professional team of security management and technical talent.

Specialized, hands-on training is provided to domestic employees and employees in key overseas positions, focusing on critical areas such as network security, risk prevention and control awareness, information security and confidentiality, and system application security. In 2025, cumulative participation in information and data security training reached **43,348 person-times**, comprehensively strengthening the network and data security protection capabilities of all staff.

Risk and Opportunity Management

Internal Security Control

Hisense incorporates the management of information and data security-related risks into the comprehensive risk management system. In accordance with the *Hisense Group Information Security Compliance Internal Audit Management Measures*, we have established and regularly implement an information security risk assessment mechanism to accurately identify and address risks related to information and data security.

The Group conducts annual special security inspections in key areas. In 2025, a total of **303** special security checks for “system go-lives” were completed, and all identified issues achieved a **100%** closed loop for rectification, effectively ensuring the compliant and secure launch and operation of various business systems.

Incident Response and Handling Mechanism

Hisense has established and improved an emergency response and handling system for information and data security incidents. We have formulated the *Hisense Group Information Security Incident Management Regulations*, which defines classification and grading standards for information security incidents and standardizes the closed-loop management of the entire process from incident discovery, reporting, and analysis to handling, review, and improvement. This ensures the rapid identification and scientific handling of all types of information security risk incidents, minimizing the impact of emergencies.

To continuously test and iterate security protection capabilities, Hisense has established a mechanism for high-frequency, multi-dimensional internal attack and defense drills and actively participates in authoritative external security exercises. In 2025, **12** routine attack and defense drills were conducted, comprehensively covering core business systems and critical infrastructure, with all identified security vulnerabilities achieving a closed-loop rectification. Concurrently, keeping pace with cutting-edge technological developments and focusing on emerging risk scenarios, Hisense conducted **3** special attack and defense drills targeting AI large model applications throughout the year, comprehensively improving corresponding security protection strategies. The Group also participated in special events organized by local governments, such as the “Data Security Shield” emergency drill and cybersecurity live-network attack and defense exercises, to enhance capabilities for emergency response and collaborative operations in data security incidents.



Indicators and Targets

Management Indicator System

We have established a comprehensive management indicator system for information and data security. This system consists of three framework modules, three core objectives, 10 major indicator categories, and 28 sub-indicators, including key performance indicators and key risk indicators.

Framework Modules	Core Objectives	Major Categories
Security Management	Ensuring the right security direction, adequate Resources, and clear responsibilities	Security System Compliance
Security Measures	Ensuring effective technical protection covering core assets	- Privacy and Data Compliance Indicators - Application Security Indicators - Data Security Indicators - Endpoint Security Indicators - Perimeter Security Indicators - Asset Security Indicators - Infrastructure Key Configuration Compliance Indicators
Security Operations	Ensuring continuous security monitoring and rapid incident response	- Security Operations Indicators - Employee Security Awareness

Hisense Information and Data Security Management Indicator System

Information and Data Security Targets

- 100%** Information Security Training Coverage for Employees in Key Positions
- Zero** Major Information Security Incidents

Information and Data Security Indicators

In 2025, Hisense

Information security training coverage for employees in key positions

100 %

No major information security incidents have occurred

02

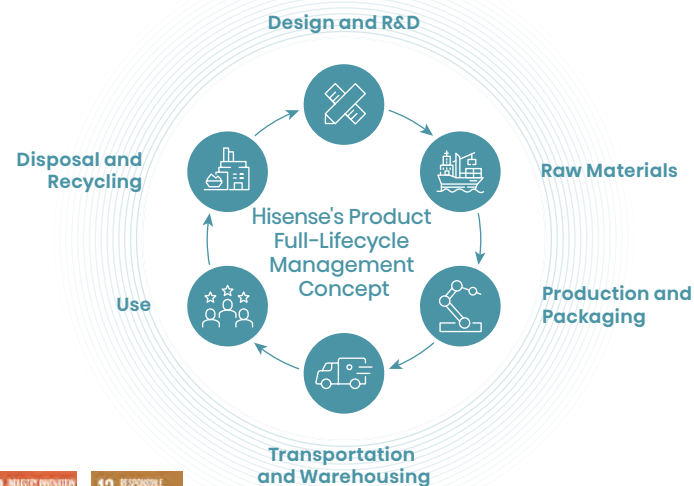
People-Oriented Technology and Ultimate Quality

Create high-quality, innovative products with warm technology.

Under the strategic guidance of "technology-based enterprise," Hisense upholds the philosophy that "Innovating a Brighter Life", consistently focusing on users and integrating green, low-carbon principles and humanistic care throughout the entire product lifecycle, striving to become one of the most trusted global brands.

+ Relevant Sustainable Development Topics

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



Goals and progress

Topic	Indicator	Target	2025 Performance	Status
Product Quality and Safety	ISO 9001 Quality Management System Certification Coverage Rate	100%	100%	
	Overseas Safety Regulation Certification Coverage Rate	100%	100%	
R&D and Innovation	Annual Investment in Pre-Research for Technological Innovation as a Percentage of R&D Investment	>=30%	>30%	
Sustainable Products	Percentage of Home Appliances with Grade 1 Energy Efficiency	>85%	>85%	
Customer Experience and Satisfaction	Brand Image	Elevating brand global influence	Ranked among the BrandZ Top 50 Chinese Global Brand Builders for 9 consecutive years	
	Customer Complaint Response Rate	100%	100%	

Completed

Ongoing

Product Quality and Safety

Hisense has established a comprehensive quality and safety management system covering the entire process, from design and R&D, raw materials, production and packaging, and transportation and warehousing to product use, discarding, and recycling. Through systematic and refined management practices, we translate our commitment to quality and safety into excellent and reliable products, consistently safeguarding customer rights, interests, and safety.



Committed to a quality-first philosophy, Hisense has won the National Quality Award twice, received the Asia Quality Excellence Award, and secured the First Prize of the China Quality Technology Award three consecutive times. Furthermore, we achieved the prestigious Deming Prize of Japan twice, with five of our subsidiaries recognized by the MIIT for high-level quality management capabilities. Through this unwavering commitment to ultimate quality, Hisense has earned the enduring trust and recognition of global consumers.

Governance

Hisense strictly abides by the *Product Quality Law of the People's Republic of China*, the *Supervision and Management Provisions on the Implementation of the Main Responsibility for Quality and Safety by Industrial Product Manufacturers*, and the laws and regulations of operating locations, while continuously establishing and improving the product quality and safety management system. In 2026, Hisense issued the *Hisense Quality Law* to all employees. As a programmatic document for Hisense's quality management, it further unifies and enhances quality awareness and belief among all staff, strengthens full-chain control, and drives the transition of quality management towards digital intelligence empowerment and system-driven approaches, providing a solid guarantee for Hisense's globalization strategy.

Principle of Strategic Guidance	Principle of User-Centricity	Principle of Systematic Comprehensiveness	Principle of Practical Implementation
Guided by the corporate vision, this principle deeply links quality objectives with the strategy to "become the world's most trusted brand," ensuring that quality management supports market expansion and brand enhancement, and positions artificial intelligence as a principal driver of quality management.	This principle implements the belief that "the user is the sole judge of quality." It establishes a full-chain response mechanism guided by user needs from voice of the customer (VOC) identification to a closed-loop service (NPS/NSR), using user satisfaction as the ultimate measure of quality performance.	This principle ensures full coverage of all business processes, including R&D, supply chain, manufacturing, warehousing logistics, and service. It clearly defines quality control requirements for each stage and builds a quality management network that horizontally covers all aspects and vertically integrates all levels, thereby eliminating any gaps in responsibility.	This principle codifies mature experiences such as the "Seven Rules of Quality" and the "Three Nos Principle" into formal policies, supported by corresponding tools, methods, and assessment mechanisms to ensure that all requirements are executable, traceable, and improvable.

Core Principles of the Hisense Quality Law

Hisense has built a comprehensive four-level organizational structure for product quality and safety management. A Chief Information Officer (CIO) is appointed to oversee product quality and safety management, integrating platform-level quality management capability building, quality system maintenance, and operational management throughout all business processes to ensure effective control over product quality and safety.

 Group Headquarters	Board of Directors	The highest decision-making body for product quality and safety, having the final say over the execution of related strategies.
	Digital Quality Center	- Responsible for building platform-level quality management capabilities, as well as maintaining and operating the quality system. - Responsible for the governance structure and maintenance, advancing business process development, and building the process management knowledge system.
 Business Units and Subsidiaries	Digital Quality Management Department	- Implements the Group's strategy and holds full responsibility for the quality management of business units and subsidiaries. - Establishes and maintains the stable operation of the quality management system, and leads the identification and improvement of quality issues. - Promotes the development of digital and intelligent quality tools to enhance delivery quality, achieve customer satisfaction, and meet the operational goals of the business units and subsidiaries.
 Production Bases	Quality Assurance-Related Departments	- Responsible for implementing quality assurance measures, ensuring supply chain and manufacturing quality, and improving delivery capabilities. - Implements the application of digital and intelligent quality tools and carries out continuous improvements to guarantee delivery quality.

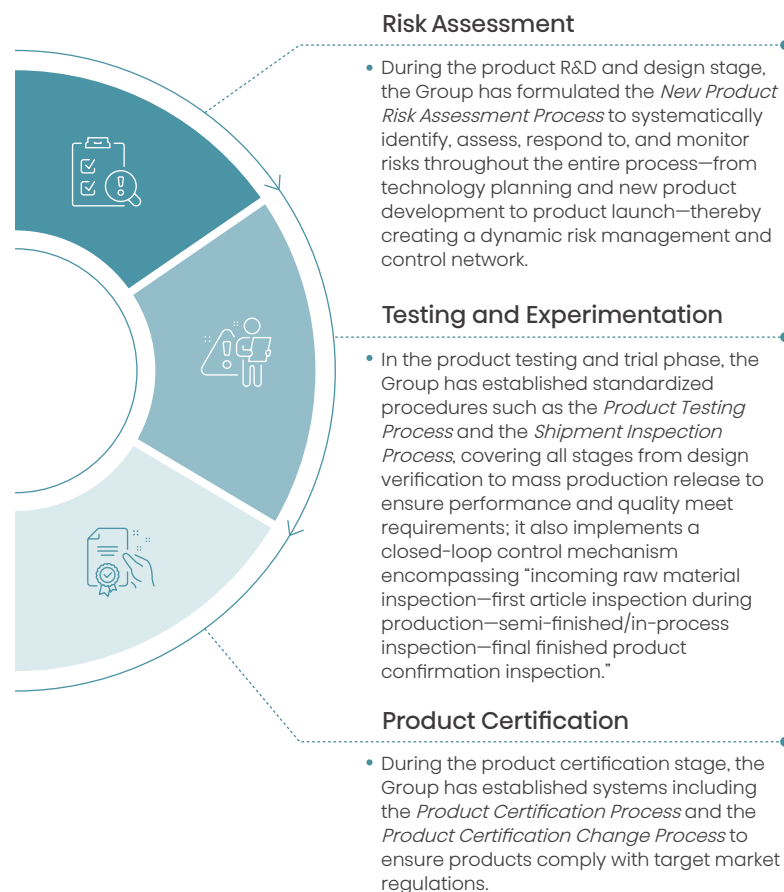
Hisense's Organizational Structure for Product Quality and Safety Management

Strategy

In its more than 50 years of development, Hisense has gradually formed the "Quality is Morality" philosophy and a full-process quality management model through practices such as "Quality First" and the "Seven Rules of Quality".

Full-Lifecycle Quality Management

We have designed and implemented a quality and safety management system that spans the product's full lifecycle, achieving full-process quality control through the three pillars of risk assessment, testing and experimentation, and product certification. We have established and perfected relevant standardized procedures to ensure that product quality meets the regulatory requirements of target markets and Hisense's internal management standards throughout processes including product design, product verification, mass production, and product shipment.



Hisense's Product "Cradle-to-Gate" Lifecycle Quality and Safety Management Process

Quality Digitalized Management

Hisense is comprehensively advancing the digitalization transformation of quality management, leveraging digital technologies like AI to build an intelligent quality control system that continuously optimizes product quality and enhances user experience. We have established a digital quality risk control platform covering our global production bases, enabling the intelligent collection, analysis, prediction, early warning, and delivery of quality data across the entire chain of R&D, materials, manufacturing, and marketing. **Over 200** core digital quality management dashboards have been created, increasing the digitalization rate of full-process quality management from 40% to **70%**. Concurrently, Hisense has implemented digitalization applications such as AI-powered full-link quality management, closed-loop control for in-process risk prediction, and intelligent customer service. By optimizing full-process quality control based on user needs, user satisfaction has increased by two percentage points.



Hisense reduces online defect rate by using an AI predictive model

Hisense integrates multi-dimensional data, including personnel, positions, equipment, materials, and historical issues, to build an AI predictive model that proactively identifies risks during the manufacturing process, such as operational risks from personnel, equipment anomalies, and material problems, and enables risk alerts by monitoring factor scores in real-time; ultimately, the system uses predicted results and warning information to drive a closed-loop management process, enhancing the intelligence and response speed of in-process risk management and achieving a reduction in the online defect rate and the rework rate for off-line products.



Hisense Quality Risk Map

Jointly Building Quality Management Capabilities

Hisense collaborates with supply chain partners to jointly build quality management capabilities, comprehensively enhancing the overall quality level of the supply chain through measures such as quality audits, technical assistance, and joint optimization. The Group has established a supplier audit, assessment, and tiered management system based on ISO 9001 and IATF 16949 standards, classifying suppliers into four tiers—A, B, C, and D—for differentiated management and control. (For details, please refer to the [Sustainable Supply Chain](#) section).

In 2025, Hisense

Supplier quality improvement projects were implemented

197

524 Suppliers have been connected to the proactive supplier management platform, achieving early detection and resolution of quality issues

The working hours impacted by supplier quality issues decreased by

24 %, year-on-year

◎ Building a Quality Culture

Guided by the “Seven Rules of Quality”, which solidify value principles, Hisense continuously promotes a quality culture of full participation and the pursuit of excellence, strictly adhering to the red line of zero tolerance for quality issues.

Hisense

Hisense’s “Seven Rules of Quality”

Good quality cannot bring the enterprise all the glory, but bad quality leads to huge losses.

The user is the sole judge of quality.

Technological innovation is the foundation of product quality.

Treating suppliers well is treating ourselves well.

Quality is a reflection of character.

Innovation is important, but it should never be used as an excuse to alter quality standards and traditional yet effective methods.

Quality is the red and green light for corporate performance.

In 2025, Hisense launched a specialized quality talent development program to build a **talent pipeline across all levels**—management, professional, and execution—with a focus on cultivating multi-skilled individuals who possess professional skills in quality, digital thinking, and cross-domain collaboration. We have established a three-tiered training camp system—“Navigator, Craftsman, and Cornerstone”—that combines online learning, offline practical training, mentorship, and case reviews. This program also incorporates cutting-edge courses and external expert resources to deliver systematic training closely aligned with strategic and business needs, strengthening the talent foundation for digital transformation.



Hisense Quality Culture Offline Training Session

Hisense Visual Technology

Hisense Home Appliances

Kelin Electric

Changelight

Sanden Corporation

- We have created a digital quality knowledge database that systematically integrates various quality standards, cases, and improvement experiences, enabling classified management, continuous updates, and online sharing to support the analysis and enhancement of quality issues.
- We regularly conduct specialized training in QC (Quality Control), SQE (Supplier Quality Engineering), and Six Sigma to strengthen the quality control capabilities of all employees; We have also established a weekly quality and safety inspection and remediation mechanism for precise statistical analysis, immediate corrections, and targeted measures to comprehensively fortify quality defenses.
- We conduct special Quality Month activities to deeply integrate the Quality Culture into management practices, systematically promoting quality improvement by signing the *Quality Commitment Letter*, which covers the entire chain from R&D to after-sales service.
- We reinforce the transmission of quality awareness through multi-level activities, regularly conducting quality training, selecting quality champions, holding monthly quality case reviews, and presenting annual quality star awards to ensure the concept of quality is deeply ingrained and to continuously increase quality literacy of all employees.
- Through the practice of STQM (Sanden Total Quality Management), we regularly conduct activities such as 4M Change Management (Man, Material, Machine, Method), QRQC (Quick Response Quality Control), and TPM (Total Productive Maintenance) to strengthen quality management capabilities globally.

Core Quality Management Initiatives of Hisense’s Listed Companies

Risk and Opportunity Management

We continuously improve our quality and safety risk management system, which covers the full lifecycle of our products, and have established an end-to-end product quality risk management system from R&D to after-sales, centered on the core principles of **proactive prevention, intelligent control, and full employee accountability**.

Graded Management and Control of Product Quality

Hisense has established a systematic quality and safety risk identification and assessment mechanism, conducting annual, domain-wide risk investigations that cover the entire process of product design, raw material procurement, manufacturing, warehousing and logistics, and sales and service to achieve a comprehensive risk assessment. Utilizing the NUDD classification method⁴, risks are divided into four major categories—competitive, technology route, technical solution, and resource pool—and managed at different levels through a severity-probability matrix.

Full-Process Product Inspection and Control

Hisense implements a closed-loop control system encompassing “incoming raw material inspection—first-piece inspection during production—semi-finished/in-process inspection—finished product final confirmation inspection.” The Group has formulated policies such as the *Raw Material Inspection Control Procedures*, *In-Process Inspection Control Procedures*, *First-Piece Inspection Management Measures*, and *Finished Product Confirmation Inspection Control Procedures*, setting up inspection points for raw materials, production, semi-finished goods, and finished products to ensure product quality through full-process inspection and control. Any identified non-conforming products are handled in accordance with policies like the *Production Anomaly Resolution Control Procedures* and *Non-Conforming Product Control Procedures* to ensure qualified product delivery.

Product Recall System

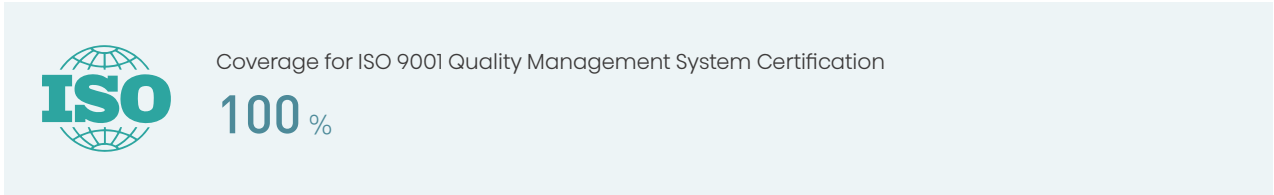
All Hisense business divisions and subsidiary companies have established comprehensive product recall systems, forming a systematic corrective mechanism that clearly defines recall conditions, procedures, and responsibilities. The product recall process unfolds according to procedures including “information collection—risk assessment—emergency response and recall handling.” Concurrently, a closed-loop management mechanism covering product traceability, recall response, and effectiveness evaluation has been established to quickly locate the production batches and distribution of problematic products, initiate recall procedures promptly, and ensure the recall is effective through systematic assessment.

⁴ NUDD Taxonomy: A quality risk identification and management methodology for new product development or early-stage projects, encompassing dimensions such as New, Unique, Different, and Difficult.

⁵ Quantitative data related to quality culture development only covers Hisense’s operations within the People’s Republic of China.

Indicators and Targets

Product Quality and Safety Targets



Product Quality and Safety Indicators

In 2025, Hisense			
Companies are certified under the ISO 9001 Quality Management System		Coverage rate	
57		100 %	

Companies are certified under the IATF 16949 Quality Management System		Coverage for overseas safety certifications	
27		100 %	

In 2025, Hisense ⁵			
Quality training sessions conducted	Employee attendances at quality training sessions	Quality improvement projects advanced	Company-Level quality improvement projects implemented
2,342	11,034	597	103

QC activities held	QC quality management groups established	WORST quality improvement groups established	
1,810	1,625	23	

Hisense's CES exhibition awards (partial)

Governance

◎ Innovation Organization and System

Hisense has built a three-dimensional innovation system that vertically integrates the entire industry chain and horizontally covers global regions, relying on the global R&D network to coordinate technology and product development across various business units and subsidiary companies. We have implemented an integrated innovation structure with central coordination from headquarters and collaboration among business units. While the headquarters' R&D system oversees the overall direction, each business unit drives innovation based on our industry characteristics, continuously improving overall innovation efficiency and market response speed. Leveraging a "1+7" global collaborative layout, Hisense has established **31 R&D centers** in key global markets to precisely meet regional user needs and implement localized technical solutions.

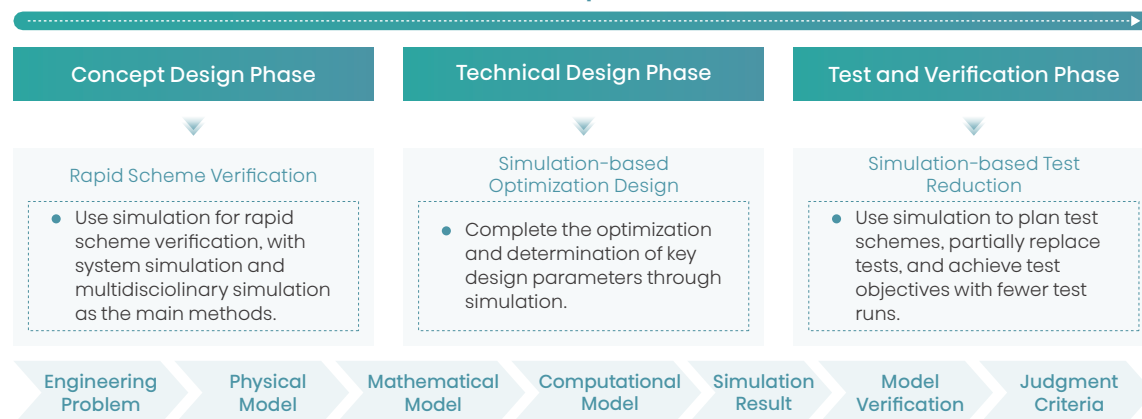
◎ Innovation Platform Construction

Hisense continues to enhance the multi-level innovation platform layout, providing hardware and resource support for basic applied research, core technology development, and the Group's common technology services. By leveraging various national-level platforms, we have created a full-chain innovation system that integrates basic research, technology transfer, and product design. As of the end of 2025, we have possessed **13 national-level innovation platforms**, including enterprise technology centers, joint engineering laboratories, industrial design centers, and postdoctoral research workstations.

Relying on the **Hisense Digital R&D Platform (HDRP)**, the Group has established an integrated digital R&D system covering requirements, products, technologies, and platforms. The HDRP platform connects R&D data across the entire product lifecycle, enabling unified management and flow of information such as requirements, design, and costs, thereby empowering lean management of the R&D process with data. Equipped with functions like automatic deliverable verification, closed-loop issue statistics, and intelligent risk warnings, it automates multiple control processes. Since its launch, the on-time product delivery rate has increased by **29%** year-on-year, significantly boosting R&D management efficiency.

Additionally, Hisense has independently developed a multi-disciplinary, multi-system integrated **digital simulation platform**, which has been fully integrated into the entire product development process. This platform transforms real-world engineering problems into digital calculation models, reducing repetitive testing and material waste caused by design flaws and helping to improve overall R&D efficiency by **more than 10%**.

Product Development Process



Digital Simulation Platform Empowers the Entire Product Development Process

◎ Innovation Team Building

Hisense brings together top talent from home and abroad to focus on cutting-edge technologies and key areas, cultivating multiple industry-leading innovation teams. In the display sector, it has independently developed China's first 8K AI picture quality chip and the world's first RGB light and color co-control picture quality chip, achieving the first mass production of RGB three-dimensional color control technology. In home appliances, it has innovated fresh air conditioning technology, integrating healthy fresh air, smart air control, and intelligent interaction functions. In the low-carbon field, it has created an integrated "photovoltaic + energy storage + smart charging/discharging" solution to ensure stable system operation. By continuously overcoming core technical challenges, Hisense delivers globally pioneering and industry-first technologies and products to the market, leading the industry's high-quality development.

As of the end of 2025, Hisense had

National-Level Champion
Enterprises in
Manufacturing

6

National-Level Key
"Little Giant"
Enterprises

3

National-Level Specialized,
Refined, Unique, and Innovative
"Little Giant" Enterprises

7

High-Tech
Enterprises

35



Hisense Display Team Achieves Breakthrough in 3D Color Control Technology, Driving the Implementation of Independent Industrial Innovation

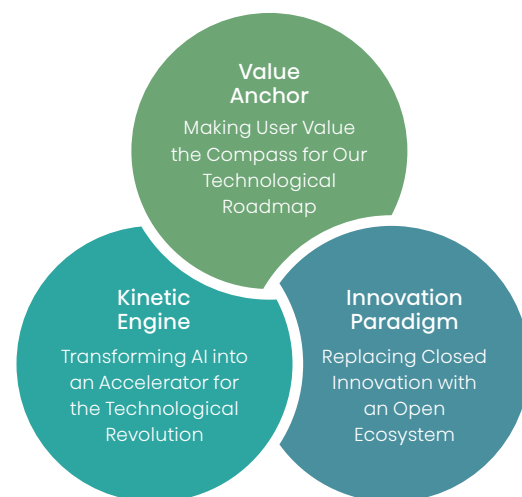
Hisense's display team has been deeply engaged in LCD display technologies such as RGB Mini LED and Micro LED, and has established a technology platform with independent intellectual property rights. Through multi-color backlighting, full-spectrum control, and AI image quality collaborative optimization, the display performance has achieved a systematic upgrade. The color gamut coverage of related products reaches 110% BT.2020, significantly higher than the mainstream display technology level. Relying on self-developed image quality chips, it achieves 134 bits light and color synchronization accuracy, capable of distinguishing color differences of trillions of levels, and maintains stable and natural picture transitions and detail performance in both high-brightness and dark-field scenarios. In early 2026, the world's first quad-color Micro LED display product was launched, and the innovative achievements won the CES 2026 Best Innovation Award.



Hisense MX series has won the Best
Innovation Award at CES 2026

Strategy

Hisense has established a virtuous, tiered R&D rhythm of “pre-researching one generation, reserving one generation, and launching one generation to the market,” implementing a hierarchical R&D system for “technology, platforms, and products.” It continues to lead and empower the industry’s high-quality development with globally debuting and industry-first cutting-edge technologies and innovative products. In 2025, Hisense deepened the strategic foundation of being a technology-based enterprise, enriching strategic meaning from the three dimensions of **value anchors, innovation paradigms, and kinetic engines**. This approach promotes the deep integration and efficient conversion of technological and product innovation, continuously strengthens technological iteration capabilities and innovation breakthrough effectiveness, and solidifies the leading position in the industry.



◎ Value Anchor: Making User Value the Guiding Principle for Technology Roadmap

Hisense has always adhered to the core user-centered value, taking real market needs and actual user pain points as the guide for R&D and innovation, precisely anchoring the direction for core technology breakthroughs and product iterations. We have built a closed-loop innovation system of “**needs insight – technology development – product implementation – value iteration**.” This system efficiently promotes the transformation of cutting-edge green and smart technology achievements, effectively translating technological advantages into market-oriented products and solutions that fit user scenarios and adapt to low-carbon demands, continuously creating user value and empowering the industry’s green upgrade through precise innovation.



Targeting market pain points, Hisense’s “Family Drum” series of washing machines precisely meets users’ diverse laundry care needs

Hisense gained deep insights into the main points of the laundry care industry and systematically tackled key core technologies such as flexible multi-drum combinations, efficient vibration and noise reduction, energy-saving heat pump drying, and fresh air condensation. It has continuously iterated and optimized laundry care product solutions, launching the new generation “Family Drum” series of green and smart laundry products.

In 2025, Hisense globally debuted the 4-in-1 heat pump washer-dryer combo, the Cotton Candy Ultra Family Drum. Within a standard machine size, it highly integrates the four core functions of washing, drying, caring, and sterilizing, without taking up additional home space, while precisely meeting users’ diverse needs for a multi-functional, efficient, and worry-free machine. With the ultimate technological innovation, energy-saving design, and scenario-based experience, the product won the “**Best Innovation Award**” at the 2026 CES. It is the only product in the global home appliance washing machine category to win this major honor in the past 15 years, highlighting Hisense’s industry leadership in the field of green and smart home laundry care.



Hisense Cotton Candy Ultra Family Drum



Addressing green computing needs, the Datacom 800G single-mode optical module product helps improve data center energy efficiency

The Datacom 800G single-mode high-speed optical module deeply integrates green technology innovation with the construction of new digital infrastructure, achieving systematic results in environmental benefits and energy conservation and carbon reduction.

The product practices the green and low-carbon concept from four dimensions: through silicon photonics integration and intelligent voltage regulation technology, the annual power consumption of a single module is reduced by **5-10%**; the entire process uses compliant and harmless materials such as lead-free and mercury-free components, strictly controlling the use of hazardous substances; it uses improved packaging to reduce thermal stress on components; and it promotes improvements in cooling technology to adapt to new heat dissipation solutions, enhancing the energy efficiency of data centers.



Focusing on human comfort and health, Hisense air conditioners redefine the smart air delivery experience

Focusing on users’ personalized comfort needs, Hisense has overcome the industry’s shortcomings of fixed air delivery and insufficient smart sensing in traditional air conditioners. With health and comfort as the core guide, we have deeply cultivated the core technology of fresh air oxygenation to drive differentiated product upgrades. Our self-developed seventh-generation two-way flow fresh air technology breaks the technical limitations of traditional one-way air exchange and simple hole expansion, increasing fresh air exchange efficiency by **21%**. In collaboration with industry partners, we have also overcome precision challenges in human-sensing technology, innovatively launching the “Star Flash SLP Human Sensing 2.0” technology. This technology high-precisely identifies the position and activity status of people indoors and, using an AI air control algorithm, achieves smart air delivery modes such as wind following people, wind avoiding people, gentle breeze when near, and energy saving when away, providing users with a customized and comfortable air experience.

On the product side, with “integrated sensing” as the core concept, sensors are used to monitor air pollutants in real time, creating a personalized air delivery experience while comprehensively safeguarding indoor respiratory health. In March 2026, the Hisense “Hercules” air conditioner, equipped with a full range of innovative technologies, won the **AWE award for Innovation** at the Appliance & Electronics World Expo (AWE).



Modularization of commercial and industrial energy storage cabinets enables flexible parallel connection and efficient energy management, meeting multi-scenario application needs

To meet the demand for high flexibility, efficiency, and precision, Hisense has developed a full range of modular commercial and industrial energy storage cabinets from 215 kWh to 836 kWh based on the self-developed core systems, including PCS, EMS, and BMS. The products innovatively apply grid-forming control technology to support the distributed parallel operation of multiple off-grid devices, effectively enhancing microgrid dispatch capabilities and the level of renewable energy consumption. Paired with intelligent temperature control technology, they dynamically optimize energy consumption management, reduce equipment self-consumption, and achieve an overall energy conversion efficiency of over **88.5%**, supporting energy savings, consumption reduction, and a green, low-carbon transition in commercial and industrial settings through high-efficiency energy storage technology.

◎ Innovation Paradigm: Replacing Closed Innovation with an Open Ecosystem

Hisense leverages an overall technology roadmap to coordinate the comprehensive R&D layout, clarifying research and development directions, allocating resources, and breaking down technical barriers. This approach promotes collaborative technological iteration across all business segments, strengthens the competitiveness of the entire industry chain, and continuously magnifies the Group's overall industrial advantages.

Stimulating Internal Momentum

Hisense has taken multiple measures to stimulate the internal drive for innovation by building a multi-dimensional incentive system, benchmarking against advanced industry standards to optimize the review system and standardize selection mechanisms, and revising and improving the Administrative Measures for Science and Technology Innovation Awards. We regularly conduct internal evaluations for science and technology innovation, establishing multi-level awards and special selections such as "Technology Pacesetter" and "Innovation Proposal". For example, the 2025 Hisense Science and Technology Innovation Awards recognized **31 awards** across various categories, including technological innovation, breakthroughs in advanced technology research, and innovation improvements. Additionally, a dedicated promotion channel has been established for R&D talent, providing priority salary adjustment incentives to key R&D personnel.

Furthering the commitment to building an innovation culture, we held themed events in 2025, such as the Hisense Group Technology Innovation Conference and the 9th R&D Innovation Achievements and 2nd Digitalization and AI Achievements Exhibition. These events aimed to reconstruct the strategic foundation of a "technology-based enterprise", showcase the year's cutting-edge technologies, innovative products, and digital transformation results, break down technical barriers between business segments, and promote cross-domain technology sharing and collaborative innovation.



The 9th R&D Innovation Achievements and 2nd Digitalization and AI Achievements Exhibition

Open Innovation Ecosystem

Hisense upholds an innovative philosophy of openness and collaboration to build an industrial technology ecosystem of co-creation and mutual success. Through deep collaboration with top universities, research think tanks, and industry ecosystem partners, we break down internal and external organizational barriers, accelerate the scenario-based implementation and efficient transformation of cutting-edge scientific and technological achievements, and form a virtuous collaborative innovation model of "cutting-edge technology R&D—technological achievement transformation—industrial application."

• Industry-University-Research Cooperation

Through various forms such as joint laboratories, internship and practice bases, and joint talent cultivation, Hisense engages in deep cooperation with **over 70 universities**, including Tsinghua University, Beijing Institute of Technology, and Shandong University. It also collaborates with high-end research platforms like the Suzhou Laboratory, Peng Cheng Laboratory, and Zhangjiang Laboratory to tackle cutting-edge technologies. Together, they delve into fundamental theoretical research and the application of key technologies, achieving significant results and steadily converting research advantages into momentum for industrial development.



Hisense Home Appliances partners with Xi'an Jiaotong University to develop a new evaporator and improve product energy efficiency

Hisense Home Appliances collaborated with Xi'an Jiaotong University to jointly advance the industry-university-research project for the *Small-Diameter Multi-Flow Evaporator* in the refrigerator industry. The project overcame the design challenges of traditional evaporator tube diameters and single-flow structures, effectively improving heat exchange efficiency and the overall energy efficiency of refrigerators through innovative design, thereby accelerating the industrialization of energy-saving technologies. This collaboration also resulted in the accumulation of a wealth of knowledge, with a total of 3 invention patents and 2 utility model patents filed.



Kelin Electric collaborates on product R&D in distribution network technology

Kelin Electric, in partnership with the Power Electronics Institute of the China Electric Power Research Institute and Hebei University of Technology, jointly launched the "Key Technologies and Applications of Efficient and Highly Reliable Power Conversion in Medium- and Low-Voltage AC/DC Hybrid Distribution Networks" project. This project achieved co-governance technology for power quality at the substation level for distributed grid-connected converters and won the second prize of the 2025 Hebei Provincial Science and Technology Progress Award.



Changelight collaborates with Nanchang University on RGB Mini LED chip technology to advance the high-end display industry chain

Changelight and Nanchang University jointly undertook the Jiangxi Provincial Key R&D Program project on key technologies for flip-chip blue-green Mini LED epitaxial wafers. Leveraging the technical and mass production advantages of both parties for collaborative research, the developed RGB Mini LED chips have passed customer certification and are now in mass production and shipment. This achievement has not only solidified our industry competitiveness but also promoted the development of the regional optoelectronic information industry.

• Value Chain Innovation Cooperation

Hisense actively promotes “boundary-breaking” integration with upstream and downstream partners in the industry chain, continuously implementing joint R&D projects for core technologies and new product category innovations. At the 2025 Supply Chain Partner Summit, Hisense signed 27 major technology cooperation projects with upstream and downstream partners, continuing to build an innovative ecosystem for shared value and mutual success.

Since 2023, Hisense had

Joint laboratories established with partners

Nearly **50**

Technological research projects undertaken

Over **200**



Product Definition Stage

Collaborating with value chain partners to jointly assess demand and define products, ensuring they align with market needs and supply chain capabilities from the very beginning.



Product Development Stage

Inviting Value Chain Partners to Deeply Participate in Design Plan Reviews and Prototype Validation to Ensure the Efficient Implementation of Design Solutions.



Mass Production Stage

Focusing on Ramp-Up Assurance and Quality Control with Upstream Supply Chain Partners to Effectively Prevent Supply Risks.

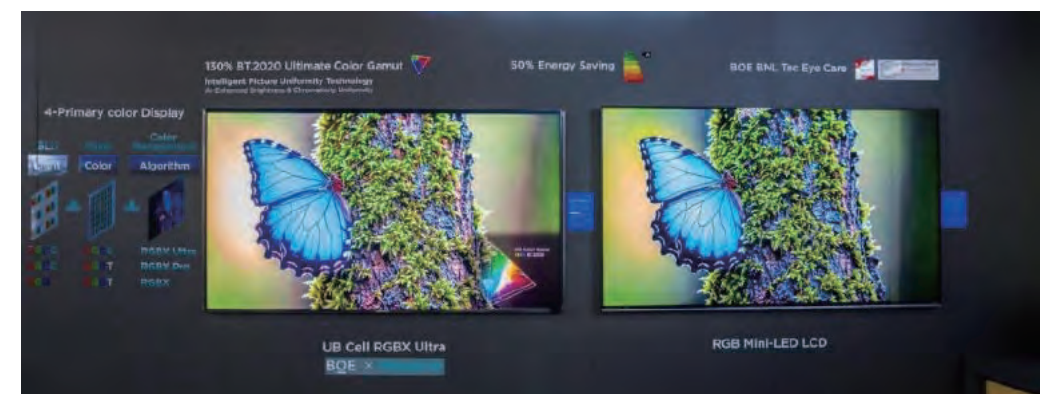
Hisense's Full-Process R&D Cooperation with Value Chain Partners



Hisense Visual Technology and BOE establish a joint laboratory to achieve breakthroughs in core display technology

As a global pioneer and leader in the RGB-Mini LED field, Hisense Visual Technology has partnered with BOE to establish a joint laboratory, focusing on breakthroughs in core display technologies and aiming to create a precise and comfortable visual experience for users.

At the 2026 SID Display Week, the RGBX multi-primary color LCD technology developed by the joint laboratory won the “People’s Choice Awards.” This technology adopts a new structure of an “RGBC quad-primary color panel + RGBC quad-primary color backlight”, overcoming long-standing industry challenges such as color crosstalk and impurity. It achieves an ultra-wide color gamut coverage of **130% BT.2020**, delivering full and realistic color reproduction. While reducing or even eliminating harmful blue light, the technology supplements beneficial light spectrums, balancing high-quality images with eye health. Furthermore, the joint laboratory has advanced green color display technology by applying high-transmittance materials and high-haze, low-reflection polarizers, increasing panel transmittance by **11%** and effectively optimizing the product’s energy efficiency performance.



Comparison between RGBX multi-primary color LCD technology and traditional display technology

◎ Kinetic Engine: Transforming AI into an Accelerator for Technological Revolution

AI Enhancing Product Experience

Artificial intelligence is the core driver for the intelligent and customized upgrading of home appliances. Hisense is deeply engaged in AI technology innovation, integrating intelligent R&D concepts into product design to precisely meet users' demands for comfortable living, energy efficiency, and convenient operation throughout the house. It has self-developed the large "HiStar" model and fully implemented it across various home appliance environments, continuously iterating core capabilities such as command execution, scene reasoning, and multi-turn dialogue. In 2025, the model passed the capability assessment by the China Academy of Information and Communications Technology (CAICT) with a **perfect score in 12 capabilities** and received an achievement appraisal from the China Computer Federation, establishing an industry-leading AI technology foundation.

Leveraging the computing power of the large model, Hisense's smart models for AI air, food, and laundry can accurately perform services such as environmental self-adaptive optimization, intelligent management of over 800 types of ingredients, and delicate garment care, significantly lowering the barrier to operation. Simultaneously, we upgraded display terminal performance through AI picture quality collaborative optimization technology, empowering an enhanced home experience with all-scenario AI innovation to create an intelligent, comfortable, and efficient smart living ecosystem.



AI empowers interactive upgrades for smart TVs

Hisense deeply integrates the core capabilities of the large "HiStar" model into the smart TV content platform, building a multi-dimensional intelligent interaction system that covers language understanding, visual perception, and environment adaptation. This effectively addresses industry challenges of traditional smart TVs, such as rigid commands, delayed responses, and a lack of personalization.

The platform enables users to engage in smooth human-computer interaction using natural language, with a complex question recognition rate of **over 93%**, effectively lowering the operational barrier for users of all ages. Through model iteration, optimization, and collaborative algorithm upgrades, the model's decoding speed is **2-3 times** faster than the industry average, and the first-word response speed is **3-7 times** faster, delivering a low-latency, highly fluid interactive experience. Additionally, the platform innovatively incorporates virtual human interaction and affective computing technologies, allowing it to accurately perceive user emotions and provide corresponding voice feedback, making smart interactions warmer and more human-like.

AI-Empowered Innovation

In 2025, we explored the development of intelligent design applications such as "AI+CATIA" to assist engineers in efficiently completing complex 3D modeling and solution optimization, making product design more precise and agile. We also launched Macey, a software development agent that serves as a digital assistant for engineers, deeply involved in code-assisted writing, automated test case generation, and defect screening. Concurrently, to address multi-language technical support in overseas operations, we implemented the "Intelligent Manual Writing and Translation" application scenario, which leverages the capabilities of AI large language models to significantly shorten the drafting cycle for technical documents and improve the efficiency of cross-national communication.



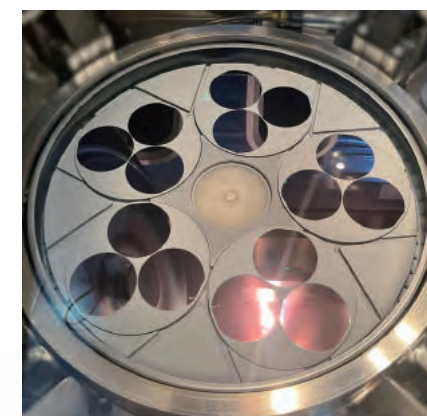
Hisense Visual Technology builds an AI agent and automated testing system to accelerate software iteration in response to demand

Hisense Visual Technology has built four major AI agents for assisted coding, system integration, defect analysis, and use case design, and has established an automated testing laboratory to promote the automation of key processes from demand to implementation. This system has shortened the software development cycle by **31%** and increased R&D efficiency by **27%**, enabling the R&D team to respond more rapidly to the diverse needs of global users, accelerate solution development speed, and provide solid support for the continuous optimization of the user experience.



Changelight introduces AI algorithms to optimize process R&D and reduce trial-and-error risks

Changelight installs Internet of Things (IoT) sensors on key equipment for LED epitaxial wafer growth, combining them with AI algorithms to build an intelligent monitoring platform. This platform collects real-time equipment operating data, dynamically displays production curves, warns of abnormal parameters, and automatically compares current parameters with historical optimal data to provide debugging suggestions and optimization points for R&D personnel. Under the traditional model, the process R&D stage often relies on extensive physical trial and error, which is time-consuming and can easily lead to material loss; however, by applying IoT and AI algorithm technologies, this system reduces the risks of R&D trial and error, decreases manual debugging hours, shortens the R&D cycle, and improves R&D quality.



Changelight LED Epitaxial Wafer

Risk and Opportunity Management

We focus on risk identification and assessment throughout the entire R&D and innovation process, covering all stages from project initiation and technical breakthroughs to the commercialization of results, and integrating risk control management in the R&D and innovation field into our comprehensive risk management framework. According to the Hisense panoramic risk element framework, risks related to R&D and innovation fall under the secondary risk category of R&D management within the primary operational risk category, mainly covering risk types such as demand management, product development management, R&D production management, and generalization management (see [Risk Management](#) for details). For the identified risk types, we have established comprehensive control specifications to ensure R&D efficiency and solidify our core advantages in long-term technological innovation.

Intellectual Property Management

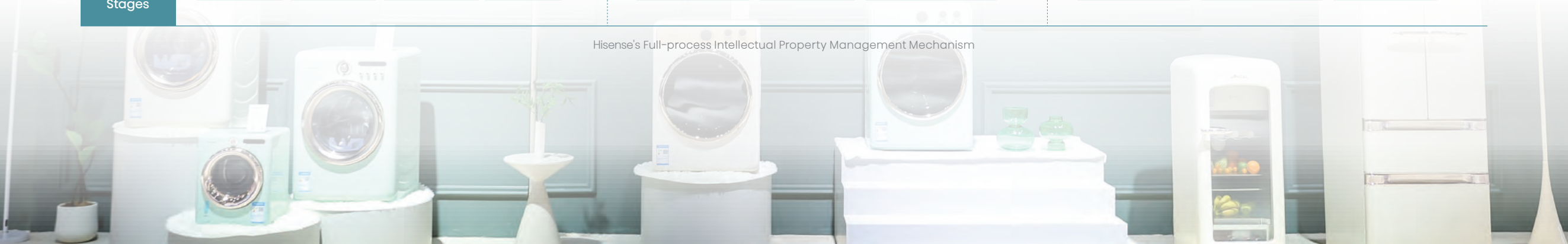
Hisense regards intellectual property management as a key link in controlling technical risks and seizing innovation opportunities, integrating relevant management requirements throughout the entire R&D process to effectively reduce various risks in technology R&D and commercialization and promote the transformation of intellectual property into a strategic asset that aids innovative development and market expansion. At the same time, a special intellectual property fund is set up for the R&D of intellectual property and the protection of rights such as patents.

In terms of management mechanisms, we have built a comprehensive intellectual property management system, with the headquarters coordinating system construction and maintenance, staffed by professionals in patents, trademarks, and project applications, and have established four collaborative teams globally. We have introduced the Patsnap patent management system to achieve informatized, standardized, and large-scale operation of the entire Group's patent business. The system can provide services such as patent searches and information analysis, assisting R&D teams in producing high-value patents.

Additionally, we rely on three major management mechanisms to achieve full-process control over intellectual property, conduct regular investigations of infringement and compliance risks, and provide early warnings for key scenarios such as technical cooperation, business sales, and major exhibitions to promptly prevent internal technology leaks.

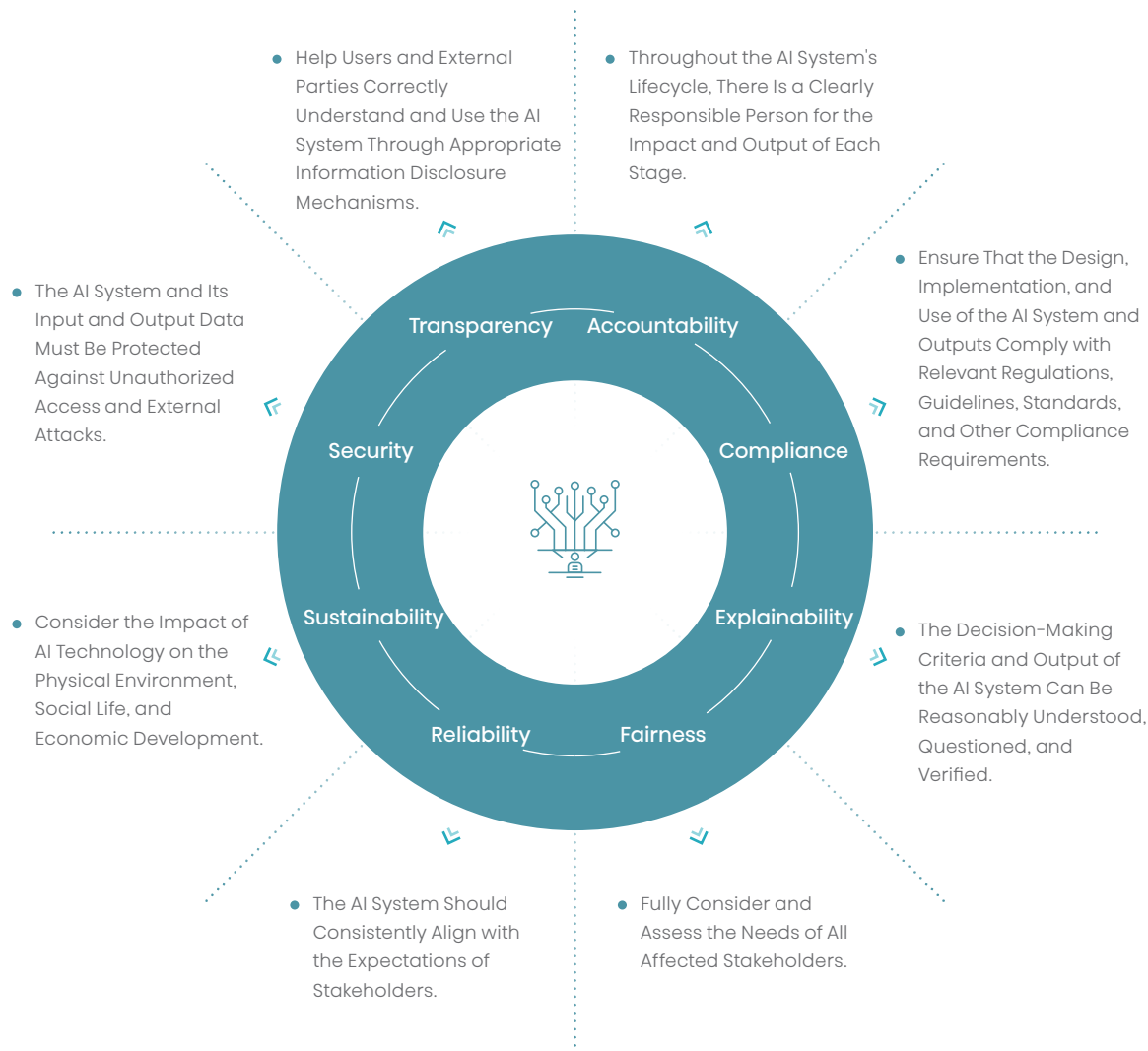
Safeguard Mechanisms	Standardized Patent Application Management Mechanism	Regular Intellectual Property Assessment Mechanism	Intellectual Property Due Diligence Mechanism
Safeguard Measures	We have constructed a standardized patent application management system covering the entire process of proposal screening, formal application, examination follow-up, and grant implementation. The system focuses on standardizing processes, controlling risks, and improving quality to build a solid foundation for compliant and efficient intellectual property management.	A periodic intellectual property assessment mechanism has been established, focusing on dimensions such as rights protection, efficient operation, and application transformation. By strengthening rights protection, optimizing operational efficiency, and promoting value realization, this mechanism revitalizes intellectual property assets and provides support for high-quality intellectual property development.	Focusing on the three major areas of licensing cooperation, rights protection, and compliance control, we have enhanced the intellectual property due diligence mechanism. Through precise prevention of potential risks, standardization of management practices, and strengthening of compliance controls, we ensure the compliant layout and effective management of our intellectual property.
Intellectual Property Management Stages	ProposalApplicationExaminationGrant	MaintenanceOperationApplication and Conversion	LicensingRights ProtectionCompliance

Hisense's Full-process Intellectual Property Management Mechanism



Responsible AI

In the process of AI technology R&D and application, Hisense adheres to the belief of responsible artificial intelligence development. With risk-level-based control as the core governing principle, Hisense conducts systematic risk assessment and classified governance based on the industry attributes, coverage, and potential risk levels of AI application scenarios. A dedicated AI Management Committee has been established to coordinate the overall planning and routine operational management of AI security and compliance. We anchor the principle of **"Trustworthy AI"** throughout the entire chain of technical design, development iteration, and scenario operation to build a beneficial, secure, and controllable AI industrial application ecosystem. This approach achieves synergy between technological innovation and security governance, comprehensively ensuring that Hisense's AI technology applications are secure, compliant, trustworthy, and controllable.



Hisense's "Trustworthy AI" Principles

Indicators and Targets

R&D and Innovation Targets



The annual investment in preliminary research for technological innovation accounts for **no less than 30%** of total R&D investment.

R&D and Innovation Indicators

In 2025, Hisense

Proportion of investment in preliminary research for technological innovation to total R&D investment

>30 %

As of the end of 2025, Hisense

Cumulative patent applications

70,000+

Cumulative patents granted

40,000+

Cumulative copyrights

4,500+

Subsidiaries certified under the *Requirements for Enterprise Intellectual Property Compliance Management System (GB/T 29490-2023)*

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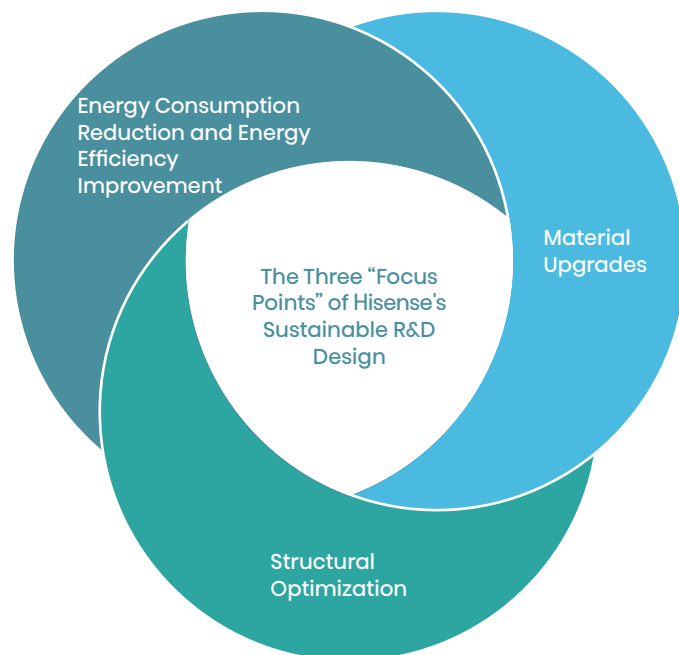
Subsidiaries recognized as National Intellectual Property Advantage Enterprises and Demonstration Enterprises

17

Sustainable Products

Hisense deeply integrates the concept of sustainability into the full lifecycle of products, focusing on three core areas: material upgrades, structural optimization, and energy consumption reduction and energy efficiency improvement, to comprehensively create green products across their full lifecycle.

Hisense has specifically established the "Hisense Group Green and Low-Carbon Subcommittee," bringing together technical experts from various business segments to systematically research a standard system for green and low-carbon design. This covers core areas such as green product evaluation, low-carbon material application, sustainable structural design, and recycled resource utilization. To date, it has issued a total of 17 internal green standards, including the *Green Design Specification for Television Products*, providing standardized and systematic support for green R&D across all product categories.

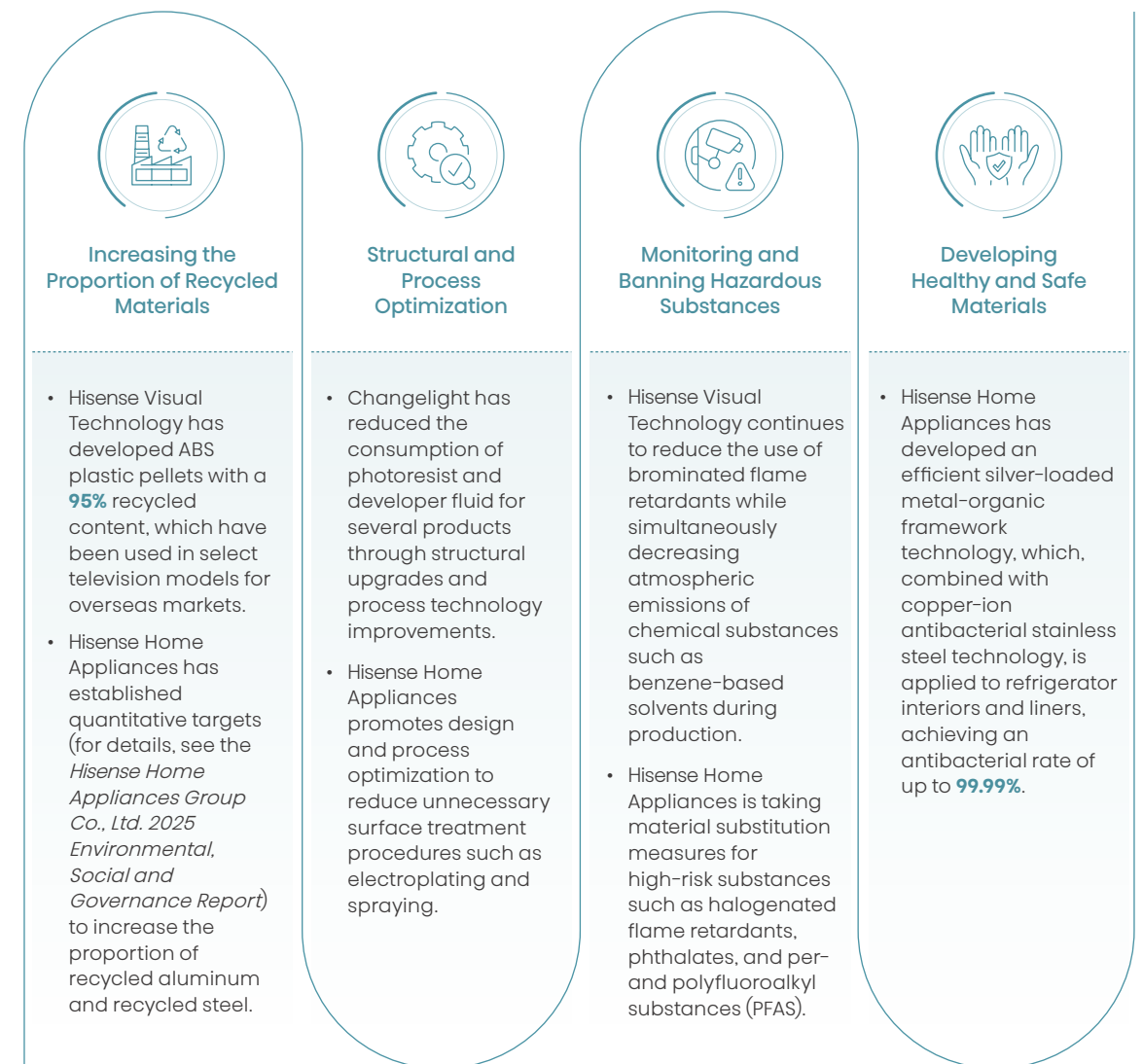


Material Upgrades

Hisense considers the application of sustainable materials a vital path for green product R&D. It actively promotes the comprehensive integration of environmentally friendly recycled materials into all business segments, including product design, smart manufacturing, and packaging, to set a benchmark for green material usage in the industry.

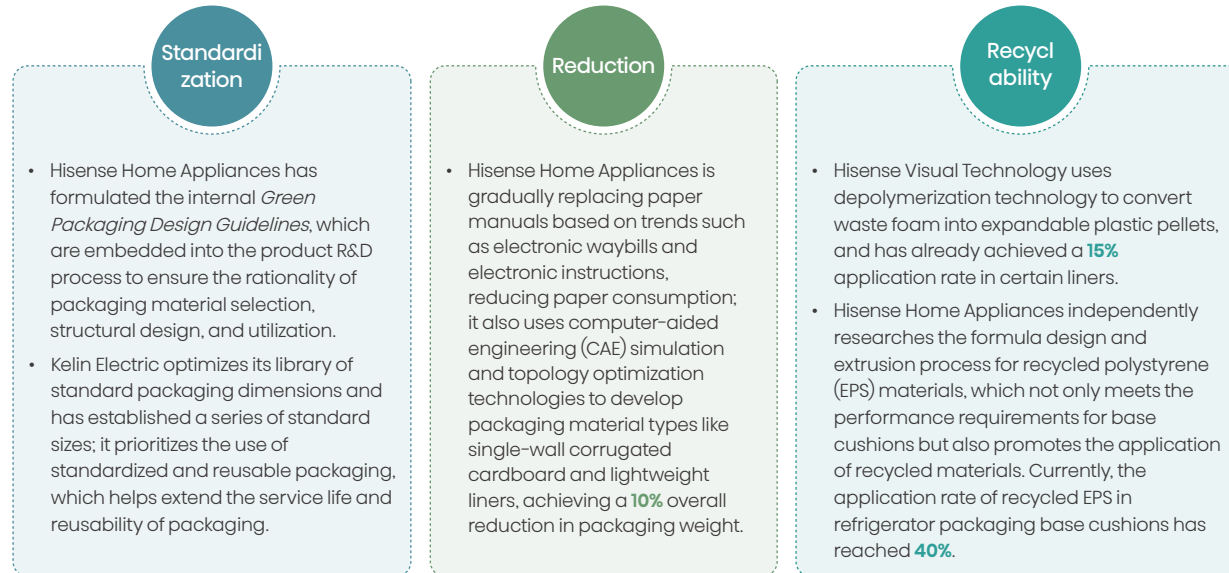
Product Material Upgrades

Hisense focuses on material innovation, environmentally-friendly substitution, and reduction in material usage to minimize the potential impact of products on the ecological environment and human health from the source, continuously strengthening the green and compliant production system.



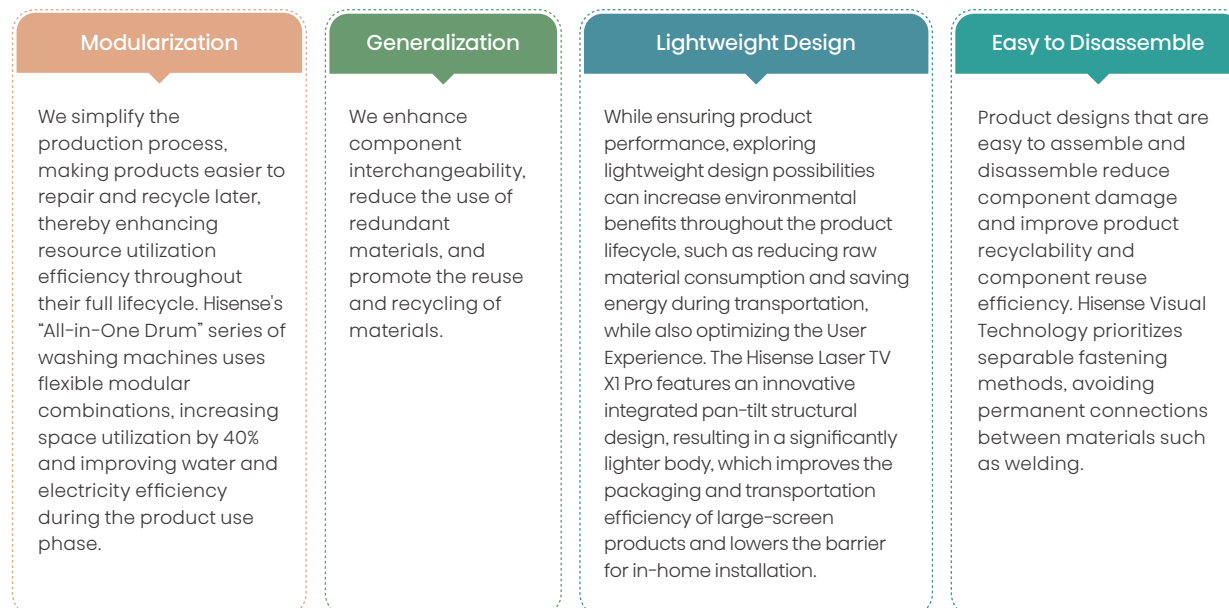
◎ Packaging Materials

Hisense focuses on the standardization, reduction, and recyclability of packaging materials, continuously improves the management systems, optimizes packaging solutions, and actively explores new models for low-carbon, sustainable green packaging.



◎ Structural Optimization

Hisense adheres to product structural design principles of modularization, generalization, being lightweight, and being easy to disassemble to maximize the efficiency of resource utilization and circular reuse.



◎ Energy Consumption Reduction and Energy Efficiency Improvement

Hisense continues to deeply cultivate the technological iteration of low-energy-consumption, high-efficiency products, independently expanding portfolio of energy-saving technologies. It leverages cutting-edge AI algorithms to empower users and customers to reduce energy consumption and carbon emissions throughout the entire product use phase, fully unlocking the core value of products in energy conservation and carbon reduction.

Sanden Corporation launches R290 natural refrigerant integrated module to ensure product performance and efficiency in extremely cold environments

In 2025, Sanden Corporation launched the R290 natural refrigerant integrated module, focusing on the pain point of new energy vehicle range in extreme cold. This module ensures a stable heat output of 9 kW in -40°C environments, addressing the range issue; it also achieves an overall weight reduction of 1.5 kg through topology optimization of non-metallic brackets, lowering the vehicle's total energy consumption. The product has passed in-vehicle verification in multiple locations in China and the European Union and has received recognition from international customers.

In 2025, Hisense continued to strengthen capabilities in green product R&D and low-carbon services, winning numerous authoritative domestic and international sustainability certifications, green product labels, and special industry honors, with the green quality of products and the value of low-carbon solutions gaining wide recognition.

Hisense 60cm flat-mount series refrigerator receives China's first industry "Green Leaf Label" certification, setting a benchmark for green design

The Hisense 60cm flat-mount series refrigerator was awarded the "Green Leaf Label" by the World Green Design Organization, making it the first product in China's refrigerator industry to receive this certification. Centered on Life Cycle Assessment (LCA) green design, the product utilizes technologies such as variable frequency compressors and porous silicate CS-core vacuum insulation panels, achieving a C-level energy efficiency rating under the new European standard and operating at a noise level as low as 35 decibels. Its packaging uses recyclable and biodegradable corrugated material and has undergone structural optimization through CAE simulation analysis to balance protective performance with material reduction.

Hisense 60cm Flat-mount Series Refrigerator

Customer Experience and Satisfaction

Hisense consistently integrates a “**user-centered**” approach throughout the entire process of technological innovation and customer service, continuously optimizing user service details, maintaining customer trust, enhancing service quality, and striving to both understand and meet user needs.

Enhancing the User Experience

Optimizing the Service System

In 2025, Hisense completed the transformation and optimization of the service system by integrating existing user service resources and restructuring the service organization around the user journey. Within the Group's User Delivery Center, it established second-level departments including the Service Product Development Department, User Experience Management Department, Business/Technician Operations Department, Global Spare Parts Supply Chain Department, and International Service Operations Department. We have completed adjustments to management personnel and organizational performance, reshaping the User Experience around the “user-centered” principle with a focus on being “fast,” “good,” and “personable,” thereby unlocking data potential and driving business value growth.

Convenient Service Access

Through digital methods and an omnichannel layout, Hisense has built a collaborative “online + offline” service system to ensure that services can reach consumers efficiently and accessibly, fulfilling service commitments to users.



Digitalization for “Zero-Distance” Service

- The Hisense Aijia and ConnectLife service platforms are connected to a full range of home appliance products, supporting functions such as remote control, voice assistants, and AI-powered scene linkage. They integrate pre-sales and after-sales services across the entire process, using AI and big data technology to provide predictive maintenance and diagnostic guidance, thereby improving service quality and efficiency.



“Last-Mile” Community Service

- Service outlets are extended to community terminals to stay close to users and listen to their feedback. Through special activities like the “National Subsidy Community Tour,” service points are established directly in residential areas to provide a range of services, including interpretation of national home appliance subsidy policies, in-home appliance repairs, and in-home collection of old appliances, creating a convenient service network.



Efficient In-Home Service

- An exclusive “1-hour response, 2-hour arrival” service has been launched, with service content optimized based on user needs, including free on-site inspections and free solution design. We also aim for “zero rescheduling, zero delays” in services by improving service team management;
- The “Xin Lianxin” system has been upgraded with new functions such as one-click assistance for service engineers and spare parts inventory forecasting for service providers. This reduces the uncertainty of multiple service visits, providing users with faster support responses and a reliable repair success experience.



Hisense Visual Technology upgrades its intelligent customer service system, serving over 1 million users cumulatively

Hisense Visual Technology has carried out an intelligent upgrade of its customer service system. Through four channels—AI hotlines, online customer service, intelligent outbound calls, and agent assistants—it covers nine major application scenarios and has implemented over 50 intelligent service applications, making optimizations and improvements in areas such as data integration and analysis, interactive dialogue optimization, intelligent business assessment, and service process tracking.

Currently, Hisense Visual Technology's intelligent customer service provides 100% coverage for core hotlines, the Hisense Aijia app, mini-programs, official accounts, and outbound call scenarios, having served over 1 million users cumulatively with a user satisfaction rate of 90%. In 2025, in the television industry user satisfaction monitoring results released by the China Association for Quality, Hisense TV user satisfaction ranked first in the industry for the eleventh consecutive year.

Responding to Unique Needs

In the process of globalization, Hisense carries out product innovation tailored to local conditions based on the market demands and cultural customs of different countries and regions, meeting the unique local needs of users.

High-Efficiency Products

- Hisense continues to invest in high energy efficiency, low carbon, and air health, areas of focus for European users, by launching split-type air conditioners that meet the highest European energy efficiency standard of A+++, as well as mobile air conditioners and heat pump products that use environmentally friendly refrigerants, equipped with “HI-NANO” ion purification technology to improve air quality while reducing dust and sterilizing.

Rapid Ice-Making Function

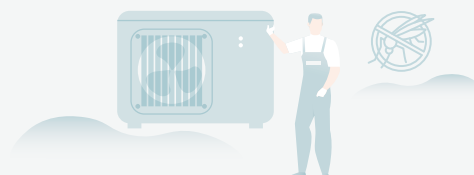
- The smart ice-making function launched by Hisense can produce ice in just 60 minutes, and combined with a 99.99% antibacterial rate and one-touch smart cleaning, it achieves “full-chain clean ice-making” from water to ice, making iced drinks readily available.

Adaptation to Unique Environments

- To address the environmental characteristic of having more mosquitoes in some parts of Australia, Hisense has added a special protective device to the outdoor units of air conditioners, effectively blocking mosquito intrusion, preventing circuit interference, and ensuring stable equipment operation.

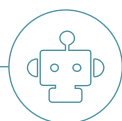
Balancing Aesthetics and Practicality

- The world's first refrigerator magnetic light curtain door panel uses special technology to retain the door's transparent texture and insulation properties while also having strong magnetic capabilities, allowing various refrigerator magnets and memo notes to be attached, balancing both aesthetics and practicality.
- Catering to the preference of Middle Eastern users for the color gold, Hisense has added a removable golden picture frame to Laser TV products.



◎ Human-Centric Product Care

We integrate human-centric care into technological innovation and product development, continuously launching inclusive, user-friendly, and thoughtful products that serve user needs in various scenarios and improve the quality of life for diverse user groups.



Embodied Intelligence Empowerment

- Smart butler service: The Savvy butler robot features a humanoid upper body and a wheeled chassis design, enabling it to control all household appliances in a coordinated manner and perform tasks such as laundry and meal preparation through physical manipulation, providing convenience for users' household chores;
- Safety and security for all ages: Two companion robots provide digital butler-style services, including educational enlightenment for children, daily health monitoring for the elderly, and remote companionship for pets, creating a reassuring protective barrier for the entire family through active perception and intelligent reminders.



Safeguarding a Healthy Life

- Enhanced eye protection: The "Linglong True-Color Backlight" technology uses self-developed high-efficiency RGB light-emitting chips and inorganic crystalline materials, reducing power consumption by approximately 30% and the proportion of harmful blue light by about 75% compared to traditional solutions that rely on phosphor conversion;
- Upgraded air purification: The Hisense Bright C3 series central air conditioner is equipped with the Hi-nano Ultra purification module, achieving a formaldehyde removal rate of 82.7% and a purification efficiency of 99.9% against viruses such as coronavirus and H1N1, creating a clean breathing environment for sensitive groups like the elderly and children.



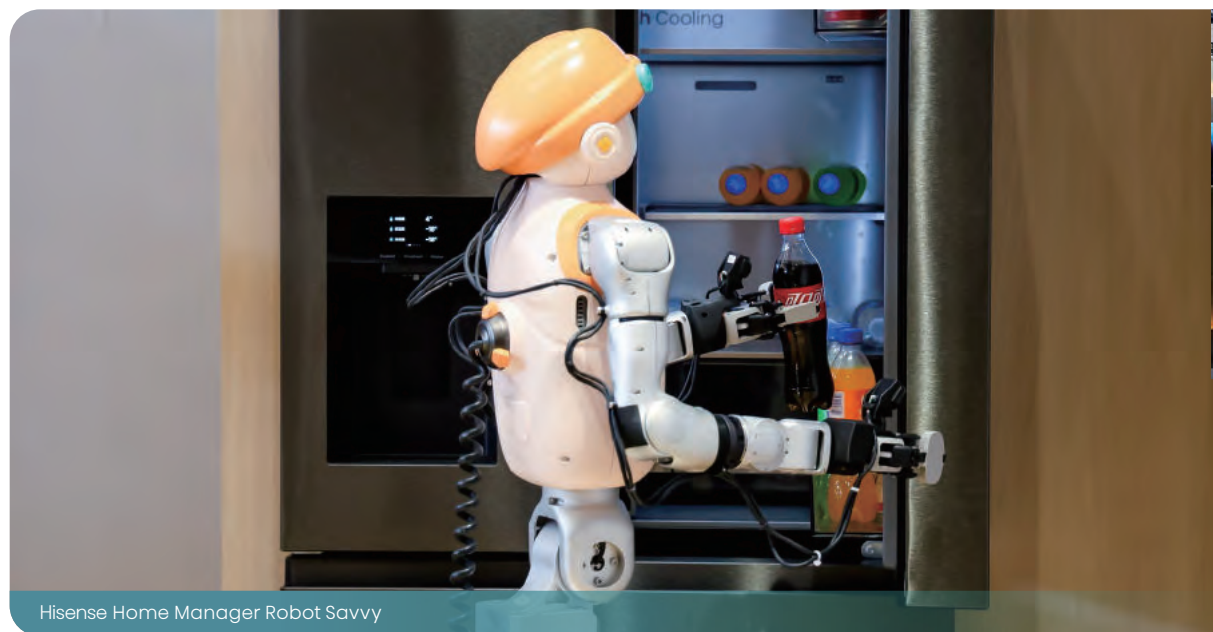
Accessibility Assistance

- The ASHA Bluetooth hearing aid function allows hearing aids to connect directly to the TV audio, improving the experience for individuals with hearing impairments; the Care+ color vision compensation mode enhances image resolution and viewing comfort for people with color vision deficiencies by optimizing color display.



Aging-Friendly Design

- TV products feature a "Senior Mode" with a simplified interface, large fonts, and dialect speech recognition technology to lower the usage barrier for elderly users; the "X5, C3, A3" series air conditioners create a comfortable and healthy breathing environment for the elderly through innovative technologies such as smart air delivery, AI air management, and fresh air visualization, and have been included in the Ministry of Industry and Information Technology's product promotion catalog for the elderly.



Hisense Home Manager Robot Savvy



The World's First Exquisite Four-core True-color Backlit RGB-Mini LED TV



Radiant Central Air Conditioning C3



Hisense Air Conditioner Smart Fresh Air X5

Focusing on User/Customer Feedback

Satisfaction Surveys

Hisense and its subsidiaries have fully established a regular customer satisfaction survey mechanism, systematically collecting customer product usage experiences and service evaluations through various forms such as special surveys and periodic follow-up visits, conducting in-depth analysis of customer demands and suggestions for improvement, and continuously iterating product quality, enhancing delivery efficiency, and optimizing the end-to-end service experience. In the 2025 word-of-mouth survey by the China Association for Quality, the reputation of all Hisense product categories, including TVs, air conditioners, RonShen refrigerators, Hisense washing machines, and Hisense refrigerators, surpassed the industry average. Several core product categories ranked top in the industry, with rankings in sub-categories continuing to climb steadily, demonstrating that the brand's customer recognition and market reputation continue to lead the industry. Hisense, Kelon, and RonShen have been included in the "2025 Annual List of China's Leading Consumer Brands" issued by the Office of the Ministry of Industry and Information Technology, and have been recognized as "Time-Preferred Brands".

In 2025, Hisense demonstrated the ultimate pursuit of service quality and firm commitment to user value with industry-leading user reputation.

Full-Year Net Promoter Score (NPS)

98.4 %

BrandZ Top 50 Chinese Global
Brand Builders
(9 Consecutive Years)

Hisense Group
Google | Kantar BrandZ

Number One in the Smart Home Appli-
ance Industry in the 2025 China Brand
Global Trust Index

Hisense Group
Ipsos

Complaint Response and Handling

Hisense continuously optimizes the customer complaint handling system, formulating regulations such as the *Customer Complaint Management Procedure* to open up complaint channels across sales, logistics, and after-sales processes. At the same time, we have established a complaint classification and early warning mechanism that follows up and escalates issues in a tiered manner based on dimensions such as the number of complaints, type, and processing time, ensuring proper problem resolution. Hisense and its subsidiaries have built a 7x24 all-weather service system to provide uninterrupted service support for all users.

In 2025, Hisense

Customer complaint response rate

100 %

Customer complaint resolution rate

100 %



Individual and
Household
Consumers

- Utilizing the Hisense Aijia App, WeChat official account, and e-commerce platforms to ensure customers can conveniently provide feedback and file complaints;
- Improving the VOC (Voice of the Customer) platform to widely collect authentic user feedback from various platforms and analyze it intelligently and automatically, accelerating the speed of complaint handling and closure. In FY2025, the resolution rate for user demands on the VOC platform reached 100%; the average closed-loop duration improved by 45% compared to the previous year.



Hisense Aijia App



- Establishing a standardized closed-loop management mechanism for customer complaints, relying on the after-sales service platform to achieve real-time recording and full traceability of complaint information;
- Kelin Electric adopts a tiered and classified response model: for general issues, a professional team quickly assesses and resolves them within a time limit to ensure service efficiency; for complex and difficult problems, a cross-departmental collaborative mechanism is initiated, bringing together professional expertise from multiple parties for a "consultation" to propose systematic and appropriate solutions;



Kelin Electric Domestic Sales Team Training

- Changelight defines standardized steps including problem reception and assessment, technical support, risk investigation, formulation of disposal plans, implementation of improvement measures, and closure confirmation. It also has a rigorous product recall approval and market loss confirmation procedure in place, with collaboration among Customer Quality Engineers (CQE), Failure Analysis (FA) teams, and production plants to ensure that every complaint is handled in compliance with requirements and closed efficiently.

Responsible Marketing

Hisense is committed to standardizing marketing activities in the global market, ensuring information is truthful and respects consumers, to build long-term trust through responsible communication.



Compliance with Laws, Regulations, and Business Ethics

We strictly abide by the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, and other laws and regulations concerning advertising, consumer rights protection, data usage, and fair competition in operating locations, establishing them as the baseline requirements for marketing activities. It advocates for a business culture of integrity and transparency and prohibits false advertising, misleading statements, or exaggerated claims about product performance.



Respect for Diverse Cultures and Local Customs

We always respect and embrace cultural diversity, fully respecting local languages, religions, values, and social norms in marketing strategies for different countries and regions. Through localized teams, it gains a deep understanding of regional cultural contexts, avoiding symbols, images, and expressions that could cause misunderstanding or offense to ensure brand communication is both globally consistent and respectful of local cultures.



Advocating for Equality and Inclusive Expression

In the advertising creative and brand narratives, we advocate for correct values and consumer perspectives, opposing any form of stereotype, discriminatory language, or exclusionary expression. It is committed to showcasing social diversity through varied content and conveying the core concept of technology for people, ensuring that every user feels seen and respected in the world of the Hisense brand.



Protecting the Physical and Mental Health of Young People

For minors, we adopt prudent marketing principles, strictly limiting the placement of advertising content that may be deemed inappropriate on children's program, educational platforms, and digital channels frequented by young people. It avoids using enticing language or designs that excessively stimulate consumer desire and integrates features like parental controls and screen time management into smart terminal products, proactively providing digital health support for families to aid the healthy development of young people.



Guiding Rational Consumption and Sustainable Use

Through product design, user education, and marketing communications, we guided consumers to establish rational and green usage habits. In promotions, we emphasize product energy efficiency, durability, and reparability to encourage extended product lifecycles; simultaneously, through instruction manuals, online tutorials, and after-sales services, it helps users use products efficiently and safely, reduce resource waste, and promote a shift toward sustainable consumption concepts. We continuously educate consumers on the recycling, reuse, and proper disposal of waste electrical and electronic equipment, guiding them to participate in old appliance recycling and resource circulation. (See [Resource Utilization and Circular Economy](#)).

03

Environmental Stewardship and Harmonious Coexistence

Fulfill our environmental responsibilities comprehensively,
protect the Earth, and live in harmony.

Hisense is firmly committed to achieving its carbon peaking target for operations by 2026 and its carbon neutrality target by 2050. We are comprehensively promoting the "Hi Green" carbon neutrality initiative, continuously advancing low-carbon operations, low-carbon supply chains, low-carbon products and services, and taking concrete actions to contribute to global climate governance.

+ Relevant Sustainable Development Topics

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



Targets and Progress

Topic	Indicator	Target	2025 performance	Status
 Addressing Climate Change⁶	Scope 1 & 2 Emission Intensity	Reduce by 40% by 2030, with 2023 as the baseline year	A decrease of 18.71% compared to 2023 levels	
			Greenhouse gas emission reduction of 54,719 tCO ₂ e	
 Energy Management	Proportion of Clean Electricity Used	Reach 30% by 2030	The proportion of green power at China bases rose to 23.7%	
	Building Green and Zero-Carbon Manufacturing Benchmarks	Continuously establishing green and zero-carbon factories	Has 20 national-level "green factories" and 14 provincial-level "green factories" Has 4 "zero-carbon factories"	
	Embedding Energy-Saving	Driving the global implementation of energy conservation projects	Over 850 energy-saving projects and proposals implemented globally	
	Comprehensive Energy Saving Rate	Reach 7% by 2025	8%	
 Waste and Pollutant Management	Compliance Disposal Rate of Hazardous Waste ⁷	100%	100%	



Completed



Ongoing

⁶ For comparability, the statistical scope for greenhouse gas emission intensity herein covers the operations of Hisense's home appliance sector within the People's Republic of China, which is consistent with previous periods. For global greenhouse gas emissions data, please refer to the "Addressing Climate Change" section.

⁷ The Compliance Disposal Rate of Hazardous Waste only covers Hisense's operations within the People's Republic of China.

Addressing Climate Change

Governance

To ensure the implementation of the “carbon peaking and carbon neutrality” strategy, Hisense has established a top-level governance system and a comprehensive four-tier climate-related governance structure—encompassing the “strategy, management, planning, and execution levels”—that covers the group headquarters, subsidiaries, and production bases, forming a closed-loop, full-chain mechanism from top-level design to operational execution.

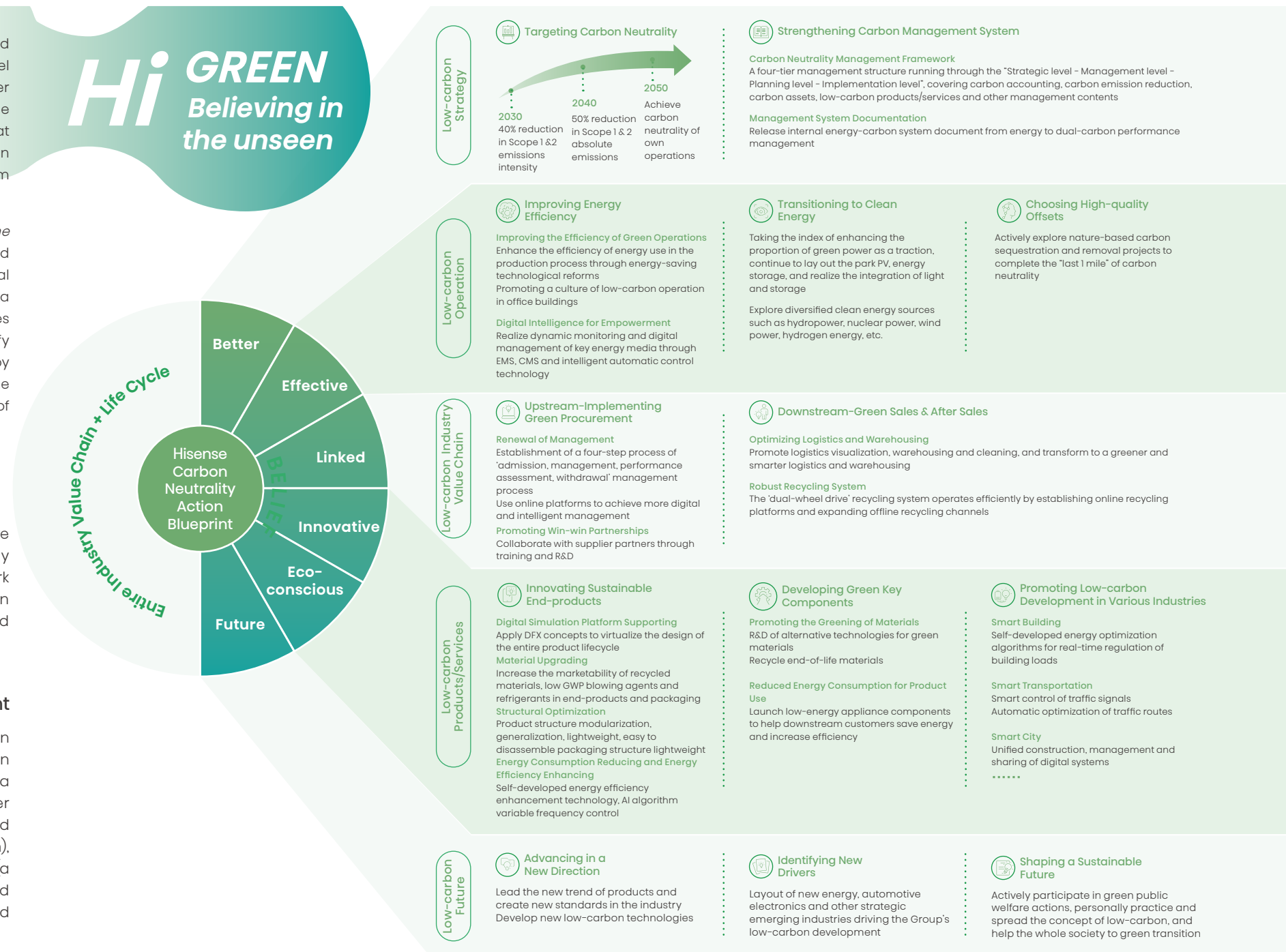
In terms of policy, with the *Hisense Green Development Outline* as the highest guideline, Hisense continuously implements and refines specialized management systems, using institutional standardization to unify carbon reduction standards, data collection methodologies, and implementation processes across all bases and core businesses and to clarify assessment, reward, and penalty mechanisms, thereby providing solid institutional and procedural support for the progressive implementation and on-schedule achievement of the “carbon peaking and carbon neutrality” goals.

Governance

To systematically advance our climate action, we have integrated climate change considerations into our strategy and operations, establishing a climate strategy framework that covers governance, operations, and the value chain by setting clear goals, identifying transition pathways, and implementing specific measures.

“Hi Green” Carbon Neutrality Action Blueprint

To systematically advance our green and low-carbon development path, we introduced the “**Hi Green**” carbon neutrality action blueprint in 2024, establishing a comprehensive six-fold policy covering “Better (self-breakthrough), Effective (efficient operations), Linked (industrial synergy), Innovative (technological innovation), Eco-conscious (ecological awareness), and Future (a better future)” to drive the creation of a green and intelligent ecosystem across the entire industry chain and full lifecycle.



🕒 Climate-Related Risks and Opportunities

Hisense systematically identifies, assesses, and analyzes climate-related risks and opportunities in accordance with the *International Financial Reporting Standards – Sustainability Disclosure Standard 2: Climate-related Disclosures (IFRS S2)* issued by the International Sustainability Standards Board (ISSB), in conjunction with the Group’s business structure and industry characteristics.

We use the results of climate scenario analysis as an important basis for optimizing our climate strategy and coordinating resource allocation, establishing a closed-loop management mechanism for risk prevention, dynamic monitoring, and strategy implementation to formulate and implement targeted response measures, continuously enhance our adaptive capacity and operational resilience to climate change, and steadily advance our low-carbon transition and sustainable development.

Physical Risk

○ Short-Term ◐ Mid-Term ● Long-Term

Risk Type	Risk Factors	Risk Description	Affected Value Chain Segments	Time Horizon ⁸	Financial Impact	Response Measures
Chronic Risk	Rising Average Temperatures	- A long-term upward trend in regional average temperatures could lead to decreased operational stability, fluctuating yield rates, and increased maintenance frequency for high-precision manufacturing equipment (such as display panel production lines and chip testing equipment), thereby affecting production and operational efficiency; - Sustained high-temperature environments may pose a potential threat to employee health, impacting the execution of overall production plans and business performance.	Own Operations	● Long-Term	Asset Value ↓ Operating Costs ↑ Revenue ↓	- Continuously increase investment in the technical transformation of high-precision production equipment, upgrade HVAC and heat dissipation systems, and optimize equipment operating environmental parameters to ensure operational stability and process precision under extreme high temperatures; - Equip production sites with necessary heatstroke prevention and cooling facilities, and standardize the distribution of heatstroke prevention supplies to safeguard the health and safety of employees in high-temperature positions.
Acute Risk	Extreme Weather	- The increasing frequency of regional droughts and the heightened risk of water shortages may trigger the implementation of local water restriction policies, thereby constraining the normal operation of key production processes such as cooling systems and cleaning processes at manufacturing bases and increasing the risk of production interruptions. - Extreme weather conditions (such as high temperatures and drought combined with electrical load overloads) could increase the probability of major safety incidents like fires and explosions, which, in addition to direct property losses, would also trigger a chain of costs including production suspension for rectification, insurance claims, and reputational repair. - Extreme weather events such as typhoons, heavy rain, and blizzards can disrupt transportation infrastructure and halt port operations, leading to delays in upstream raw material supplies, stranded in-transit goods, and hindered delivery of finished products, adversely affecting supply chain stability and the ability to fulfill customer service commitments.	Own Operations	○ Short-Term ◐ Medium-Term	Asset Value ↓ Operating Costs ↑ Revenue ↓	- Comprehensively advance the construction of rainwater harvesting, reclaimed water reuse, and circulating cooling systems, and vigorously promote water-saving processes and equipment to mitigate the impact of regional water shortages on production and operations. - Establish and refine emergency response plans for natural disasters, create a 24-hour monitoring and response mechanism, conduct regular emergency drills, and stockpile emergency supplies to enhance the capacity to respond to sudden disasters. - Conduct rigorous climate risk assessments in new, modified, and expanded construction projects to avoid high-risk areas prone to flooding, landslides, and other hazards; - Expand supply channels and optimize the supplier structure to ensure the continuity of raw material supply and the stability of deliveries during extreme weather conditions.

⁸ Time Horizon refers to the expected timeframe during which Hisense will be affected after a risk or opportunity event occurs. Short-term: within 1 year; medium-term: 1 to 5 years; long-term: over 5 years.

Transition Risk

○ Short-Term ● Mid-Term ● Long-Term

Risk Type	Risk Factors	Risk Description	Affected Value Chain Segments	Time Horizon ^a	Financial Impact	Response Measures
Policy and Regulatory Risks	Carbon Pricing	As the global Carbon Pricing system progressively improves and the coverage of the national carbon emissions trading market continues to expand, manufacturing enterprises may face increased carbon trading costs due to carbon allowance deficits, as well as an increase in direct tax burdens following the future implementation of carbon tax policies.	Own Operations	○ Short-Term ● Medium-Term	Operating Costs ↑	- Enhance the greenhouse gas inventory mechanism and strengthen carbon emission data monitoring and accounting capabilities; - Actively participate in the carbon trading market and optimize carbon asset allocation and management strategies.
	Climate Information Disclosure Policies	The requirements from regulatory bodies and capital markets for climate-related information disclosure are continuously increasing, and with tightening climate policies both domestically and internationally, enterprises will face the dual pressures of rising compliance costs and an accelerated transition of their energy structure.	Upstream Value Chain Own Operations	● Medium-Term ● Long-Term	Operating Costs ↑	- Integrate climate change into the corporate governance agenda and establish a robust climate information disclosure system; - Closely monitor domestic and international climate policy developments and proactively develop green technologies and management systems.
	Sustainable Products Policy	- The European Union's <i>Ecodesign for Sustainable Products Regulation (ESPR)</i> imposes stricter market access requirements on the green design and circularity attributes of electrical, electronic, and energy-related products; - The European Union Carbon Border Adjustment Mechanism (CBAM) is set to impose carbon tariffs on imported home appliances, which will further increase product export costs and complicate international trade compliance.	Upstream Value Chain Own Operations Downstream Value Chain	● Medium-Term ● Long-Term	Operating Costs ↑	- Focus on material upgrades, structural optimization, energy consumption reduction, and energy efficiency improvement to enhance product environmental friendliness, durability, and recycling value, thereby reducing full-lifecycle carbon emissions; - Integrate concepts such as being easy to disassemble, recyclable, and lightweight into the entire product R&D process, significantly reducing the product's carbon footprint and environmental load throughout full-lifecycle through material substitution, structural optimization, and energy efficiency upgrades.
Technology Risk	Low-Carbon Technology Investment	The manufacturing industry is undergoing a profound transformation in energy utilization methods, electrification levels, and product design concepts. Insufficient investment in low-carbon technology R&D, misjudgment of technological roadmaps, or a disconnect from cutting-edge industry trends could weaken the benefits of energy efficiency improvements and affect our core competitiveness and mid- to long-term market position.	Own Operations	● Medium-Term	Operating Costs ↑	Focus on core low-carbon technologies such as high-efficiency variable frequency, natural refrigerants, and waste heat recovery, and establish an assessment mechanism for green technology R&D investment to ensure that funds are efficiently directed toward key areas of energy efficiency improvement and low-carbon transformation.

Risk Type	Risk Factors	Risk Description	Affected Value Chain Segments	Time Horizon ^a	Financial Impact	Response Measures
Market Risk	Raw Materials Cost	Against the backdrop of global energy structure adjustments and changes in the resource supply-demand landscape, the price volatility risk for key raw materials such as copper, rare earths, and lithium is intensifying. Failure to establish effective price hedging mechanisms and a diversified supply system will significantly increase the pressure on procurement cost control and squeeze profit margins.	Upstream Value Chain Own Operations	Medium-Term Long-Term	Operating Costs 	- Continuously track capacity changes and price trends of major raw materials and key components, formulate strategic procurement plans based on market demand forecasts, and reduce the risk of procurement cost fluctuations and ensure a stable supply of materials needed for production through reasonable procurement scheduling and supplier collaboration; - Intensify R&D efforts in new materials and processes and actively explore alternative solutions for key raw materials. Through optimizing material selection and iterating technical solutions, we reduce our dependence on single raw materials, enhancing product design flexibility and supply chain resilience.

Transition Opportunities

Short-Term

Mid-Term

Long-Term

Opportunity Type	Influencing Factors	Opportunity Description	Affected Value Chain Segment	Time Horizon	Financial Impact	Response Measures
Policy Opportunities	Policy Support for Green Transformation	- China continues to improve its support policies for the green and low-carbon transition, providing a favorable policy environment and cost reduction opportunities for companies to implement energy-saving and carbon-reducing retrofits and develop green technologies through tools such as fiscal subsidies, tax incentives, and green credit; - With the gradual expansion of China's carbon emissions trading market and the restart of the China Certified Emission Reduction (CCER) trading mechanism, Hisense is poised to explore new revenue growth points by optimizing carbon asset management and developing voluntary emission reduction projects.	Own Operations	Short-Term Medium-Term	Operating Costs 	- Actively pursue low-carbon-related subsidies and tax exemptions to accelerate the pace of green transformation; - Participate in the development and implementation of carbon reduction projects and apply for relevant subsidies in a timely manner; - Promote the implementation of green products and services and explore new areas such as renewable energy and smart grids.

Opportunity Type	Influencing Factors	Opportunity Description	Affected Value Chain Segment	Time Horizon	Financial Impact	Response Measures
Policy Opportunities	New Energy Policy Guidance	The issuance of policies such as the <i>Action Plan for Accelerating the Construction of a New Power System (2024–2027)</i> will accelerate the clean and intelligent transformation of the power system, providing external foundational conditions for manufacturing enterprises to enhance their green electricity consumption capacity and optimize their energy structure.	Own Operations	🕒 Medium-Term 🕒 Long-Term	Revenue ⬆️	Expand the business footprint, leverage the advantages of the Intelligent Energy segment, focus on fields such as clean energy and smart grids, develop a product system with independent intellectual property rights, and enhance market competitiveness.
Market Opportunities	Growing Demand for Green Home Appliances	As consumers pay increasing attention to concepts such as green and low-carbon development and sustainability, market demand for low-energy-consumption, environmentally friendly home appliances is expected to grow in the short to medium term. If Hisense aligns with the shifting trend of consumer demand and launches products characterized by low energy consumption and resource conservation, it will generate operational opportunities in the short to medium term.	Own Operations	🕒 Short-Term 🕒 Medium-Term	Revenue ⬆️	We focus on three core priorities for sustainable R&D and design: material upgrades, structural optimization, and energy consumption reduction and energy efficiency improvement. We continuously advance the R&D and design of green and low-carbon home appliances, reduce the ecological and environmental footprint of our products, explore green packaging models, maximize resource utilization and circular reuse, and persistently cut energy consumption and greenhouse gas emissions during the product use phase (see Sustainable Products).
Technology Opportunities	Low-Carbon Technology Innovation	- Energy-saving and emission-reduction technologies in the industrial sector are continuously iterating and upgrading. By introducing or independently developing advanced and applicable technologies for use in production and manufacturing, companies can achieve the dual goals of reducing energy consumption and improving production efficiency; - The trend of renewable energy replacing traditional fossil fuels helps companies build a diversified clean energy supply system, which can stabilize energy price fluctuations in the long term, reduce energy costs and carbon emission compliance risks, and enhance operational stability.	Own Operations	🕒 Medium-Term 🕒 Long-Term	Revenue ⬆️	- Introduce high-efficiency, energy-saving equipment, implement energy-saving technological upgrades, and improve resource utilization efficiency; - Using Hisense Visual Technology and Hisense Hitachi smart factories as benchmarks, we will promote digital and intelligent transformation and upgrades by leveraging key examples to drive broader progress; - Establish a comprehensive intelligent energy management system to improve the efficiency of energy management and use; - Gradually replace high-energy-consumption equipment and expand the use of renewable energy sources such as wind and solar power.

Risk and Opportunity Management

We incorporate climate-related risks and opportunities into Hisense's overall risk management framework and integrate them into daily management processes. This enhances our ability to track, assess, and respond to the potential impacts of climate change on our operations and value chain, and continuously improves our adaptive capacity and risk resilience.

Risk and Opportunity Identification and Assessment

- Conduct research on relevant laws, regulations, and industry market trends in China and our operating locations, considering the specific circumstances of Hisense's business, to simultaneously identify climate-related risk types and potential opportunities;
- Analyze the likelihood of climate risks and the extent of their impact on Hisense's operations, while also assessing the value of strategic opportunities arising from the climate transition, to form a comprehensive list of risks and opportunities;
- Regularly update and track the latest climate risk assessment policies and standards to ensure that our risk and opportunity identification efforts comply with domestic and international regulations and industry requirements.



Risk and Opportunity Response and Decision-Making

- Collaborate with external experts, combining the risk list and climate scenario analysis, to comprehensively assess the impact of climate factors on our business model and value chain;
- Develop scientifically sound and reasonable response strategies for key climate risks and opportunities, balancing risk control with the pursuit of opportunities.



Risk and Opportunity Monitoring and Information Disclosure

- Report on the management of climate impacts, risks, and opportunities to the ESG Committee to ensure that the governance level is kept informed of challenges and opportunities;
- Disclose climate-related information in the annual ESG report, including identified risks and ongoing opportunity initiatives.



Hisense's Climate-Related Risk and Opportunity Management Process

Climate-Related Transition Plan

Improve Energy Use Efficiency

[Continuous Energy Efficiency Improvement](#)

Build a Full-Scenario Green Ecosystem

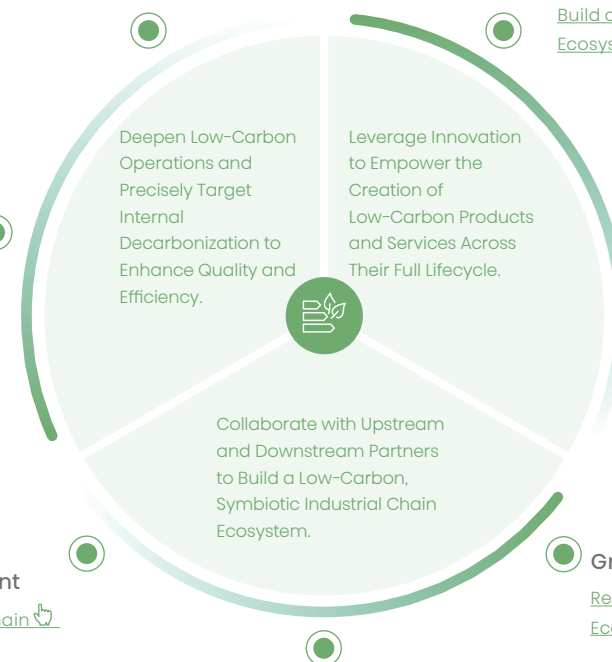
[Special Topic 1: Industrial Synergy to Build a Full-Scenario Green Ecosystem](#)

Company-Wide Energy Conservation and Carbon Reduction

[Energy Management](#)

Create Sustainable Products

[R&D and Innovation - Sustainable Products](#)



Green Logistics and Warehousing

[Resource Utilization and Circular Economy - Green Logistics and Warehousing](#)

Green Procurement

[Sustainable Supply Chain](#)

Green Recycling

[Resource Utilization and Circular Economy - E-Waste Recycling](#)



Metrics and Targets

Climate-Related Targets

We actively respond to China's "carbon peaking and carbon neutrality" strategy and global net-zero emission targets, committing to **achieving carbon neutrality in our operations no later than 2050**. To achieve this goal, we have set clear, phased Scope 1 & 2 emission reduction targets and pathways.



Guided by relevant standards such as the Science Based Targets initiative, four of our subsidiaries, Hisense Visual Technology, Hisense Hitachi Company, Hisense Commercial Cold Company, and Sanden Corporation, have made commitments to reduce emissions in accordance with the Science Based Targets (SBTi). Among them, Hisense Hitachi Company has pledged to achieve carbon neutrality for Scope 1 & 2 by 2038 and to achieve a zero-carbon footprint in the value chain by 2050. Sanden Corporation has made a short-term commitment to reducing carbon emissions and aims to achieve 100% use of renewable electricity by 2030.

⁹ Hisense continues to deepen the implementation of sustainability initiatives and strengthen sustainability management capabilities. In FY2025, Hisense included all global business operations within the scope of greenhouse gas data collection, including subsidiaries and newly acquired subsidiaries.

Climate-Related Indicators

In 2025, Hisense continued to deepen its efforts in greenhouse gas (GHG) emission reduction and emission inventory. The GHG emission intensity of our China operations decreased by 8.82% year-on-year. Meanwhile, to further strengthen Group-wide GHG emission management and control, we have further expanded the coverage of our GHG inventory in accordance with standards such as ISO 14064 and the *GHG Protocol*, and continuously advanced the collection and verification of Hisense's global GHG emission data.



Environmental Compliance Management¹⁰

Hisense strictly adheres to the *Environmental Protection Law of the People's Republic of China* and relevant laws and regulations in operating locations. We have implemented a management policy of "protection first, prevention-oriented, comprehensive governance, public engagement, and liability for damages," and have established a systematic environmental compliance management system to achieve full-process management from source prevention to end-of-pipe treatment. In 2025, no major administrative penalties or criminal liability were incurred due to environmental issues.

Environmental Management System

Hisense has established a comprehensive environmental management system based on the ISO 14001 Environmental Management System standard, having relevant responsible departments sign performance responsibility agreements and reinforcing environmental management responsibilities at all levels. We have formulated and dynamically revised core management systems such as the *Hisense Group Environmental Protection Management Measures*, *Environmental Factors Management*, and *Comprehensive Environmental Protection Management Measures*. Each subsidiary also prepares specific management documents and operating procedures based on their actual production and operational conditions.

We follow the PDCA (Plan-Do-Check-Act) management model to continuously review and optimize our environmental management system and implementation measures. Through a combination of internal performance audits and independent third-party verification, we conduct comprehensive assessments of key areas such as wastewater and waste gas treatment, hazardous waste disposal, and environmental impact assessment compliance to promptly identify management loopholes and areas for improvement. (See [Water Resource Management](#) , and [Waste and Pollutant Management for details](#) ).



Environmental Risk Management

Hisense has established an ongoing mechanism for environmental risk identification, assessment, and end-to-end monitoring. Each subsidiary periodically conducts investigations and evaluations of environmental factors, supported by specialized management systems that define key environmental factors and control indicators. All production bases are equipped with smart online monitoring systems for 24-hour real-time monitoring of pollutants such as wastewater, waste gas, and noise. This system, combined with digital platforms and risk source ledgers, enables dynamic tracking and proactive prevention of environmental risks.

An environmental emergency management system has been established based on a "prevention-response-recovery" framework. We have formulated the *Emergency Plan for Sudden Environmental Incidents*, created a hierarchical warning and response mechanism, and developed specific response plans for different types and levels of environmental incidents. Regular training and emergency drills are carried out to comprehensively strengthen the capacity to handle sudden environmental events. In 2025, a total of **121** environmental emergency drills were conducted.

Building an Environmental Protection Culture

Hisense deeply integrates the concept of green environmental protection into the corporate culture. We use diverse channels, such as internal publications, office electronic screens, and dedicated promotional columns to regularly disseminate knowledge on energy conservation and carbon reduction, share environmental best practices, and organize themed events like "Energy Conservation Publicity Week." It also conducts regular specialized training to build environmental management capabilities, focusing on core content such as environmental laws and regulations, internal management systems, identification of environmental factors, emergency response to sudden environmental incidents, and the application of energy-saving and environmental protection technologies.



The Kitchen Appliance Division Conducted ODS Fluorinated Gas Training

¹⁰ Quantitative data related to environmental compliance management only covers Hisense's operations within the People's Republic of China.

Energy Management

Hisense continuously strengthens the energy management system, systematically promoting a green and low-carbon transition in the energy structure through management optimization, technological innovation, and digital empowerment. We adhere to a dual approach of energy efficiency improvement and clean energy substitution. While reducing energy consumption intensity, we have significantly increased the proportion of green power, creating a replicable and scalable model for low-carbon development that leads the industry's green transformation.

In 2025, Hisense

Factories certified under the ISO 50001 Energy Management System

29

Zero-carbon Factories

4

National-level "Green Factories"

20

Provincial-level "Green Factories"

14

Continuous Energy Efficiency Improvement

Hisense pursues both managerial and technological energy conservation to fully tap the energy efficiency potential of manufacturing systems. At the management level, we have introduced leading Total Energy Management (TEM) tools and regularly conducted TEM Lean Energy Efficiency Improvement Weeks, holding 42 sessions throughout the year. Referencing to national smart manufacturing maturity standards and industry benchmarks, it established a green manufacturing maturity evaluation system covering multiple dimensions, such as comprehensive energy-saving rates, equipment energy efficiency, green power usage, and energy and carbon management systems to accurately identify management weaknesses and implement targeted improvements. At the technical level, focusing on high-energy-consumption production lines and equipment like air compression, refrigeration, and injection molding, we have comprehensively promoted high-efficiency technologies such as permanent magnet variable frequency drives, magnetically levitated refrigeration, and medium-wave infrared heating, while accelerating the phase-out of inefficient equipment. In 2025, Hisense implemented over **850** energy-saving projects and proposals globally, achieving cumulative energy savings and efficiency gains of **RMB 97 million**, with a comprehensive energy saving rate of **8%**.

Equipment Energy Efficiency Improvement	Process Transformation and Optimization	Intelligent System Management and Control
- We advanced comprehensive upgrades of energy-consuming equipment, phasing out old air compressors, chillers, and fans, and promoting high-efficiency electrical equipment such as permanent magnet variable frequency drives and magnetic levitation refrigeration systems; - The energy efficiency of some replaced equipment improved by over 20%, significantly reducing the energy consumption of terminal electrical equipment.	- We identified energy consumption loopholes in conventional processes and improved energy utilization efficiency throughout the entire production process through methods like waste heat recovery and electrical circuit upgrades; - Optimal process parameters were revised, adjusted, and set to avoid energy waste.	- We established an intelligent management and control system, installing variable frequency drives and centralized controls for electrical systems such as air conditioning, exhaust, air compression, and lighting to enable dynamic adjustment of optimal operating parameters based on working conditions; - We upgraded the energy management platform and optimized the programs for production line electrical equipment to achieve on-demand electricity use and reduce ineffective energy consumption.

Hisense implements refined refrigerant management

Focusing on refrigerant management, a core emission source, Hisense has innovatively created an industry-leading, full-chain control system. It has established a closed-loop process of "leakage control—precise charging—recovery and purification—recycling and reuse." Through continuous technological innovation and process optimization, we have significantly reduced fugitive carbon emissions from refrigerants at the source, setting a benchmark for green production. For instance, the Huangdao factory of the Air Conditioning Division utilized the Internet of Things (IoT) to build a digital twin intelligent management platform, enabling real-time monitoring and precise localization of refrigerant leaks, which reduced the annual refrigerant leakage rate by **52%**. The factory also pioneered a one-stop recovery and purification technology combining positive and negative pressure, increasing the comprehensive refrigerant recovery rate to **98%**.

Hisense Shunde Sheet Metal Factory retrofits spraying line, reducing energy consumption by 17.74%

In 2025, Hisense Shunde Sheet Metal Factory completed the green retrofitting of its new-generation spraying line. By upgrading heating technologies and adopting optimized materials, it enhanced electrothermal conversion efficiency. After the retrofitting, energy consumption was **17.74%** lower than the original process.

This technology not only supports the sheet metal spraying sector in moving away from natural gas reliance, but also offers a replicable technical pathway for the green and low-carbon transition of the wider manufacturing industry. Highly scalable and adaptable across sectors, it fits the retrofitting of legacy sheet metal spraying lines in the home appliance, furniture and hardware segments. It also serves as a proven, field-tested benchmark for end-use electrification retrofits across manufacturing, giving rise to the transferable "Hisense Green Heating Solution".

Clean Energy Transition

Hisense is accelerating its global clean energy deployment, setting a long-term goal **to achieve 100% clean electricity coverage by 2050**. We adhere to the principle of "installing wherever possible," fully developing the resources on rooftops, warehouses, and idle spaces at our domestic and international campuses. With distributed photovoltaics as the core, we deploy complementary energy storage systems. At the same time, we continuously increase the proportion of renewable electricity through diverse channels such as developing our own green electricity certificates, purchasing green power from the market, and utilizing hydropower. In 2025, our global campuses added **33.3 MW** of new distributed photovoltaic installations, bringing the cumulative installed capacity to **135.2 MW**. The proportion of green power at our domestic bases rose to **23.7%**, an increase of **2.5 percentage points** year-on-year.

Leveraging the distributed photovoltaic project at the Jiangmen industrial park, Hisense successfully developed the first tradable GEC (green electricity certificates). By the end of 2025, a cumulative total of **3,410** certificates had been issued, equivalent to **3.41 million kWh** of green power. This achievement closes the loop from self-generation and consumption of green power and grid feed-in of surplus electricity to carbon asset operations, making Hisense the first company to integrate the entire chain of clean energy production, consumption, and value realization. This model is now being rapidly replicated and promoted in other qualified industrial parks within the Group, continuously expanding our carbon asset portfolio and providing solid support for addressing carbon tariffs and enhancing global competitiveness.



Green Electricity Certificate



Hisense Europe Holding further expands photovoltaic installed capacity

In 2025, Hisense Europe Holding was at the forefront of the energy transition, implementing five key energy projects that resulted in a greenhouse gas reduction of **1,760 tonnes of CO₂ equivalent**. Photovoltaic power generation was particularly successful: the 4.4 MW rooftop photovoltaic system at the Gorenje d.o.o. Velenje plant was officially commissioned. This brought the total installed photovoltaic capacity of Gorenje d.o.o. to **5.3 MW**, with the electricity generated accounting for **11.26%** of Gorenje d.o.o.'s total electricity consumption in FY2025.



Rooftop Photovoltaics at the Gorenje d.o.o. Velenje Industrial Park



Hisense Huzhou air conditioner factory sets new record for photovoltaic installed capacity

In 2025, the 16.4 MW rooftop photovoltaic project at the Huzhou air conditioner factory set a new record for the installed capacity of a single Hisense factory. By maximizing the use of rooftop space, the project achieves the dual value of self-generation and self-consumption of green power plus external supply empowerment. It replaces approximately **18.04 million kWh** of fossil fuel power generation annually, reduces carbon dioxide emissions by about **10,500 tonnes** equivalent to the carbon sequestration effect of planting approximately **580,000** mature trees—and establishes a benchmark for the green transformation of home appliance manufacturing plants.



Rooftop Photovoltaics at the Hisense Huzhou Air Conditioner Factory

In 2025, Hisense

Cumulative installed capacity of distributed
photovoltaics in global industrial parks

135.2 MW

Domestic self-consumption of
distributed photovoltaic power

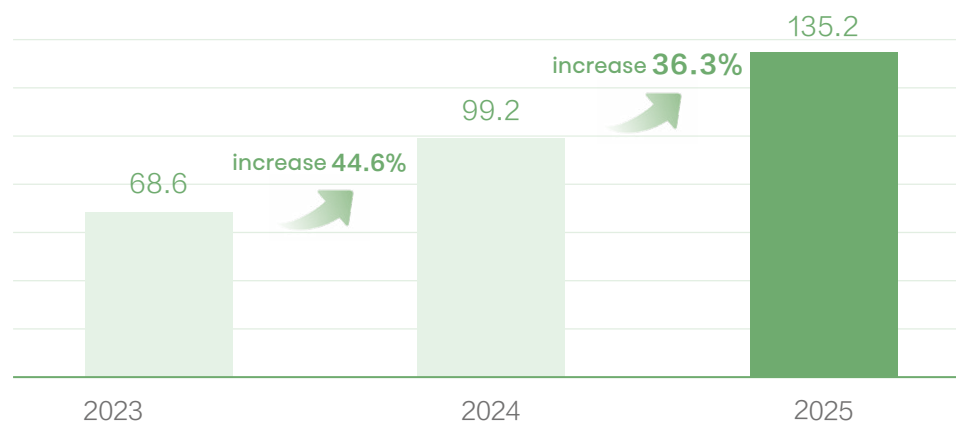
71,470 MWh

Hydropower consumption

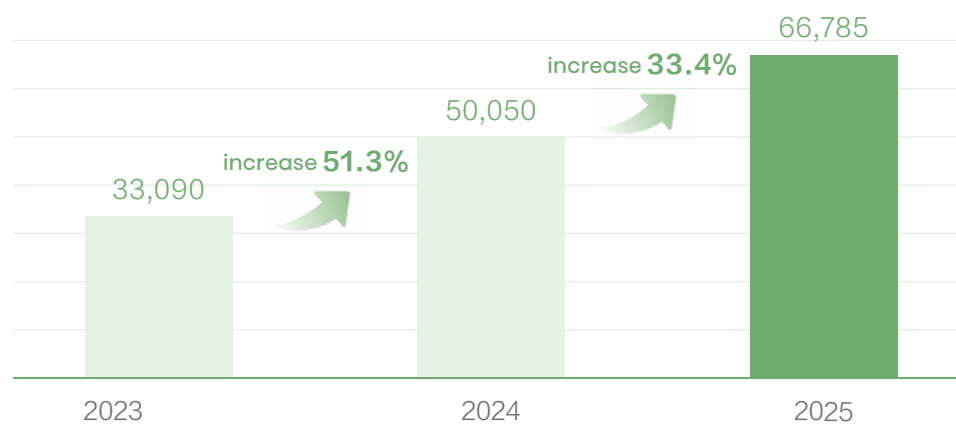
11,120 MWh

Green electricity certificate
purchased

66,784.60 MWh



Total Installed Photovoltaic Capacity in Industrial Parks (MW)



Total Purchases of Green Electricity Certificates (MWh)

Energy and Carbon Digitalization Management and AI Applications

Hisense deeply integrates the Internet of Things (IoT), big data, and AI technologies to build a central hub for energy and carbon digitalization, centered on the Intelligent Energy Management System (EMS) and Carbon Management System (CMS), covering the entire process of "monitoring-analysis-control-optimization." In 2025, smart meter coverage increased to **90%**, enabling real-time, precise monitoring of energy consumption and carbon emissions at domestic production bases. Our "Panoramic Carbon Cockpit" facilitates multi-dimensional, in-depth analysis of organizational and product carbon footprints, providing precise decision support for emission reduction strategies. In the field of public auxiliary equipment, we have developed proprietary AI intelligent control algorithms that empower systems such as air compression and refrigeration to dynamically adjust operating parameters based on production loads, achieving "on-demand energy supply." Hisense Visual Technology has reduced its year-on-year steam consumption by **over 14%** through AI technology, while Hisense Hitachi Company has lowered carbon emissions from raw materials by **21.4%** through platform optimization. Digitalization is becoming a powerful engine driving significant improvements in energy efficiency.



Hisense Visual Technology's Panoramic Carbon Cockpit and Supplier Carbon Management Cockpit



Hisense Visual Technology achieves significant energy savings by introducing intelligent and AI-based control technologies

In 2025, Hisense Visual Technology addressed energy consumption pain points in production, such as large fluctuations in steam consumption and inefficient energy use by general-purpose equipment, by leveraging intelligent and AI technologies to carry out system transformations and equipment upgrades.

Hisense Visual Technology independently developed an adaptive ambient temperature control algorithm to adjust heating intensity based on the actual needs of different time periods and areas. It also launched a special improvement initiative for steam loss, reducing year-on-year steam consumption by **7.4%**. For core steam-consuming units, a smart temperature control platform was established to dynamically adjust heating parameters in various zones in response to outdoor temperature changes, enabling on-demand steam supply and further reducing steam consumption by **6.8%**.

Simultaneously, AI-powered intelligent control technology was introduced for major energy-consuming equipment such as air compressors, refrigeration systems, and air conditioners to adjust their operating status in real time according to production loads and match corresponding energy supply strategies. The Hisense Visual Technology factory in Vietnam has deployed a smart factory system, enabling real-time monitoring and intelligent management of the entire energy consumption process, resulting in an overall energy consumption reduction of **7.4%**.

Green Operations

In the daily operational management, Hisense comprehensively standardizes control regulations for resources such as water, electricity, and office supplies. We implement energy-saving measures across administrative, office, and logistical support scenarios. Concurrently, through comprehensive advocacy for green behaviors, Hisense promotes employee awareness, fosters the normalization of green operational practices, and solidifies the foundation for long-term, low-carbon operations.

In 2025, Hisense Group's headquarters organized a core low-carbon management team from subsidiary companies to participate in the "Greenhouse Gas Management Professional" special training program hosted by the China Certification and Accreditation Association (CCAA). Through systematic learning and assessment, 18 employees successfully obtained their certification. This has enhanced Hisense's professional skills and compliance levels in key areas such as carbon inventories and carbon accounting, laying a solid talent foundation for the further advancement of the green and low-carbon strategy.



Hisense International Center's refined energy-saving management reduces public area electricity consumption by 22%

Hisense International Center actively practices the concept of green and low-carbon operations. Through intelligent and refined energy consumption control, it continuously optimizes building energy efficiency, effectively reducing operational carbon emissions and energy costs. The project eliminates inefficient energy consumption through measures such as adjusting the operating times of high-energy-consuming equipment, optimizing elevator maintenance and operation modes, and meticulously managing lighting and illumination systems. For the HVAC and fresh air systems, the Intelligent Building Management System (IBMS) is used to centrally control the temperature of air conditioning in public areas. Time controls and PM2.5-linked sensors have been added to public area air conditioners and fresh air units, enabling intelligent start-stop and on-demand operation to maximize energy efficiency.

Through the implementation of multiple green and energy-saving control measures, the project has achieved significant results in energy consumption management. In the second half of 2025, the property's electricity consumption in the public areas of Hisense International Center saw a notable decrease, with total electricity use falling by **22.09%** year-on-year, and electricity costs dropping by **24.31%** year-on-year.



Hisense International Center

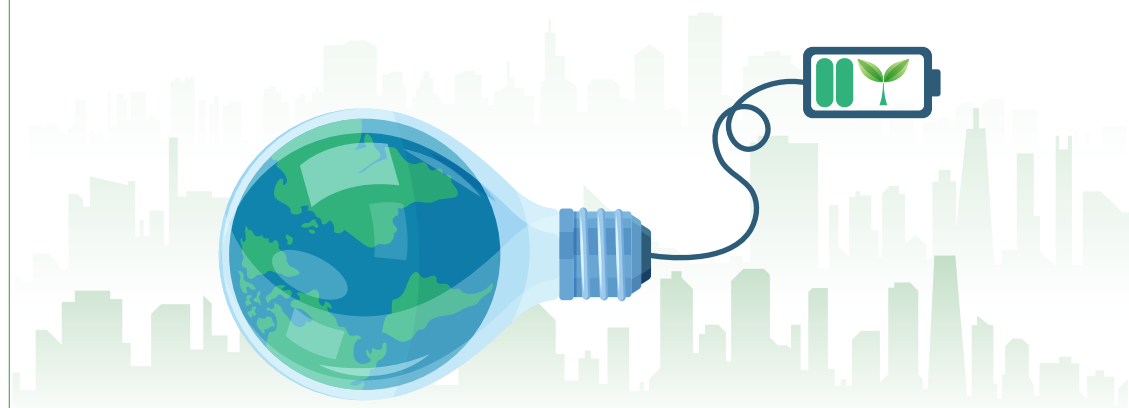


Hisense actively participated in the "Earth Hour" campaign, enhancing the energy conservation and environmental protection awareness of all employees.

Hisense continues to deeply focus on the "H-Green Office Low-Carbon Business" brand, enhancing its low-carbon operation level, practicing the concept of green office, advocating an environmentally friendly lifestyle, and motivating employees to take actions to protect the beautiful earth. In 2025, we actively participated in the "Earth Hour" event, turning off the lights for one hour at the headquarters, Hisense International Center, and conducting environmental protection publicity to enhance employees' awareness of energy conservation and environmental protection.



Hisense International Center's "Earth Hour" Campaign

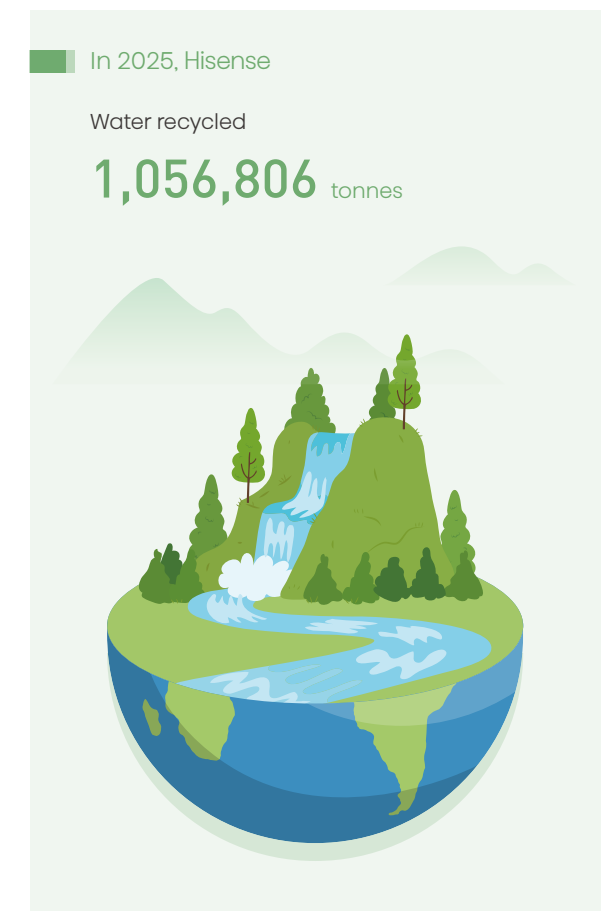
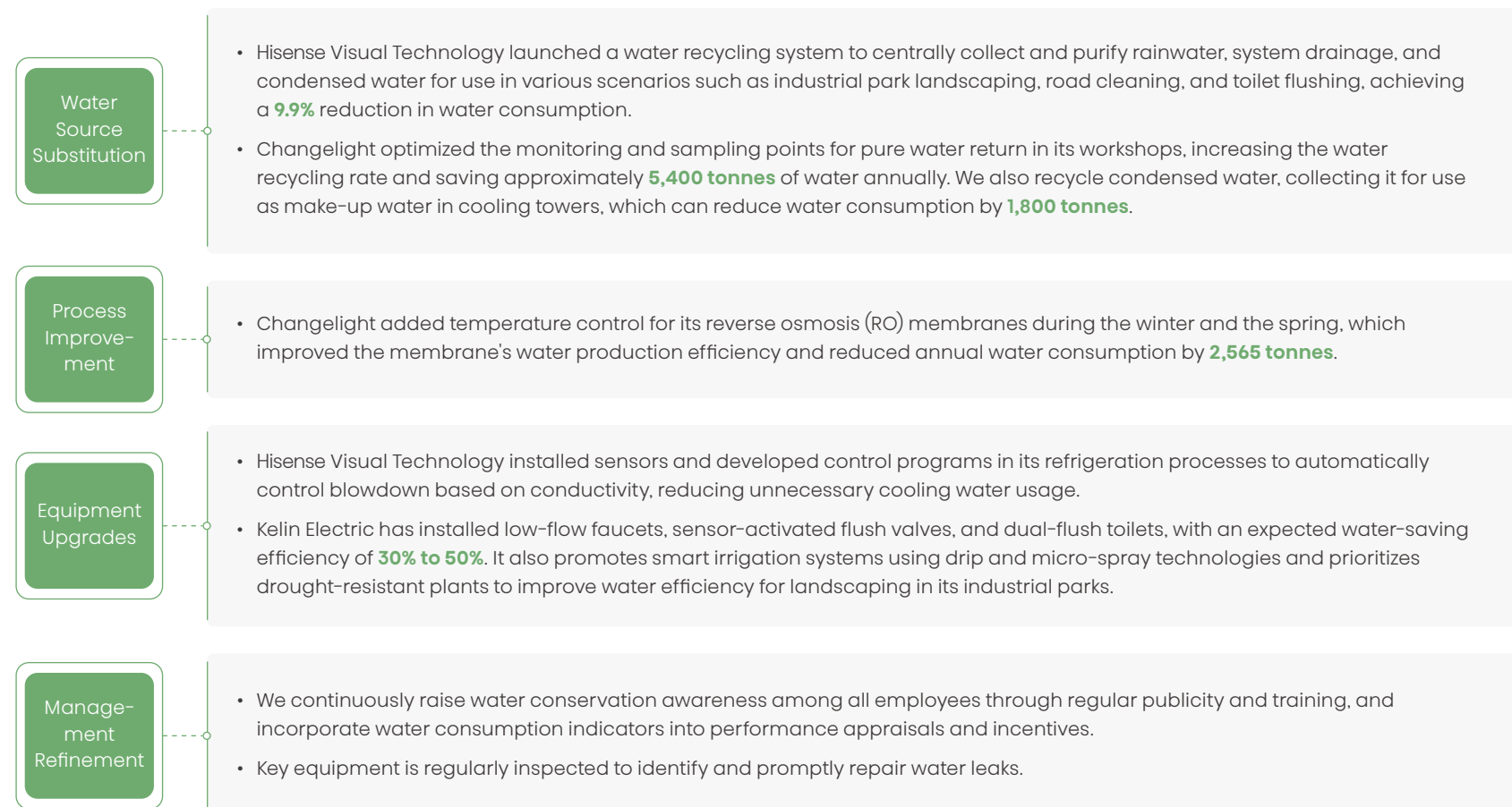


Water Resource Management

Hisense strictly complies with the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and relevant laws and regulations in operating locations. We have coordinated the advancement of water resource management, focusing on efficient utilization, recycling and reuse, and compliant discharge to implement comprehensive water resource protection measures. We encourage subsidiary companies to formulate specialized systems such as the *Administrative Measures for Water Conservation*. Additionally, indicators like water use efficiency and water-saving results are integrated into performance assessments, creating a long-term management mechanism driven by targets, supported by systems, grounded in execution, and reinforced by evaluations.

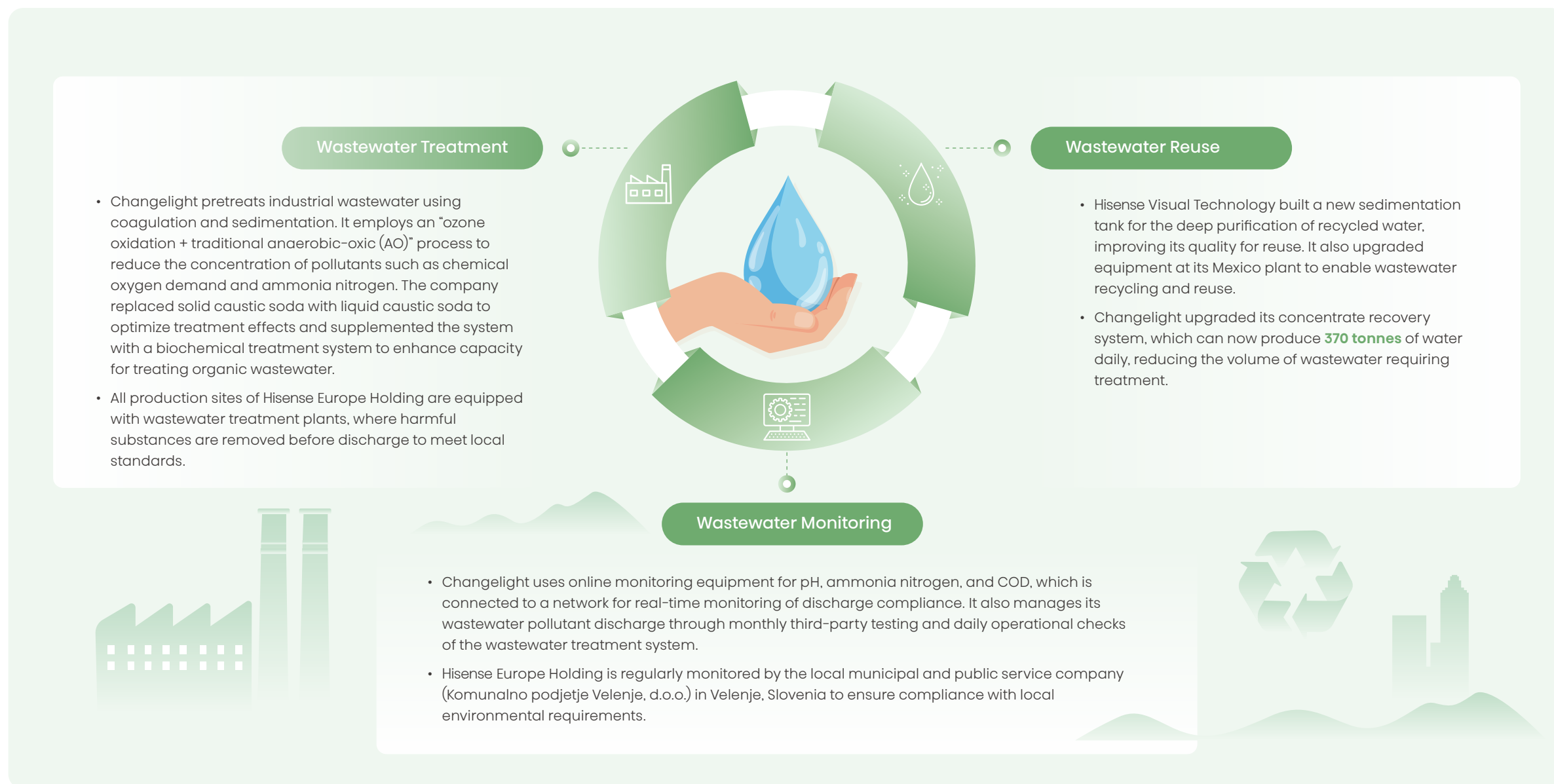
Efficient Use of Water Resources

We focus on the overall direction of efficient and intensive use of water resources, enhancing water recycling and water use efficiency through process optimization, equipment upgrades, and personnel management, with remarkable results.



Wastewater Discharge Management¹¹

Hisense strictly adheres to the legal and regulatory requirements for water pollution prevention and control in production and operational locations. We have formulated systems such as the *Wastewater Management Regulations*, making compliant discharge the primary principle of wastewater management. This ensures that sewage is discharged in accordance with applicable standards, while also seeking potential opportunities for wastewater reduction and recycling. In 2025, there were no cases of major administrative penalties or criminal liabilities related to wastewater discharge.



¹¹ Quantitative data related to wastewater (and wastewater pollutants) only covers Hisense's operations within the People's Republic of China.

Waste and Pollutant Management ¹²

Hisense strictly complies with the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and relevant laws and regulations in operating locations. We have coordinated the advancement of water resource management, focusing on efficient utilization, recycling and reuse, and compliant discharge to implement comprehensive water resource protection measures. We encourage subsidiary companies to formulate specialized systems such as the Administrative Measures for Water Conservation. Additionally, indicators like water use efficiency and water-saving results are integrated into performance assessments, creating a long-term management mechanism driven by targets, supported by systems, grounded in execution, and reinforced by evaluations.

Exhaust Gas Management

Hisense strictly adheres to the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and local environmental laws and regulations in all operating locations. It upholds the governance principle of "source reduction, process control, and compliant discharge" to systematically manage and continuously reduce the impact of the production and operational activities on regional air quality. We have built a full-chain exhaust gas management system to achieve refined control across three dimensions: source, process, and end-of-pipe. In accordance with systems such as the *Exhaust Gas Management Regulations* and the *Pollution Accident Prevention and Emergency Plan Management Regulations*, each subsidiary company clarifies responsible departments, environmental facility configurations, technical standards, and daily supervision requirements. This ensures the implementation of comprehensive control from source to end-of-pipe, continuously strengthening exhaust gas management capabilities.

At the source reduction level, we minimize the generation of exhaust gas pollutants by optimizing production processes and implementing proactive pollution controls. At the process control level, we continuously upgrade environmental protection equipment and optimize production processes to enhance the effectiveness of exhaust gas treatment, while relying on routine equipment operation and maintenance management to eliminate the risk of exceeding emission standards. At the compliant discharge level, Hisense has comprehensively established a system for collecting and monitoring exhaust gas data. Some production bases have achieved 24-hour dynamic online monitoring and regularly commission professional third-party agencies to conduct compliance testing, ensuring that the concentration and total volume of exhaust gas emissions consistently meet legal standards.



Source Reduction

- Hisense Home Appliances dismantled the spraying processes in the freezer workshops of three factories, reducing annual exhaust gas emissions by **39.68 million cubic meters**.
- Hisense Visual Technology significantly reduced organic waste gas emissions through process adjustments such as eliminating the printing process in the light guide plate workshop and optimizing production requirements in the side sealant workshop. In 2025, its total non-methane hydrocarbon emissions decreased by **92.77%**.
- Changelight has reduced its exhaust gas emissions by lowering the dosage and concentration of chemical agents used in production, switching to different types of agents, optimizing process reactions, and implementing exhaust gas pretreatment measures.



Process Control

- Hisense Home Appliances improved the collection and disposal efficiency of exhaust gases by upgrading collection hoods and replacing graphite dust collectors.
- Changelight implements differentiated treatment paths for various pollutants such as organic waste gas, acid gas, and ammonia to enhance treatment efficiency: organic waste gas is treated using a "zeolite runner adsorption + regenerative thermal oxidizer (RTO)" process; acid gas is purified through an alkaline absorption counter-current spray tower; and ammonia is recovered and utilized through a "fan pressurization + hot air cooling + ammonia water recovery" process.



Compliant Discharge

- Kelin Electric upgraded the environmental protection facilities for its structural, electronics center, and instrumentation production lines, equipping them with a two-stage activated carbon adsorption and purification system to further reduce VOC emission concentrations through physical adsorption and deep purification;
- Since 2009, Hisense Europe Holding has conducted operational monitoring of atmospheric emissions from fixed pollution sources at designated permanent measurement sites every three years, in accordance with its environmental permit regulations.

¹² Quantitative data related to waste gas (and waste gas pollutants) and waste only covers Hisense's operations within the People's Republic of China.

Waste Management

Hisense strictly adheres to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. We uphold the principles of “reduction, resource recovery, and harmlessness” and enhance the waste management system focused on “source reduction first + full-process closed-loop control.” Each subsidiary has formulated and implemented systems including the *Solid Waste Control and Management Procedures*, *Solid Waste Management Standards*, *Hazardous Waste Management Operating Standards*, *Hazardous Waste Management System*, and *Scrap Material Operating Procedures*. These systems standardize the requirements for sorting, collecting, storing, transporting, and disposing of all types of waste. With compliant disposal as the baseline, we simultaneously promote source reduction and resource recycling.

Hisense is deeply committed to reducing solid waste and promoting resource utilization at the production end. We actively advance the development of a “zero-waste factory” system and have successfully established multiple “zero-waste factories” at subsidiaries such as Hisense Refrigerator Company, Hisense Air Conditioning Company, and Hisense Mold Company. By optimizing production processes, implementing refined solid waste sorting management, and building a resource recovery and reuse system, we have achieved excellent results in solid waste management. The comprehensive utilization rate of general industrial solid waste exceeds **90%**, and all hazardous waste undergoes **100%** standardized and harmless disposal, reducing waste generation at the source and enhancing resource recycling efficiency.

Non-Hazardous Waste		Hazardous Waste
Source Reduction	Kelin Electric optimizes raw material utilization to reduce scrap and surplus materials. Process improvements lower the defect rate, minimizing waste from defective products during production. On its transformer and mutual inductor production lines, the company has implemented a green upgrade for chemical packaging, replacing 25kg small packages with one-ton containers and 200kg recyclable steel drums, which reduces the use of small packaging barrels by 2,760 units annually.	When procuring chemicals, Changelight prioritizes suppliers that offer empty drum recovery services to reduce chemical packaging waste. The company extends the service life of tank solutions to lower the generation of waste liquid. Leveraging an intelligent monitoring system for hazardous waste storage, it has enabled real-time reporting and warehousing of waste generation and automatic printing of QR code labels, thereby improving the precision and traceability of hazardous waste management.
Sorting, Collection, and Storage	- Kelin Electric has refined the sorting of production waste materials, incorporating waste copper, scrap steel, waste plastic turnover boxes, waste plastic pallets, and waste electronic components into its recycling and disposal scope. In 2025, the recycling and reuse rate of these waste materials exceeded 99%; - Hisense Visual Technology has upgraded its digital “Waste Materials Management and Control System,” creating an integrated online process for the handover, settlement, and disposal of old materials. This provides an efficient tool for the purchasing department and suppliers to collaborate on recycling, significantly improving the recycling efficiency of packaging and other recoverable materials; - Hisense has established a full-lifecycle ledger management system for solid waste, enabling traceability throughout the entire process from generation, collection, and storage to transportation, utilization, and disposal.	- Hisense maintains dedicated ledgers for hazardous waste, has established specialized warehouses for its storage, sorts and stores hazardous waste by category, and affixes clear hazardous waste labels, achieving 100% standardized closed-loop management; - Hisense utilizes an intelligent supervision system to further ensure the accuracy of electronic ledgers and full-process traceability, which significantly reduces operational compliance risks.
Harmless and Resource-Based Disposal	- Hisense sorts waste based on recyclability. Recyclable waste is sent to designated collection points for processing by compliant recyclers, while non-recyclable waste is uniformly entrusted to professional third-party organizations for compliant disposal; - At the Qingdao factory, Hisense Visual Technology recycles waste plastic into pellets. These recycled plastic particles are then returned to the production line to manufacture plastic casings for products.	- Hisense strictly implements the manifest system for waste transfer, ensuring that information is consistent and traceable throughout the entire process of hazardous waste generation, transportation, and disposal; - Hisense commissions qualified disposal units to handle waste through methods such as incineration and secure landfill; - Changelight entrusts suppliers with recycling qualifications to recover and reuse hazardous waste such as organic solvents, waste lead-acid batteries, waste acids, and waste oils.



Gorenje factory serves as a core industrialization demonstration base for the EU plastics recycling project, implementing a large-scale plastic recycling model

In 2025, the European Union launched the cross-regional industrial symbiosis project "INCIRCULAR," which integrates the complementary capabilities of Slovenia, Spain, and France to promote the transition of circular technologies from the laboratory to large-scale application.

As the project's sole industrial-grade demonstration base, the Hisense Gorenje factory adopted the technology development team's **100%** recycled plastic preparation process. It completed the full validation of technology maturity, from system prototype to actual operation, achieving mass production of recycled plastics. In collaboration with resource regeneration enterprises, the factory established an on-site system for collecting, sorting, and recycling plastic waste, directly feeding secondary raw materials into the injection molding production chain, which significantly reduces logistics losses and carbon emissions. Simultaneously, by integrating digital twin technology for plastic injection molding, the factory achieves precise control of production parameters through full-process digital simulation and real-time optimization, providing critical technical assurance for the stable production of secondary raw materials and consistent product quality.

In 2025, Hisense

Zero-carbon Factories

46,830 Tonnes

Hazardous waste recycled

1,840 Tonnes

Hazardous waste
compliant disposal rate

100 %

0.0065

decrease 3.08%

0.0063

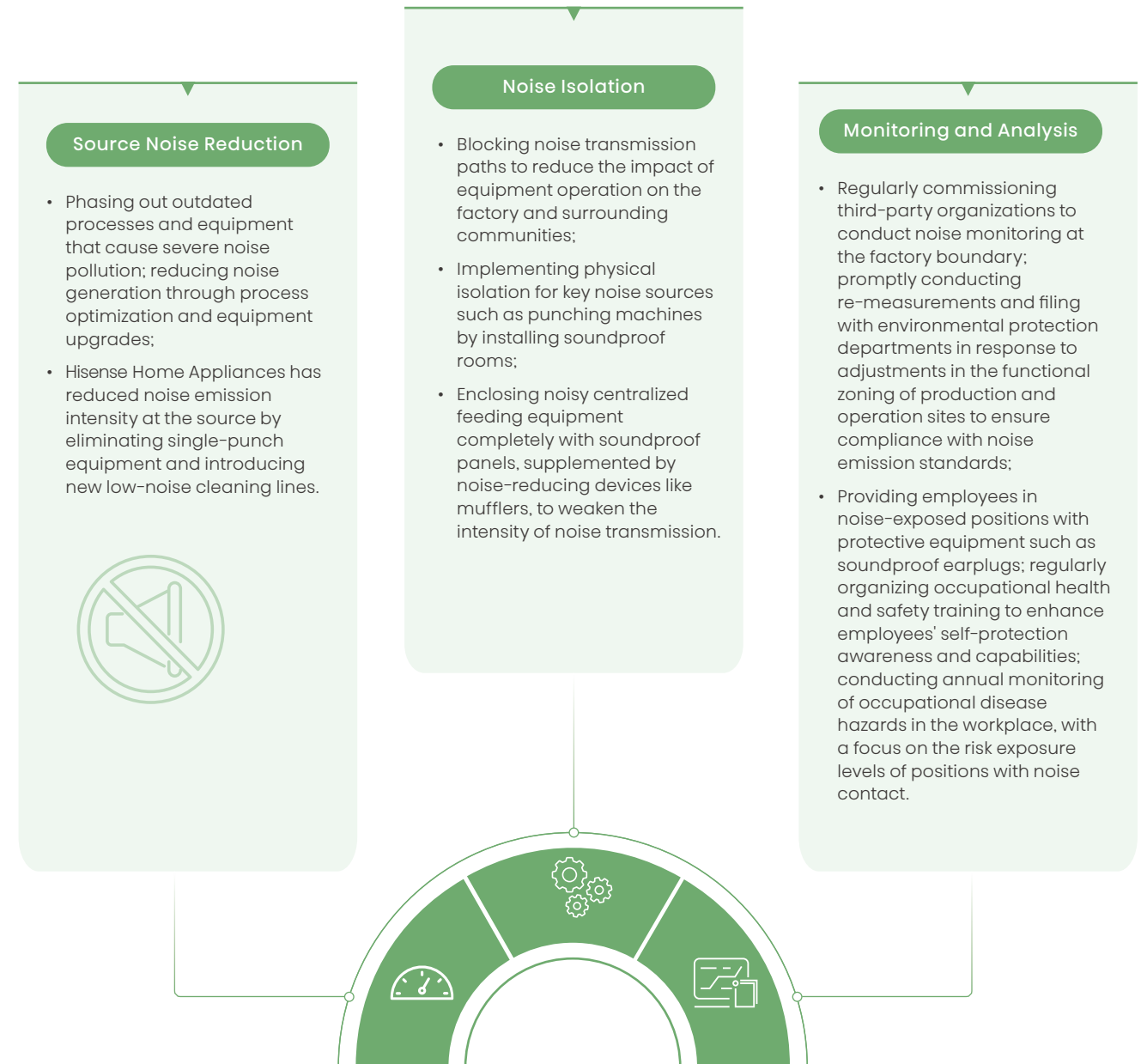
2024

2025

Waste Generation Intensity (tonnes/RMB 10,000 in Operating Revenue)

Noise Management

Hisense strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution* and takes preventive measures based on noise generation and transmission processes. These measures cover the entire process of source control, process mitigation, and monitoring and protection. They balance the environmental impact of production operations with the occupational health rights and interests of employees, ensuring a low-noise, healthy production and operating environment. In 2025, the compliance rate of monitoring data at production bases was **100%**.



Resource Utilization and Circular Economy

Guided by the “3R principles” of the circular economy—Reduce, Reuse, and Recycle—Hisense is progressively building a resource management framework that covers the entire product lifecycle. We embed circular concepts into every stage, including product design and R&D, raw material procurement, production and packaging, transportation and warehousing, usage, and end-of-life recycling. Through technological innovation, service extension, and ecosystem collaboration, Hisense is driving the shift from consumption to closed-loop regeneration. This circular economy model not only supports Hisense’s green and low-carbon transformation but also enables consumers and supply chain partners to participate in sustainable practices, truly unifying economic value and environmental benefits.

Design and R&D

- From the product design stage, we implement the “four-lows principle”: low raw material consumption, low resource demand, low product energy consumption, and low recycling cost. By upgrading materials, optimizing structures, reducing energy consumption, and improving energy efficiency, Hisense creates green products with high resource efficiency (for details, see [Sustainable Products](#) 🖱️).

Raw materials

- In the raw materials procurement process, priority is given to materials that can be recycled or regenerated (for details, see [Sustainable Supply Chain](#) 🖱️). Concurrently, we actively pursue R&D and innovation in recycled materials to promote the large-scale and industrialized application of materials such as recycled plastics and metals.

Production and packaging

- At the factory level, we continuously optimize the use efficiency of resources such as water, electricity, gas, raw materials, and packaging materials, and promote green production. On one hand, we actively explore the internal potential for recycling and reuse; on the other, we explore introducing externally recycled and renewable resources to promote a closed-loop manufacturing process (see Addressing [Climate Change](#) | [Energy Management](#) | [Water Resource Management](#) | [Waste and Pollutant Management](#) 🖱️), thereby improving the input-output performance of production processes.



End-of-life and recycling

- Adhering to the Extended Producer Responsibility (EPR) concept, we promote a “repair over replace” service philosophy by establishing a global network of professional repair outlets and door-to-door service teams, ensuring the supply of critical spare parts and access to professional repair services. Additionally, it has built an integrated online and offline network for recycling and resource recovery of used home appliances. We expand its collection coverage through diverse channels such as official trade-in programs and community collection points, promotes standardized end-of-life disposal, and collaborates with partners in the environmental dismantling and remanufacturing industries to continuously improve the recycling and resource recovery rates of end-of-life products. (See [E-waste Recycling](#) 🖱️)

Use

- At the user end, we enhance product energy efficiency to reduce energy consumption during the operational phase. It leverages technological innovation to create a green, low-carbon, smart, and comfortable user experience. Concurrently, we optimize product durability and ease of maintenance, increase the reuse efficiency of components, lower the overall scrap rate, and extend product lifespan. (See [Sustainable Products](#) 🖱️)

Transportation and warehousing

- We have built a low-carbon and efficient smart logistics system, integrating green concepts into all aspects, including warehouse layout, trunk line transportation, and operational management. This improves warehousing and transport efficiency, promotes a transition to clean transport capacity, and reduces the carbon emissions and environmental impact of logistics operations. (See [Green Logistics and Warehousing](#) 🖱️)

Green Logistics and Warehousing

Hisense deeply integrates green logistics development into the ESG framework, advancing green transformation and digital upgrades across the entire logistics chain. We comprehensively reduce carbon emissions in logistics, enhance operational efficiency, and steadily build a sustainable modern logistics system.



Upgrading to Low-Carbon Transport Capacity

To promote carbon and emission reductions in the logistics sector, we have comprehensively carried out the retirement of high-emission vehicles and the expansion of EV capacity. By 2025, all 63 National III standard fuel vehicles for regional distribution will be phased out. Concurrently, we have standardized warehouse operations, strictly prohibiting fuel-powered clamp trucks and forklifts from entering warehouse areas. We vigorously promote electric warehousing equipment, increasing the electrification rate of such equipment from **98.5%** at the beginning of the year to **99.6%**.

We have established a regular update mechanism for EV, formulating annual vehicle renewal plans that are tracked and supervised quarterly. In the bidding process for delivery service providers, the number of EVs owned is included as an evaluation criterion, with a preference for green transport partners under equal conditions. In 2025, the number of EV delivery vehicles increased from 130 to **170**, continuously expanding the scale of the low-carbon delivery fleet.



Empowering with Smart Dispatching

The intelligent dispatching project has been fully implemented, achieving comprehensive and stable intelligent dispatching coverage across 11 domestic base dispatch centers. Relying on AI algorithms to calculate and generate optimal transportation plans, we continuously optimize trunk line transport routes. In 2025, the trunk line transportation distance per unit of cargo was reduced to 1,064 kilometers, a year-on-year decrease of **25 kilometers**, resulting in a cumulative annual reduction of approximately **944.45 tCO₂e** and effectively lowering the energy consumption and carbon footprint of trunk line logistics.

At the same time, we used digital means to enhance overall logistics operational efficiency by optimizing load factors and reducing empty vehicle runs through algorithms. It has optimized the global product stocking system by pre-positioning goods at warehousing nodes closer to end markets, thereby shortening delivery radii. This not only improves fulfillment times and customer satisfaction but also further achieves energy savings and carbon reduction.



Deepening Digital Transformation

We actively promote the electronic and paperless transformation of the entire logistics and service chain. In April 2025, a pilot program for paperless logistics shuttle services was launched at the Pingdu base, completely eliminating paper waybills. A total of **29,990** shuttle service orders were processed throughout the year, saving a cumulative total of **149,950** paper documents.

We continuously iterate our digital service system by upgrading the HCRM order system and launching a visual dashboard for service management. This integrates logistics node data to achieve end-to-end visualization of order management. Customers can query estimated delivery times and sourcing methods in advance, while the transportation trajectory and routing status of the entire order fulfillment process are available in real-time. This not only reduces paper materials but also enhances service control capabilities and operational transparency.



Promoting Circular Packaging

In B2C last-mile delivery scenarios, we are fully promoting the use of recyclable green protective packaging to replace traditional single-use packaging materials. This approach not only enhances product protection and reduces damage rates during transportation but also significantly decreases the consumption of disposable packaging materials, enables the circular use of packaging resources, and drives the green development of last-mile logistics.



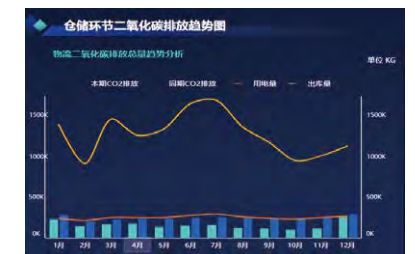
Lean Warehouse Management

Revitalizing Warehouse Space and Improving Operational Efficiency

We conduct special trials based on product safety standards to scientifically increase the number of stacking layers for goods, thus maximizing the value of vertical warehouse space. We have also fully implemented standardized shelf layouts and systematically optimized warehouse space planning, effectively increasing storage capacity ratio and storage capability per unit area to achieve efficient utilization of warehousing resources.

Visualizing Energy Consumption and Carbon Emissions for Refined Control

A large-screen monitoring system for warehouse carbon emissions has been established to provide real-time statistics and centralized display of key data such as warehouse electricity consumption and carbon emissions. This achieves visualization and traceability of carbon emission data in the warehousing segment, providing data support for future energy-saving renovations and low-carbon operational optimizations.



Warehouse Energy and Carbon Data
Visualization

E-Waste Recycling

Proper recycling and standardized disposal at the end of a product's lifecycle are the final steps to closing the resource loop. Hisense has established a comprehensive recycling system, improved collection channels, and enhanced the recovery and resource utilization levels of end-of-life products. We have built an end-to-end recycling system for used products covering consumers, collectors, dismantlers, and recyclers, creating an integrated online-offline network that supports the collection of all brands of old appliances to encourage consumer participation. As of the end of 2025, a cumulative total of **over 4.3 million** old appliances had been recovered.



Recycling Programs and Incentives

- Providing consumers with end-to-end services, including demand capture, user interaction, old appliance valuation, reverse logistics for old appliances, new appliance selection, and new appliance installation;
- In addition to government subsidies, introducing tiered discounts such as "government-enterprise dual subsidies" and "bundle purchase subsidies," complemented by benefits like FIFA Club World Cup tickets and celebrity player merchandise.



Recycling Network and Channels

- Leveraging the "Internet + Recycling" model, collaborating with leading e-commerce platforms to provide users with an integrated "delivery, installation, dismantling, and collection" service, supporting online valuation, scheduled at-home pickups, or mail-in recycling;
- Offering convenient recycling services through physical stores across China, including Hisense specialty stores, Hisense Aijia community stores, and quality trade-in themed stores;
- Covering all brands and categories of display and home appliance products under Hisense, and also supporting the recycling of old appliances from other brands.



End-of-Life Disposal and Circulation

- Signing an *Appliance Recycling Cooperation Agreement* with qualified recyclers to manage the collection, transportation, and dismantling of end-of-life home appliances, promoting the resource reuse of materials such as metals and plastics.



Hisense's 2025 "Caravan Tour" brings recycling services to residents' doorsteps

In 2025, Hisense responded to the national "trade-in for new" policy by launching a caravan tour across **more than 400** counties and urban districts nationwide, bringing recycling services directly to communities and townships. **Over 3,800** special events were held throughout the year, resulting in the collection of nearly **500,000** old televisions. As part of this initiative, we launched the "Enjoy Shopping in Qingdao, Delight in Consumption" Hisense Home Appliances "Six Entries" series of events in Qingdao in March. By entering communities and townships, we integrated old appliance valuation, policy consultation, and at-home collection into a one-stop process. Residents could complete the trade-in on the spot without needing to understand policy details or arrange logistics separately, which increased policy coverage and participation convenience.



The 2025 Hisense Caravan Tour

Ecosystem and Biodiversity Protection

Hisense consistently upholds the responsibility for ecological protection, strictly regulating own operations and practices throughout the entire value chain. We proactively avoid negative impacts on natural ecosystems and actively participate in global ecological governance and biodiversity protection efforts, contributing to global ecological sustainable development through concrete actions.

Principles and Commitments

Hisense actively responds to international initiatives such as the *Convention on Biological Diversity* and the *Kunming Declaration*, fully endorsing and practicing global biodiversity protection goals and development principles. We deeply integrate the concepts of ecological and biodiversity protection into all business processes, strictly adhere to the baseline of ecological protection, and resolutely prohibit any development or destruction of primary forests, high-conservation-value areas, and habitats of endangered species. We rigorously control the approval of raw materials, forbidding the use of illegally harvested or unsustainably sourced forest-based materials like timber and natural rubber in products and packaging. Concurrently, Hisense actively promotes a green procurement system, prioritizing the use of sustainable raw materials certified by internationally authoritative standards such as FSC, PEFC, and the EU Deforestation-free Regulation (EUDR). This strengthens biodiversity protection from the source of the supply chain, building a green, compliant, and sustainable supply chain ecosystem.

Full-Lifecycle Ecological Management

Hisense integrates biodiversity protection into the regular environmental management system, covering the full lifecycle from project site selection, engineering and construction, and production and operation to site decommissioning. Through systematic and standardized environmental controls, Hisense minimizes the disturbance and damage to ecosystems from the production and operational activities.

During the project planning and site selection stages, we adhere to the principle of prioritizing ecology by giving preference to revitalizing existing industrial land and developed areas, proactively avoiding ecologically sensitive zones such as nature reserves, wetlands, and primary forests, and strictly implementing environmental impact assessment systems to comprehensively identify, predict, and mitigate potential ecological risks. Throughout the project construction and daily operation phases, we minimize the interference of industrial activities on the habitats of surrounding flora and fauna and promote the harmonious coexistence of industrial production and the natural ecosystem through measures including standardized construction management, refined treatment of wastewater and exhaust gas, and strict control of light and noise pollution.

At the same time, Hisense's biodiversity protection efforts are deeply integrated and synergistic with green initiatives, including low-carbon reduction, intensive use of water resources, solid waste reduction and resource recovery, and circular product design. By improving energy efficiency and reducing carbon emissions, we effectively alleviate the ecological encroachment pressure from expanding energy infrastructure. By promoting paperless offices and popularizing recyclable, eco-friendly packaging, we reduce the consumption of forest resources at the source. This multi-dimensional and systematic ecological governance model makes environmental management more holistic and collaborative, continuously amplifying the comprehensive benefits of ecological protection.

Promoting Joint Ecological Protection with Global Communities

Hisense is committed to fostering an ecological culture and co-building local ecosystems, promoting the implementation and widespread dissemination of the biodiversity protection concept. Through regular environmental protection training, green office advocacy, and employee ecological volunteer services, we cultivate an awareness of ecological protection among all staff and solidify the cultural foundation for green development within the enterprise. Concurrently, leveraging our global and local presence, we actively carry out ecological public welfare and environmental science popularization projects, transmitting the concept of a green ecology to global communities and encouraging public participation in ecological protection. In 2025, Hisense Dubai received **ESG certification** recognition from the **Dubai Chamber of Commerce** for its long-term commitment to local ecological public welfare and continuous participation in specialized biodiversity protection actions, such as sea turtle conservation.



Hisense Japan has participated in and supported the Blue Flag international beach conservation volunteer event seven times

In November 2025, at Kugenuma Beach in Fujisawa City, Kanagawa Prefecture, Japan, employees of Hisense Japan participated in the "Clean Beach and Beach Sprint Experience" event initiated by the beach conservation non-profit organization Blue Flag. They worked together to clean up beach litter and educate local residents about marine environmental protection. The event attracted employees and local residents. Hisense Japan has participated in this event a total of seven times.



Hisense Japan Employees Participating in the Blue Flag International Certification Volunteer Event for Beach Conservation



Hisense South Africa participates in the Hermanus Whale Festival, using technology and interaction to spread the concept of marine conservation

During the 2025 Hermanus Whale Festival in South Africa, Hisense South Africa actively participated in local marine ecological protection initiatives by planning and launching an environmental-themed public interactive event. The event featured marine knowledge display boards, parent-child Q&A sessions, and a technology experience zone to educate the public about whale conservation and marine biodiversity, advocating for a sustainable lifestyle.



Hisense South Africa's Environmental-themed Event at the Hermanus Whale Festival

04

Talent Appreciation and Collective Growth

Empowering employees to grow healthily and coalesce the team's development momentum.

Upholding the philosophy that "technology is the root, innovation is the soul, and talent is the foundation," Hisense adheres to a corporate spirit of respect for people and a dedication to work. The Group establishes diverse career development pathways, implements digital and global talent training mechanisms, ensures equal employment and comprehensive employee care, strictly observes international occupational safety standards, empowers employee growth through multifaceted initiatives, and fosters the collective strength of its global team.

✦ Relevant Sustainable Development Topics

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



Targets and Progress

Topic	Indicator	Target	2025 performance	Status
 Occupational Health and Safety	Coverage Rate of Occupational Health and Safety Certifications	100%	100% coverage of all operational sites in China	
	Occupational Safety Training	Deepen awareness of occupational safety protection	Over 128,000 employee participations in safety training	
	Safeguard Working Environments	Continuously optimize employees' working environments and safeguard their health	Establish an occupational health assessment mechanism covering the entire Group	
	Domestic Recordable Injury Rate per 200,000 Working Hours	<0.1	0.012	
 Employee Development and Training	Number of Employee Training Sessions	Continuously increase employee training efforts	Held 6,646 employee training sessions	
	Specialized Talent Training	Conduct specialized talent training aligned with Hisense's development strategy	Conducted specialized talent training in internationalization and AI digitalization	
	Empowering Employee Development	Formulate personalized development paths based on employee characteristics	Improved the layered and graded training system classified by sequence and rank, establishing development programs such as the "Action-based Program," "Summit Program," "Information-exchange Program," "Information-exchange Plus · President Class"	
			Launched and applied the "Talent Development Intelligent Agent"	
			Over 70 management cadres selected through competitive recruitment	



Completed



Ongoing

Employee Rights Protection

Hisense is committed to creating a fair and just promotion mechanism and a diverse and inclusive workplace atmosphere. We provide employees with comprehensive benefits, competitive compensation, diverse promotion opportunities, and holistic development paths to foster mutual growth with all employees.

We strictly comply with the *Labor Law of the People's Republic of China* and relevant laws and regulations in our operating locations. We have established a sound human resources management organizational structure with clear responsibilities and authorities to ensure that employee rights are effectively protected and their voices are heard in a timely manner.



Hisense Human Resources Management Organizational Structure



Hisense 2026 Campus Recruitment Information Session and Roadshow



Hisense 2026 Campus Recruitment Online Information Session Live Stream



Hisense held Hi-Tech Open Day to precisely connect with top university tech talent

In 2025, Hisense organized the Hi-Tech Open Day event, inviting outstanding students from top universities such as Peking University, Zhejiang University, and Shanghai Jiao Tong University to visit Hisense; the event featured technical presentations by Hisense's chief scientists, tours of the Hisense R&D center, and interactive tech salons to create an immersive technology experience, aiming to reinforce the employer image of a "technology-based enterprise" and expand the influence of the Hisense technology brand through word-of-mouth from top university students.



The Hisense 2026 Campus Recruitment "Tech Open Day" Event

Talent Recruitment and Introduction

We regard talent as the core driving force for Hisense's innovative development and continuously build a diversified talent pipeline; centered on business development and job requirements, we have established and improved talent acquisition management systems such as the *Campus Recruitment Management Measures* and the *Social Recruitment Management Measures*, building a differentiated and precise recruitment system to attract outstanding talent with interdisciplinary backgrounds through diverse channels; at the same time, closely following our globalization strategy and the needs of our overseas business development, we focus on attracting overseas talent and building our employer brand, providing a solid talent pool for Hisense's global business expansion.

To support Hisense's global development and deepen our international talent layout, we have established a unified global campus recruitment system focused on targeted recruitment in two main areas: expatriate talent and overseas students. Expatriate positions primarily target key business areas such as marketing and technical support, with assignments dynamically configured based on annual international business needs, while overseas students are precisely attracted through special recruitment events and global channels and are selected through a standardized, end-to-end process.

In 2025, we collaborated with local business teams in places such as Singapore and the United Kingdom to plan and execute 8 overseas-focused campus recruitment events, reaching a total of over 80,000 people and attracting nearly 1,000 recent graduates to participate in person, which further deepened our cooperative relationships with local universities, significantly enhanced Hisense's appeal among young overseas talent, and continuously strengthened the influence of the Hisense overseas employer brand.

Equality, Diversity, and Inclusion

We uphold the core principles of fair employment and diverse inclusion, continuously improving our institutional safeguards and are committed to building a respectful, equal, and inclusive work environment. We explicitly prohibit any form of discrimination, ensuring all employees and candidates have equal opportunities.

We strictly abide by the *Labor Contract Law of the People's Republic of China* and the laws and regulations of the locations where we operate, signing labor contracts with employees based on the principles of equality and voluntariness, standardizing the procedures for contract conclusion, renewal, dissolution, and termination, and protecting the rights and interests of employees upon resignation or retirement in accordance with the law. We always practice the concept of diverse and inclusive employment and consider employees from ethnic minorities an important part of building our corporate talent pool. As of the end of 2025, Hisense employees from ethnic minorities¹³ accounted for **4.50%**.

As of the end of 2025, Hisense

Female senior executives accounted for

33.3 %

Employee Compensation and Incentives

We strictly comply with the requirements of relevant laws and regulations regarding equal pay for equal work, and with "equal pay for equal work, distribution according to work, and fairness and justice" as our core principles, we are determined to eliminate wage disparities caused by non-labor factors such as identity, gender, or region, protecting the right of all employees to equal pay for their work.

We have established a comprehensive and systematic compensation and incentive system, and have formulated and implemented the *Employee Performance Appraisal Management Measures* to scientifically set compensation standards, ensure remuneration matches contributions, and build a market-competitive compensation and benefits system. While guaranteeing basic salaries, we have established diverse incentive modules based on industry benchmarks and performance orientation, including performance bonuses, special awards, incremental incentives, and long-term incentives, ensuring the system is both fair and competitive in the market.

Employee Benefits and Care

We have built a care management system that covers all employees. We provide employees with comprehensive and diverse benefits and care measures in areas such as welfare items, rest and leave, logistical support, and health management, and we also organize a variety of recreational and sports activities to help employees relieve work-related stress, enhance their well-being, and boost their motivation.

Employee Welfare and Benefits

On top of implementing statutory benefits such as the "five social insurances and one housing fund" and legal holidays, we continuously build a rich and diverse employee care system, providing employees with a variety of supplementary benefits to fully focus on improving their physical and mental health and quality of life; at the same time, we implement personalized care plans tailored to the actual needs of different employee groups, such as cadres on unaccompanied assignments, families of overseas expatriates, and foreign experts, enhancing their sense of belonging and accomplishment through precise and compassionate support measures to achieve harmonious progress for both the enterprise and employees.

Onboarding Care	Onboarding Training
Maternity Support	Maternity Leave Prenatal Check-Up Leave Lactation Leave Paternity Leave Wedding Gifts Childbirth Allowances
Regular Leave	Statutory Holidays Leave to Accompany Children for School Entrance Elderly Care Leave Paid Annual Leave
Recreational and Sports Activities	Holiday Galas Sports Events
Health Management	Annual health check-ups Occupational health examinations Mental health care services Summer cooling benefits for front-line employees High-temperature subsidies Heating subsidies Mid-shift and night-shift allowances
Insurance and Protection	Pension Insurance Medical Insurance Unemployment Insurance Work-Related Injury Insurance Maternity Insurance Supplementary Commercial Insurance
Family Life	Housing provident fund First-home mortgage loans Preferential rental benefits Free apartments/housing subsidies for interns and new campus recruits Expert apartments/rental subsidies Internal discounts on home appliances Transportation subsidies
Holiday Greetings and Gifts	Holiday Greetings and Gifts Chartered Transport for Employees in Remote Areas During the Spring Festival Travel Rush New Year's Eve Dinner for Employees Staying at the Factory
Care for Female Employees	Nursing Rooms Designated Elevators for Pregnant Employees Mother's Day Activities Special Health Check-Ups for Women Various Activities for Female Employees
Other Care Initiatives	Hisense Seniority Allowance

Main Components of Hisense Employee Benefits

¹³ Percentage of Ethnic Minority Employees = Number of Hisense Ethnic Minority Employees / Total Number of Employees with Chinese Nationality.

Hisense Group has built an employee service center that integrates learning, leisure, food and beverage, and retail services, providing centrally managed, high-standard catering services to ensure food health and safety. We regularly organize activities such as legal aid, a mutual aid fund, one-RMB haircuts, six major recreational and sports activities, and employee birthday parties, sincerely caring for the lives of our employees and supporting their development.



Hisense Group's "Send Hisense Brothers and Sisters Home" Event During the Spring Festival Travel Rush



Hisense Employee Birthday Party

◎ Care for Overseas Employees

For our overseas employees, we continue to promote cultural integration and skills enhancement by building cross-cultural learning platforms and systematic training mechanisms. Through anniversary events, employee birthday parties, and integrated holiday celebrations, we foster deeper inclusion between domestic and overseas staff, taking root locally with a logic of "integrating globalization with localization" to better support and serve the global market.



Hisense Chile Team-building Event



Hisense Saudi Arabia Cultural Values Themed Event



Hisense Mexico factory held third employee family day, with nearly 100 families participating

In July 2025, the Hisense Mexico Factory held its "Third Employee Family Day," attracting nearly 100 employee families. Through interactive sessions and cultural experiences, the event enhanced the families' understanding of Hisense's values and boosted employee satisfaction and sense of belonging. Many families expressed that through this first-hand experience, they gained a deeper appreciation for Hisense's development concept and sense of social responsibility, and became more supportive of their family members' long-term careers at the company.



The "2025 Third Employee Family Day" at the Hisense Mexico Factory

◎ Employee Participation and Communication

We consider employee participation and communication a vital source of organizational vitality and are committed to establishing and improving institutionalized and diverse communication channels and feedback mechanisms to safeguard employees' right to expression. By conducting regular employee engagement surveys, we continuously optimize compensation and incentives, career development, and the working atmosphere to consistently inspire employees' sense of participation, identification, and belonging.

◎ Unimpeded Communication Channels

We have established institutionalized employee communication and feedback mechanisms, systematically collecting employee opinions and suggestions on corporate culture, management systems, and policy implementation through multiple channels such as public email inboxes, internal forums, executive afternoon teas, and meet-up events, thereby continuously listening to employees' voices and protecting their right of speech.

To regulate work orders and protect employee rights, we have set up independent complaint and reporting channels. Employees can file complaints through public email inboxes and other means, and upon receipt, administrators will immediately forward them to the relevant department to initiate an investigation. For whistleblowing complaints, we strictly enforce an information confidentiality system to protect the privacy of whistleblowers, ensuring that employees can report issues with peace of mind and without apprehension, thereby jointly fostering a fair, transparent, and healthy work environment.



Hisense held a series of "Executive Afternoon Tea" events, building a bridge for communication between grassroots employees and senior management

In March 2025, Hisense held the first "Executive Afternoon Tea" event, where 11 grassroots employees from R&D, marketing, manufacturing, and other sectors exchanged ideas with the Chairman, Chief Talent Officer, and Chief Information Officer of Hisense Group. Participating employees included both veteran staff with over ten years of service and new hires. The "Executive Afternoon Tea" event aims to break down hierarchical communication barriers and ensure the voices of front-line employees are heard.

The Group and the subsidiaries continue to create communication opportunities for grassroots employees through formats such as "afternoon teas" and "meet-ups".



The "Executive Afternoon Tea" Meet-up Event at Hisense Refrigerator Company

Occupational Health and Safety¹⁴

Hisense adheres to the safety production policy of "Safety first, Prevention as a priority, and Comprehensive governance," focusing on controlling risks at the source. We enhance the dual prevention and control systems for hierarchical risk management and hazard identification and remediation, iterates and optimizes safety production management systems and operational mechanisms, and implements multiple measures to fortify the production safety line, effectively ensuring a safe and compliant working environment for employees.

Occupational Health and Safety Management Structure

We have formulated and issued the *Hisense Group Safety Management Manual* and the *Hisense EHS System Maturity Standard (Chinese-English)*, clarifying the management responsibilities of occupational health and safety organizations at all levels. This establishes a comprehensive, Group-wide, and end-to-end occupational health and safety management system that ensures closed-loop accountability and resource coordination.



Hisense Occupational Health and Safety Management Organizational Structure

We have assembled a highly educated, well-suited, and professional safety management team. Safety management personnel account for **3.58%** of the total workforce, with **82%** holding bachelor's degrees. At the same time, we fully guarantee the investment of resources related to production safety, effectively ensuring the efficient operation of the safety management system and the sturdy advancement of related work.

As of the end of 2025, Hisense

Pass rate for domestic ISO 45001
Occupational Health and Safety
Certification

100%

Occupational Health Management

We adhere to systematic development as our foundation, systemically advancing the physical and mental health management of our employees. We fully implement our corporate responsibilities and are dedicated to creating a healthy, safe, and sustainable work environment that continuously promotes the comprehensive well-being of our staff.

Improving the Health System

- Comprehensively advanced special occupational health management initiatives, with all 15 key monitored projects completed, such as dust removal for automatic board cutting at Zhidong Precision Engineering;
- Continued to advance special management initiatives for issues such as noise and odors, systematically improving the working environment to protect employees' occupational health.

Improving the Work Environment

- Systematically established a Group-wide occupational hygiene evaluation mechanism and unified the occupational health record templates, achieving a 100% compliance rate with maturity audit standards across all subsidiaries and business divisions;
- Continuously improved the database of personnel exposed to hazards and established special control ledgers for key exposed personnel, strengthening source prevention and process management to safeguard employee occupational health and strictly maintain a zero-incident bottom line for occupational diseases.

Fostering a Health Culture

- Organized distinctive occupational health activities such as "Occupational Disease Prevention and Control Week" and "Heatstroke Prevention Special Campaign," accumulating a total of 6,922 participants throughout the year;
- Completed special audits of 12 factories to implement 6 specific requirements, effectively increasing employee participation and occupational health awareness.

In 2025, Hisense

Participation rate in domestic employee health check-ups

100%

¹⁴ Quantitative data related to occupational health and safety only covers Hisense's operations within the People's Republic of China.

Production Safety Assurance Measures

We have established a comprehensive assurance system for production safety. By systematically strengthening key areas such as on-site safety, fire safety, electrical safety, related-party safety, special equipment management, transportation safety, and hazardous operations control, we comprehensively enhance safety management effectiveness and fortify the safety line for our employees.

On-Site Safety

- Effectively reduced work environment risks through diverse management tools, including standardizing visual safety signage on production sites, restructuring the "Dynamic Safety Profile for Teams and Employees," promoting the team-level Green Cross board, and managing key hazard sources;
- In FY2025, the average risk level of the working environment in the manufacturing sector decreased by 16.58% compared to the previous year.

Fire Safety

- Strengthened the development of the fire safety management system and process control. Twenty key special fire safety initiatives were advanced throughout the year, and a third-party professional agency was brought in to conduct on-site diagnostics at 26 domestic production bases;
- Regarding fire safety facilities, automatic alarm systems now provide 100% coverage in key areas, and the completion rate for online monitoring of critical pressure in fire water systems has reached 85%.

Electrical Safety

- Conducted electrical system diagnostics for 11 manufacturing companies and 8 non-manufacturing companies by engaging third-party professional institutions, effectively identifying and rectifying 1,381 electrical safety issues;
- Revised and improved electrical safety management documents, added 8 new safety implementation rules, and further strengthened patrol and spot-check mechanisms to comprehensively enhance the systematic and professional level of electrical safety management;
- All 30 supervised electrical safety improvement projects for the year were completed, achieving a 100% completion rate.

Related Party Safety

- Published and implemented the *Related Party Safety Management Measures* and uniformly formulated the Related Party Safety Assessment Standards to achieve systematic regulation of partner safety management;
- Supported safety management requirements for new business formats and scenarios, such as front-line micro and small enterprises, to continuously promote the enhancement of safety collaboration with related parties.

In 2025, we formulated and issued the *Emergency Management Measures for Natural Disasters and Accidents (Group Overall Emergency Plan)*, refining the emergency plan down to the "machine" level. We also created and posted on-site emergency response cards, designated 24-hour first responders, and ensured that emergency response responsibilities were assigned, responses were timely, and handling was orderly, thereby comprehensively strengthening the foundation of emergency preparedness for safe production.



Hisense launched special "TPI+AI" improvement week activity

In 2025, Hisense Group organized a "TPI+AI" Improvement Week in the safety and environmental protection field. Adopting a TPI (Transactional Process Improvement) + AI approach, the event examined and analyzed the entire safety management process, leveraging AI tools for optimization. This resulted in a total of 383 safety innovation projects and saw a significant increase in participation from subsidiaries, business divisions, and production bases.



Hisense Group's "TPI+AI" Improvement Week

In 2025, Hisense

Domestic recordable injury rate per
200,000 working hours

0.012

With a year-on-year
decrease of

63.13 %

Digital Safety Management Platform

We are continuously advancing the digital transformation of our safety management system, using intelligent methods to empower risk prevention and emergency response and comprehensively enhance the level of employee safety protection. By building an AI visual intelligence monitoring system, we dynamically identify and issue warnings for potential safety risks in production activities. Leveraging a large visual model, the system dynamically analyzes 1,735 video streams, achieving a shift from “manual prevention” to “technology-driven intelligent control.”



Hisense Production Safety Management System

We continue to optimize and promote an integrated safety management system covering all internal business units and key related parties, driving the standardization, digitalization, and coordination of safety management processes. Nine new functions were launched, including dynamic employee profiling and maturity assessments of the safety and environmental system, with an overall project completion rate of 92.7%. We established a support system based on “intelligent agents + knowledge bases,” launching the “Hisense Xiao’an” Q&A intelligent agent and the “Hazard Identification Intelligent Agent.” These tools empower all employees to participate in hazard identification, increasing the number of “Snap & Report” submissions to over 100,000 for the year. This enhances employee engagement in safety and their capacity for self-management, gradually establishing a modern safety governance system of “intelligent monitoring, systematic control, and full participation.”

Safety Culture and Training

We continuously enhance the safety awareness and skills of all employees by organizing various safety publicity, training, and drill activities, such as the Fire Safety Games, “Production Safety Month,” “Fire Safety Publicity Month,” and the “Safety Red and Black Lists.”

We issued the *Hisense Group Special Standard for Safety Culture* and established a regular safety training system that covers all employees, positions, and processes. This system provides differentiated safety skill enhancement and safety culture cultivation for employees in different roles. We implement systematic three-level safety education for new employees, conduct annual safety re-education and specialized training for current staff, strictly enforce a system of certified operation and periodic review for special

operation personnel, and focus on training for management personnel to enhance their knowledge of safety laws, regulations, and management capabilities.

We conduct comprehensive, multi-channel, and stratified safety training both online and offline, and have established three district-level safety training bases in Huangdao, Jiangmen, and Pingdu. These bases feature immersive multimedia environments that use VR technology, human-computer interaction, electrical current simulations, hands-on experiences, scenario simulations, and knowledge quizzes to enhance the interactivity and integration of safety training and education.

In 2025, Hisense

Employee participations in
safety training

Over **128,000**

Employee participations in
safety assessments

64,000

With a pass rate of

97.20 %



Hisense Safety Training Experience Center opens in Qingdao West Coast New Area, innovating a realistic, scenario-based training model

In August 2025, the “Hisense Safety Training Experience Center,” established in collaboration with the Qingdao West Coast New Area, officially began operations. Through highly realistic simulated environments, it innovatively creates practical training settings for high-risk scenarios, establishing an integrated platform that combines training, education, and drills. This transforms safety knowledge from passive listening into an active, tangible experience for employees and the public, enhancing engagement and effectiveness in safety education.



Hisense Safety Training Experience Center



Hisense held the fourth fire skills competition to enhance emergency response capabilities through training-focused contests

In November 2025, Hisense Group successfully held the Fourth Fire Skills Competition. The competition, themed “Enter the Arena, Compete in Skills, Promote Safety,” featured eight events covering both individual skills and teamwork, including “Crossing the Line of Fire,” “Triathlon,” “Hose Connection,” “Frontline Rescue,” and “Firefighter Relay.” By combining competition with engaging activities, we aimed to transform safety knowledge into active practice, sparking enthusiasm among employees for learning about firefighting and paying attention to safety.

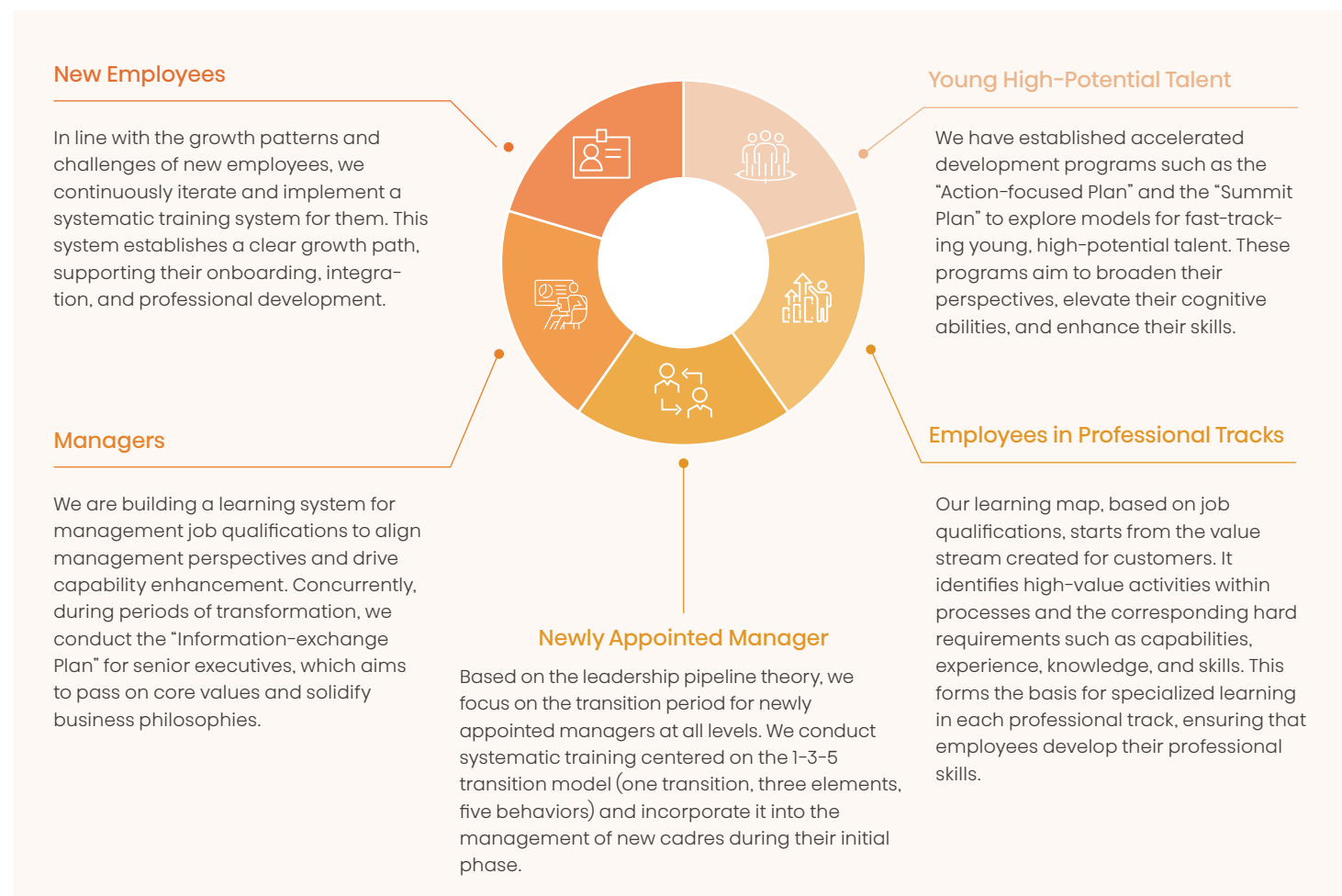
Employee Development and Training

Hisense adheres to the talent development concept of respecting talent, cherishing ability, and sharing value. We consider talent cultivation a core driver for organizational growth and employee sustainable development, and have built a multi-dimensional education and training system that integrates online and offline learning and development.

Talent Cultivation System

Guided by the value proposition of "talent cultivation, value inheritance, business empowerment, and knowledge accumulation," we have built a talent cultivation system based on the career development of managers and employees at all levels. This system provides effective learning and development opportunities for new employees, professionals, and managers. It drives the learning and growth of employees and managers at all tiers, helps employees achieve their career goals, and in turn, provides long-term motivation.

We have built a systematic talent cultivation system based on employee career development. The Group headquarters supports business divisions and subordinate companies in implementing interconnected and layered training programs. This ensures that employees and managers receive timely development support at every critical stage of their careers, enabling them to fully contribute value and achieve high performance in their current roles.



Hisense Talent Cultivation System



At the Onboarding Event for New Campus Hires, Senior Executives from Hisense Group Engaged in Face-to-Face Conversations with the New Employees

◎ Technical Talent Cultivation

We have established a training system for front-line industrial workers that is guided by our spiritual culture, centered on employee career development, and supported by diverse training methods. This system covers 58 vocational skill positions and 8 skill levels, with corresponding assessment standards and procedures. Skill levels are directly linked to internal promotions, honorary incentives, and benefits. In 2025, a total of 8,849 individuals passed skill level promotion assessments, from which numerous national and provincial-level technical experts and master craftsmen have emerged, forming a well-developed talent development ecosystem.

As of the end of 2025, Hisense has cultivated a total of			
National "May 1st Labor Medal" winners	Recipients of the State Council of China Special Government Allowance	National Technical Experts	
10	4	4	
Chief Technicians	Master Technicians	Senior Technicians	Technicians
7	31	348	840
Shandong Provincial Chief Technicians/Qilu Chief Technicians	Qilu Master Craftsman	Qilu Craftsmen	Shandong Provincial Technical Experts
4	1	2	2

We established the Hisense Artisan Academy, creating a comprehensive practical training platform that integrates six major scenarios, including skills dojos, innovation studios, and technician workstations, and contains 14 innovation studios equipped with advanced facilities such as AR/VR and industrial robots, with a focus on cultivating high-caliber, precision, and cutting-edge talent through skills enhancement programs, technological research projects, and competitions. As of the end of 2025, the Hisense Artisan Academy has become Hisense's primary base for skilled talent to learn, exchange ideas, pass on skills through mentorship, and innovate, with multiple studios having received titles and honors such as Industry Master Craftsman Studio, Shandong Provincial Technician Workstation, Qilu Master Craftsman Special Workstation, Shandong Provincial Model Worker and Craftsman Innovation Studio, Qingdao Great Craftsman Studio, and Qingdao Craftsman Innovation Studio.



Hisense Artisan Academy



Vocational Skills Competition

◎ International Talent Development

To strengthen our international talent reserves, in 2025, we launched a systematic international talent development program, selecting candidates from all employees to establish a Hisense international talent pool, who then receive training in three main modules—language, business, and culture—to systematically enhance their global competency and support Hisense's international development strategy.

For our overseas employees, we continuously promote cultural integration and skills enhancement by building a cross-cultural learning platform and a systematic development mechanism. Hisense organizes trips for overseas employees to Qingdao to participate in multi-dimensional cultural exchanges and professional training, including management-level discussions, learning about intelligent manufacturing and Lighthouse Factories, and team integration activities, supplemented by 17 professional courses covering 7 major fields and customized departmental training, supporting the collective growth of employees in professional skills, cross-cultural collaboration, and organizational identity, thereby establishing deep local roots based on a logic of "integrated globalization and localization" to better support and serve global markets.



Hisense Overseas Talent Enhancement Program Site

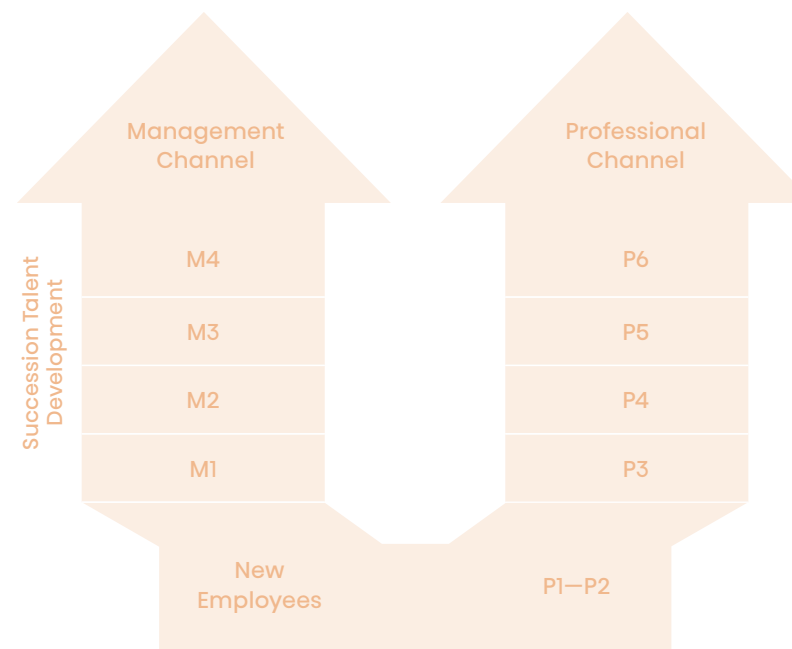
AI and Digital Talent Development



We have constructed a complete closed-loop system of "systematic learning—practical certification—competitive application," rapidly developing **over 1,000** AI business leaders and achieving the goals of "an average of over 15 hours of AI training per person and a 100% pass rate for skills certification," which promotes the large-scale application and value creation of AI technology in real business scenarios and solidifies the talent and innovation foundation for Hisense's digital transformation.

Employee Development Support

We fully unleash employee potential and support the mutual growth of the organization and individuals through systematic institutional design, digital empowerment tools, and open selection mechanisms. Adhering to a core orientation toward value creation and performance contribution, we have formulated management systems such as the *Management Measures for Digital Rank Adjustment of Employees* and implemented a "budget-based" principle that closely links promotions to organizational business performance, encouraging employees to achieve personal development while driving business growth. At the same time, promotions adhere to a dual standard of "performance and capability," requiring employees to pass strict job qualification certifications and demonstrate the ability to translate knowledge and skills into excellent performance to earn promotion opportunities. Furthermore, "breakthrough contributions" are particularly encouraged, with a fast-track promotion channel available for employees who undertake key strategic tasks for Hisense or achieve major breakthroughs in technology, sales, or management, thereby stimulating the innovative vitality of high-potential talent.



To empower employees' career development, we innovatively launched and applied the "AI Talent Development Agent" in 2025. This agent is employee-centric, focusing on analyzing individual strengths and weaknesses, breaking down development goals, and creating personalized development plans (IDPs). Through a three-stage rollout focusing on key projects, key populations, and all employees, combined with specialized training and iterative mechanisms, it has significantly improved the precision and efficiency of talent development, achieving a 66% increase in the efficiency of creating personal development plans and a 60% increase in accuracy, powerfully driving continuous improvement in talent capabilities and value creation.

In the selection of management cadres, we adhere to a talent philosophy that favors younger and more professional teams, vigorously promoting an open competition system that breaks from traditional promotion models to ensure the fairness of the selection process while activating organizational vitality. We have established a transparent online competition system that standardizes and opens the entire process from application and review to assessment, presentation, and appointment. In FY2025, more than 70 cadres were promoted to new management positions through this mechanism.

2025 China's Best Digital Employer of the Year

Hisense Group
Forbes China

Hisense's Dual-track Career Development Path

Employee Training and Growth

Centered on a value proposition of “talent development, value inheritance, business empowerment, and knowledge consolidation,” we have formulated management systems such as the *Administrative Measures for Training Plans*, the *Administrative Measures for Learning and Development Operations and Delivery*, the *Administrative Measures for Internal Part-time Instructors*, and the *Administrative Measures for Digital Rank Adjustment of Employees* to build a systematic training and development framework that covers the entire career cycle of our employees.

We design differentiated learning paths for various groups, including new employees, professional experts, and management cadres. For new employees, we have established a three-year follow-up development plan that helps them smoothly transition from campus to the workplace and from novice to expert through mentorship, cultural integration, skills training, and phased assessments. On the professional track, we provide clear capability development guidance and corresponding course resources for employees in various professional sequences, such as R&D, quality, and supply chain, by iterating on job qualification standards and “learning maps.” On the management track, we have established a three-tiered development system for junior, middle, and senior managers, focusing on key tasks and capability gaps during the “reserve, newly appointed, and in-service” periods to systematically enhance leadership and strategic execution.



Summit Program



Action-oriented Program

Featured Development Programs

Building on our systematic training, we have established several elite talent development programs aimed at accelerating the growth of high-potential individuals and optimizing the structure of our management team.

	Action-oriented Program	Summit Program	Information-Exchange Program	Summit Plus · President Class
Target Participants	High-Potential New Graduates	Experienced Young High-Potential Talent	Management Cadres	Core Management at Group Headquarters and Summit Plus Successor Talent
Program Description	A three-year progressive path centered on a “4+3” key competency model, covering an integration period, development period, and advancement period, with personalized development tailored to each position and individual.	Accelerates their development through challenging assignments, job rotations, and high-end training.	Deepens the management cadres’ understanding of corporate culture and values, ensuring these values are internalized, understood, and acted upon.	Introduces cutting-edge business theories and practices and creates an open platform to facilitate deep cross-level and cross-organizational communication and collaboration, fostering an understanding of the drivers of organizational transformation, building consensus within the executive team, and promoting the implementation of organizational change.

◎ Diverse Training Resources

To support comprehensive training implementation, we integrate high-quality internal and external resources. Internally, we have established a team of over 8,000 part-time internal instructors, whom we manage and empower through a tiered system, encouraging business experts and management cadres to step up as trainers to facilitate knowledge transfer. Externally, we deepen our collaboration with top global educational institutions like Harvard Business School, authoritative industry training organizations, and supply chain partners through initiatives such as establishing joint laboratories and implementing an external expert mentorship system to achieve joint innovation and co-develop talent.

In 2025, Hisense

Employee training sessions conducted

6,646



◎ Academic Advancement and Continuing Education

Focusing on the future needs of global competition and innovation, we consistently encourage and support employees in their pursuit of continuous learning and academic advancement, and have established a continuing education support mechanism for this purpose. We provide opportunities for core employees with management potential to receive external training, sponsoring them to pursue degrees such as DBA, EMBA, and MBA, or to participate in executive training programs at renowned domestic and international institutions to broaden their global perspectives and systematic thinking.



◎ Employee Recreational and Sports Activities

We continuously organize a rich variety of recreational and sports activities worldwide, including regular festival events, the Hali Music Festival, and various sports tournaments such as basketball and badminton. These activities help create a positive and balanced work atmosphere, assist employees in relieving work-related stress, enhance their physical fitness, and promote team communication and cohesion, allowing them to find balance and enjoyment outside of their busy work schedules.

Special Grand Prize and First Prize
16th National Corporate Culture Achievement Awards

Hisense Group

China Enterprise Confederation | China Enterprise
Directors Association



Hisense Hali Music Festival



Hisense Badminton Tournament

05

Collaborative Progress and Creation for Sharing

Promote sustainable win-win outcomes for enterprises and society with an open and collaborative attitude.

Hisense adheres to the concept of "Technology for Good, Business for Good". Based on the "Local for Local" principle, wherever we operate, we integrated with the local community, served the local people, and contributed to the local area. At the same time, we are accelerating the establishment of a global sustainable supply chain, collaborating with upstream and downstream to jointly pursue green development, and effectively fulfilling our corporate social responsibilities.

✦ Relevant Sustainable Development Topics

- Sustainable Supply Chain
- Industry Development
- Rural Revitalization
- Social Contribution



Targets and Progress

Topic	Indicator	Target	2025 performance	Status
 Sustainable Supply Chain	Percentage of New Suppliers Selected Using Environmental Evaluation Criteria	95%	98.6%	
	Supplier Signing Rate for the <i>Integrity Commitment Agreement</i>	>99%	99.3%	
	Supplier Signing Rate for the <i>Supplier Standard of Conduct</i>	>99%	99.5%	
	Collaborative Supply Chain Carbon Reduction	Continuously increase the proportion of key suppliers that are included in carbon emissions management and have set carbon reduction targets	In 2025, Hisense successfully encouraged suppliers representing 40% of the procurement value to set carbon reduction targets.	
 Industry Development	Cumulative Number of National/Industry/Group Green and Low-Carbon Technical Standards Developed or Revised with Hisense's Leadership or Participation	Increase by 10% compared to the previous year's level	In 2025, Hisense led or participated in the development or revision of 155 national, industry, or group green and low-carbon technical standards, increased by more than 17% compared to the previous year.	
 Social Contribution	Continuously Expand Social and Public Welfare Influence and Participate in Social and Public Welfare		Conduct volunteer services, educational support, and charitable activities globally, contributing to rural revitalization and local employment.	

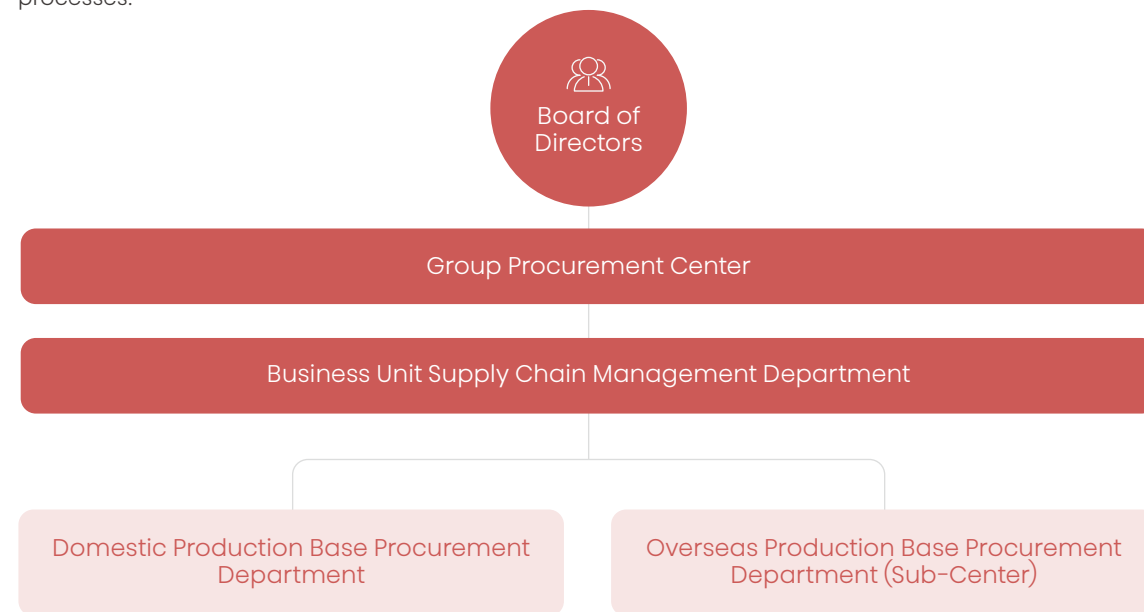
 Completed  Ongoing

Sustainable Supply Chain

Hisense considers the development of a sustainable supply chain a core strategy, systematically advancing full-lifecycle management that covers supplier access, assessment, collaboration, and exit, while deeply integrating ESG factors into procurement and supply chain decision-making processes. By establishing transparent and responsible collaboration mechanisms with upstream and downstream partners, we continuously enhance supply chain resilience, promote a more resilient and sustainable industrial ecosystem, and provide solid support for long-term, win-win outcomes and the green transformation of the value chain.

Supplier Management Structure

We have established a four-tier supplier management organizational structure and formulated management systems such as the *Supplier Development Policy*, *Supplier Qualification Policy*, *Supplier Classification Policy*, *Supplier Performance Policy*, and *Supplier Suspension and Exit Policy*, creating a top-down supplier management system with clear authority, defined responsibilities, and standardized processes.



Hisense Supplier Management Organizational Structure

We incorporate sustainable procurement-related indicators into the performance assessments of procurement personnel and include supplier ESG performance in our procurement decision-making considerations to continuously enhance supply chain resilience and promote the healthy and sustainable development of the supply chain.

As of the end of 2025, Hisense
National-Level "Green Supply Chain
Management Demonstration Enterprises"
7

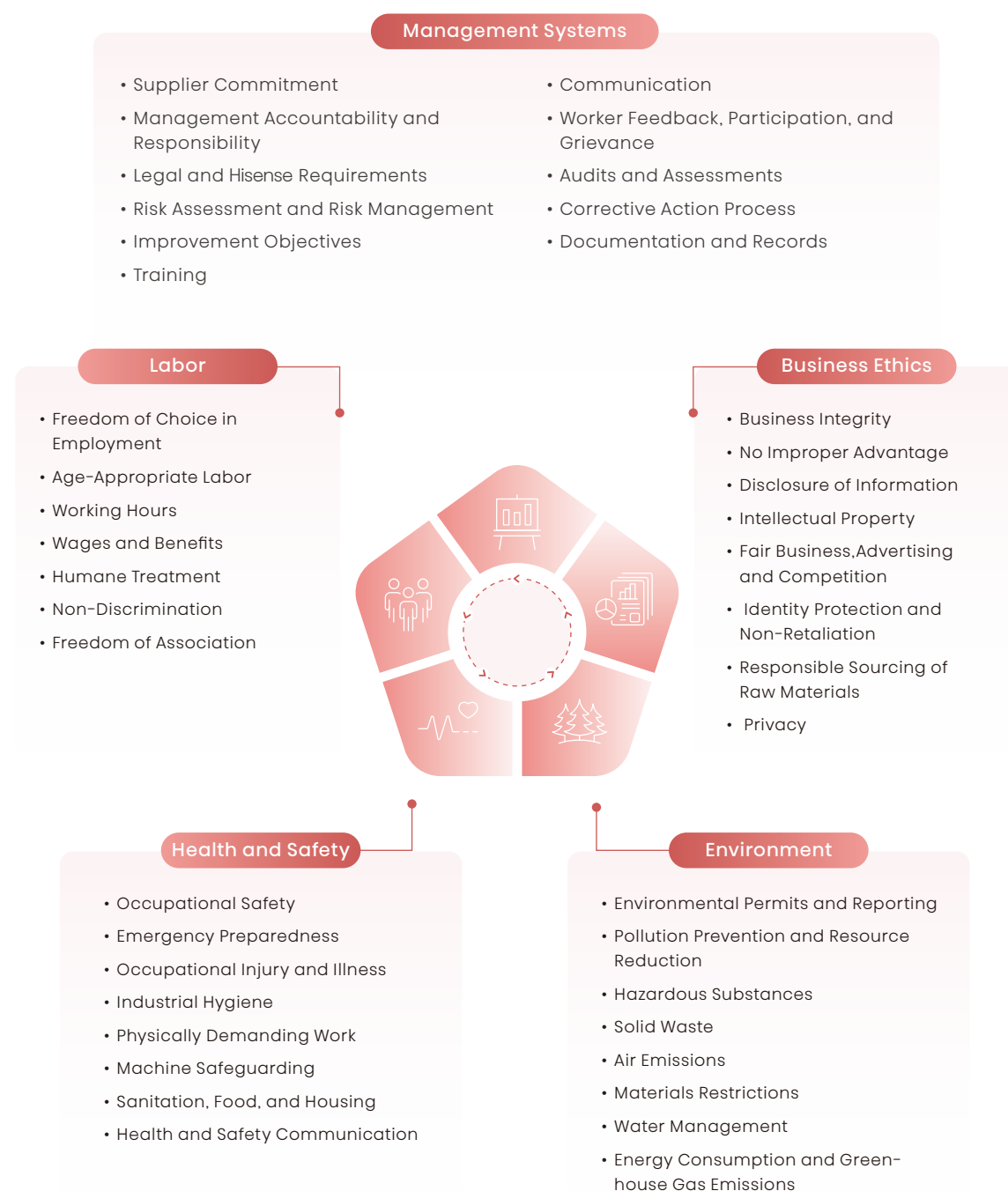
End-to-End Supplier Management

We view our suppliers as strategic partners for long-term development and are committed to building a transparent, responsible, and sustainable supply chain system. We have established systematic supplier access and end-to-end management policies to ensure that our partners not only meet core business metrics such as quality, technology, cost, and delivery but also comply with Hisense's comprehensive requirements for business ethics, environmental protection, and social responsibility.

Supplier Access

At the group level, we have formulated policies such as the *Supplier Development Policy* and *Supplier Qualification Policy*, while each subsidiary develops more detailed management measures according to own operational needs to conduct strict access audits for potential suppliers. In 2025, obtaining ISO 9001 Quality Management System Certification was a basic prerequisite for collaboration. During the onboarding phase, we require suppliers to sign the *Integrity Commitment Agreement* and commit to complying with *Hisense's Supplier Standard of Conduct*. Furthermore, regarding product compliance and environmental responsibility, we require suppliers to meet the substance restriction requirements of regulations such as the EU RoHS and REACH and to provide valid compliance reports.





Elements of the Hisense Supplier Standard of Conduct

During on-site inspections in the access phase, we identify, assess, and monitor the ESG performance of suppliers. For any non-conformities found during audits, we require suppliers to complete corrective actions within a specified timeframe, thereby driving continuous improvement in their ESG performance and jointly enhancing the resilience of the industrial chain.

ESG-related Audit Dimensions	Assessment Content
Employee Rights	Assessing the supplier's performance in the protection of labor and human rights, care and employment of disabled persons, protection of employee rights and interests, and handling of special types of work and equipment usage.
Green Supply Chain	Assessing whether the supplier has established monitoring indicators for carbon footprint and carbon emissions.
Conflict Minerals	Assessing whether the supply chain involves sourcing of minerals from conflict-affected or high-risk areas.
Hazardous Waste Management	Assessing whether photocopies of licenses for hazardous waste transporters and processors are available; whether records of hazardous waste storage, transfer, and transportation for the past year are complete.
Management System Certification	Assessing whether the supplier is certified under the ISO 9001 or IATF 16949 Quality Management System and holds valid certifications (high-polluting enterprises are also required to be certified under the ISO 14001 Environmental Management System).

Key Points of the Hisense Supplier Access On-Site ESG Audit

Additionally, this year, with reference to the Responsible Business Alliance (RBA) audit, we formulated the *Supplier (Factory) Code of Conduct Due Diligence and Assessment Questionnaire*. This questionnaire identifies social responsibility risks through **96** questions across three dimensions—labor and employment compliance, health and safety, and business ethics—and implements closed-loop management. In 2025, we completed social responsibility risk identification for **over 500** new suppliers, and no major issues were found.

2025, Hisense

Percentage of new suppliers screened using environmental evaluation criteria

98.6 %

Supplier signing rate for the *Integrity Commitment Agreement*

99.3 %

Supplier signing rate for the *Supplier Standard of Conduct*

99.5 %

Supplier Evaluation

In accordance with policies such as the *Supplier Classification Policy* and *Supplier Performance Policy*, we conduct comprehensive quarterly evaluations of suppliers through the Supplier Relationship Management (SRM) system, covering six key dimensions: quality, technology, cost, delivery, service, and ESG. Key ESG performance dimensions, including supplier carbon data management and emissions reduction management, are integrated into the overall supplier evaluation. By the end of FY2025, we had successfully encouraged suppliers accounting for **40%** of the procurement value to set **carbon reduction targets**.

Based on quarterly evaluation scores, suppliers are classified into four performance levels—"Green", "Yellow", "Orange", and "Red"—and are subject to differentiated management strategies.

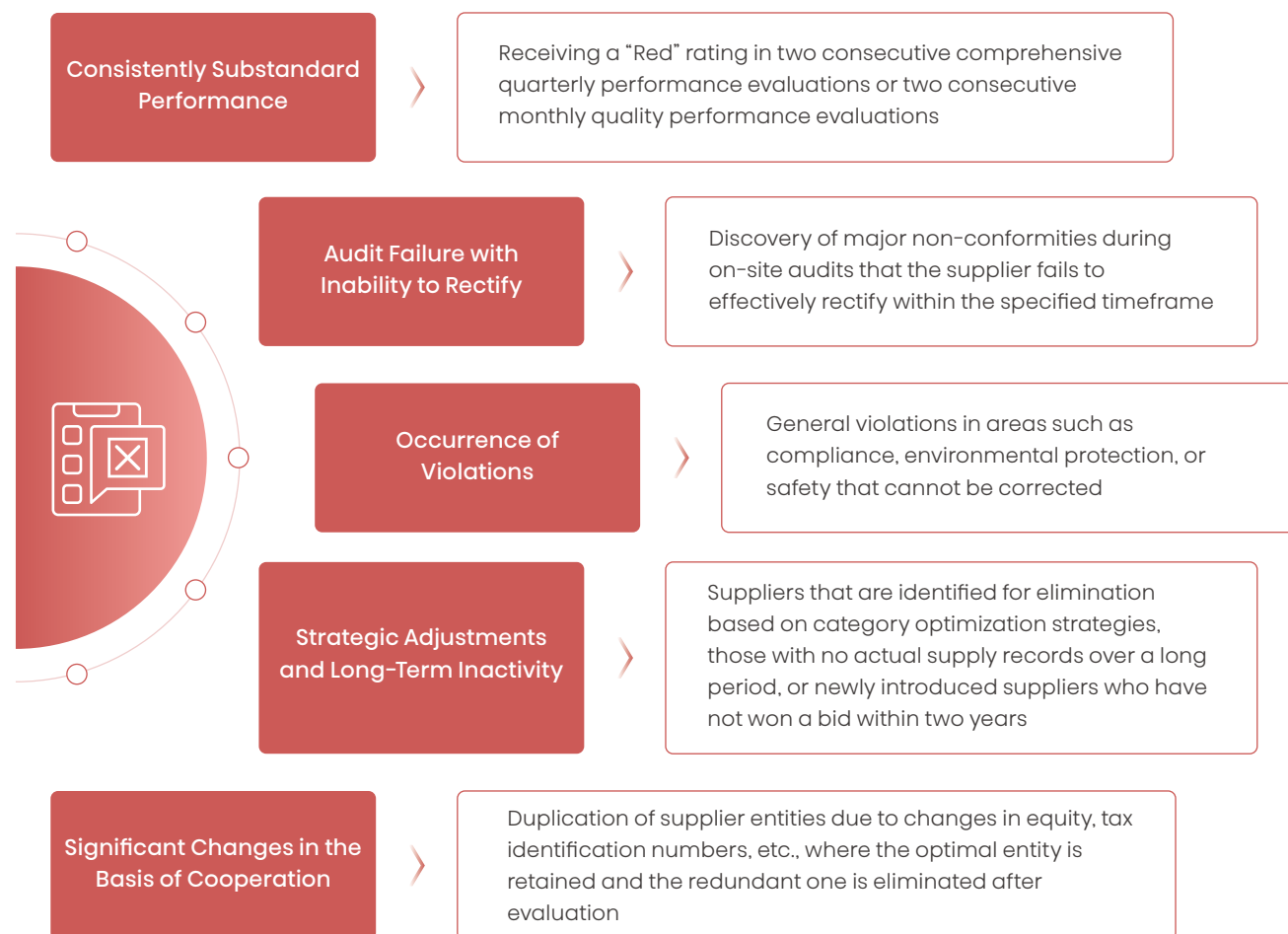
Supplier Rating	Supplier Definition	Management Strategy
Green 90 and Above	The supplier's performance meets or exceeds expected targets and standards, with all key indicators consistently demonstrating excellent performance, requiring no corrective actions.	Maintain the current partnership and consider increasing collaboration opportunities.
Yellow 70 to 90	The supplier's performance generally meets requirements, but certain aspects show minor deviations or risks; while there are no major issues, attention is needed to prevent problems from escalating.	Monitor the supplier periodically; minor improvements or adjustments may be required.
Orange 60 to 70	The supplier performs poorly on multiple key indicators, with significant issues that have affected the partnership or the normal operation of the overall supply chain.	Corrective measures must be taken, and an improvement plan must be negotiated with the supplier. If improvement is not achieved within a specified timeframe, replacing the supplier will be considered.
Red Below 60	The supplier's performance is severely substandard, impacting the company's normal operations, and may involve major errors or breaches of contract.	Consider terminating the partnership and finding an alternative supplier.

Hisense Supplier Performance Level Definitions

Supplier Exit

We have established a rigorous and standardized supplier exit and blacklist management mechanism to continuously refine the supply chain ecosystem and maintain a fair, honest, and secure cooperative environment. In accordance with the *Supplier Suspension and Exit Policy*, we implement dynamic warning, exit and blacklist management for suppliers to ensure the health and stability of the supply chain system.

Clear and comprehensive trigger conditions for supplier elimination have been established to ensure that exit decisions are evidence-based, fair, and just. The elimination process is initiated when a supplier experiences any of the following situations:



To strictly prevent major partnership risks, a more stringent "blacklist" system has been established. If a supplier or its affiliates are involved in serious issues such as a lack of business ethics and integrity, severe breaches of contract, information security incidents, or violations of legal and ethical red lines, they will be blacklisted, leading to a temporary or permanent termination of cooperation and a ban from participating in any of the Group's business activities.

Supply Chain Resilience

An excellent supply chain stems from deep collaboration and value co-creation with partners. We are committed to enhancing the competitiveness and sustainability capabilities of the entire value chain through knowledge sharing, technological empowerment, and strategic synergy, working together to build an industrial ecosystem of a "Smart Global Chain, Resilient Coexistence".

Collaborative Carbon Reduction in the Supply Chain

We leverage our role as a chain leader, using specific projects to drive green and low-carbon transformation collaboratively with upstream and downstream partners.



Supplier Communication and Engagement

To continuously improve the collaboration experience and build a partnership based on mutual trust and mutual benefit, we have established a regular communication mechanism for suppliers. Hisense suppliers can submit complaints and reports through channels such as the Hisense Disciplinary Committee email and the SRM Supplier Integrity Survey. In 2025, over 3,000 integrity questionnaires were distributed to suppliers via the SRM system, with a 98% response rate, aiming to listen to supplier feedback and review our own processes. Hisense received a high average rating of **over 9.5** out of 10 for integrity in cooperation, and no major integrity issues were reported.

¹⁵ ESP refers to Endless Strip Production, one of the world's most advanced and environmentally friendly technologies for the continuous casting and rolling of ultra-thin steel strips.

Supplier Capability Enhancement and Strategic Synergy

We view our suppliers as strategic partners for long-term development, proactively breaking down external collaboration barriers in R&D, quality, and procurement to foster deep integration between Hisense and partners, thereby empowering the growth and evolution of the entire value chain. Adhering to the principle of "Embracing AI Innovation," we are accelerating the development of a transparent and efficient digital supply chain system, actively sharing practical experience with partners to jointly drive efficiency improvements across the entire chain through technology. Concurrently, we are promoting a collaborative model that shifts from "product globalization" to "industry chain globalization," opening up Hisense's global operational experience and resource network to help partners expand their international business and achieve mutual growth.



Hisense holds global supply chain partner summit, signing 27 technical cooperation projects

In October 2025, the Hisense Global Supply Chain Partner Summit was held in Qingdao, China, under the theme "Smart Global Chain, Resilient Coexistence," bringing together **over 330** core partners to discuss future development. The summit systematically outlined the direction for Supply Chain transformation in the AI era, including breaking down internal and external organizational boundaries to create synergy, fully embracing AI to enhance end-to-end intelligence, and deeply integrating ESG management into supply chain development. Through a main forum and four sub-forums on AI, internationalization, technology, and quality, the summit facilitated in-depth discussions with partners and resulted in the on-site signing of **27** major technical cooperation projects.

Conflict Minerals Sourcing

Managing conflict minerals sourcing is a vital component of supply chain sustainable development and compliant operations. Hisense requires all suppliers to conduct due diligence on the origin and chain of custody of conflict minerals in their supply chains and commits to prohibiting any form of forced labor. Suppliers whose products contain conflict minerals must provide complete smelter information. We use this information to conduct systematic screenings to identify and manage conflict minerals risks within the supply chain, ensuring our products meet internationally recognized responsible sourcing standards.



Sanden Corporation's routine management of conflict minerals

Sanden Corporation, a subsidiary of Hisense, integrates conflict minerals management into its supply chain compliance system, dedicated to ensuring that its products and supply chain do not involve minerals from conflict-affected and high-risk areas. Sanden Corporation clearly stipulates its conflict minerals management requirements in its publicly available *Supplier Principles*, committing to prevent the use of conflict minerals in its own operations and supply chain and strictly requiring all suppliers to adhere to this principle.

In 2025, Sanden Corporation conducted a conflict minerals survey of its upstream suppliers using internationally accepted standardized reporting templates, focusing on tracing the origin and smelter information of minerals such as tantalum, tin, tungsten, gold, and cobalt. For conflict minerals such as tin, tantalum, tungsten, and gold (3TG), investigations were launched into 113 suppliers. For a broader range of extended minerals, including cobalt, mica, copper, natural graphite, lithium, and nickel, investigations were launched into 109 suppliers. The results of the 2025 investigation showed that no upstream suppliers were found to be involved with conflict minerals.

Equal Treatment of SMEs

We uphold the principles of fairness and integrity in our supply chain partnerships, treating all suppliers equally regardless of their size and not setting discriminatory payment terms for suppliers based on their status as small or medium-sized enterprises. At the same time, we strictly adhere to contractual agreements and ensure timely payments. In 2025, there were no overdue payments, nor were there any related arbitration or litigation cases.



2025海信集团全球供应链合作伙伴峰会
Hisense Group 2025 Global Supply Chain Partners Summit

智链全球 韧性共生
AI驱动的可持 续 价 值 网 络



Industry Development

While deepening its own diversified business layout, Hisense has consistently acted as an "ecosystem co-builder," actively participating in the formulation of industry standards and promoting collaborative industrial practices to support sustainable innovation and transformation across the entire sector.

Development of Industry Standards

We are dedicated to innovating and leading in green standards, transforming our own advanced technological achievements and industrialization experience into industry benchmarks. We collaborate with scientific research institutions and partners across the industrial chain to jointly advance technological progress and a low-carbon transition for the entire industry.

In May 2025, Hisense Group held its inaugural "Hisense Standardization Day", inviting senior experts from authoritative domestic standardization organizations. The event focused on key topics such as standard system development, breakthroughs in international standards, and innovative standardization management. It served as a platform for exchanging best practices in standardization, broadened participants' perspectives, strengthened the development of standardization talent, enhanced the theoretical knowledge and practical capabilities of standardization teams, and further advanced the implementation of the group's industrial development strategy through standardization.



Hisense leads the release of a quantum dot IEC international standard, accelerating the display industry's development toward high color gamut and high quality

The international standard *Display lighting unit - Part 1-6: Quantum dot films and quantum dot diffuser plates used in backlight unit (IEC TR 62595-1-6:2025)*, led by Hisense, was officially released. This standard is the first officially published international standard for quantum dots in the global display light source component field, filling a long-standing industry gap where there was no unified specification for quantum dot backlight materials. The standard coordinates three categories of key indicators for quantum dot films and diffuser plates, providing a clear basis for R&D and production for enterprises. It helps optimize product design, improve mass production consistency, and reduce costs for technology development and quality control. At the same time, it promotes collaborative innovation between enterprises and end-display manufacturers for core materials like quantum dot films and diffuser plates, advances the industrialization of high-color-gamut quantum dot display technology, and comprehensively promotes the standardlization and sustainable development of the display industry.

Hisense leads the development of the world's first evaluation standard for intelligent agent TV system software, empowering industry quality improvements

The world's first international standard for smart TV system software performance, *IEEE Standard for the Performance Evaluation of Software for Smart Television Sets (IEEE 3533-2025)*, led by Hisense, was officially released, filling an industry gap in the quantitative evaluation of smart TV software system performance.

The standard establishes a systematic evaluation framework covering 36 dimensions, providing the industry with a unified basis for software performance assessment and a direction for optimization. It aims to fundamentally address common issues in smart TVs on the market, such as system lag, resource redundancy, performance degradation over time, and excessive power consumption, and drive the continuous upgrading of the smart TV industry toward high performance, superior experience, and long product life.

Hisense plays a key role in drafting a national standard for smart home appliances, enabling informed consumer choices

The national standard *Application Scenarios for Smart Home Appliances Part 1: General Requirements (GB/T 46505.1-2025)*, led by the China Household Electrical Appliances Research Institute with Hisense as the second-ranked drafting unit, was officially released. This standard specifies nine typical application scenarios for smart home appliances. It provides a clear framework for product development and ecosystem interconnectivity.

CCTV report on Hisense's smart home appliance control interface



Hisense leads the formulation of China's first Green Factory standard for the home appliance industry, filling an industry gap

The industry standard *Evaluation Requirements for Green Factories in the Household Appliance Industry (QB/T 8108-2025)*, led by Hisense, was officially released and implemented. As the first dedicated evaluation standard for Green Factories in China's home appliance industry, it establishes a scientific evaluation system covering six dimensions: infrastructure, management systems, energy and resources, products, environmental emissions, and performance. It sets a series of quantifiable and assessable key indicators around the principles of "harmless raw materials, clean production, resource-based waste management, and low-carbon energy," such as carbon emissions per unit of output value and green material usage rate. The standard also incorporates concepts like life cycle management and digital empowerment, providing a clear path for the intelligent and refined green development of home appliance factories in China.

Industry Communication and Cooperation

By continuously participating in important meetings of industry associations and professional organizations, we maintain a keen insight into cutting-edge trends. We collaborate with universities, research institutions, and supply chain partners to conduct research and development on common technologies, driving the industry from simple competition to open collaboration to jointly solve technical challenges and share R&D achievements.

China Electronics and Information
Industry Federation

Vice President

China Video Industry
Association

Vice President

Laser Display Industry Branch of the
China Video Industry Association

President

China Electronics Industry
Standardization Technology Association

Vice President

China Electronics
Enterprises Association

Vice President

China Household Electrical
Appliances Association

Vice President

China Association for
Quality

Executive Council Member

China National Light
Industry Council

Executive Council Member

Electronic Industry Supply Chain
Branch of the China Federation of
Logistics & Purchasing

Vice President

Professional Committee for Human
Settlement Environmental Quality of the
China Association for Quality Inspection

Council Member



Hisense participated in the 16th National Corporate Culture Annual Conference and shared the "Four Key Cultures"

In December 2025, the 16th National Corporate Culture Annual Conference, organized by the China Enterprise Confederation and the China Entrepreneurs Association, was held in Qingdao, China. Shaoqian Jia, the chairman of Hisense Group, attended the conference and delivered a speech. Based on the 56-year development history of Hisense, he shared "four key cultures" that contributed to building Hisense and pushed it from excellence to superiority: the quality culture that regards quality as life and takes integrity as the foundation, the innovative culture that dares to be the first in the world, the user culture that centers everything on users, and the oriental management culture of harmony and coexistence. At the conference, Hisense's *"Driving Global Management of the Enterprise with Oriental Management Culture"* and *"From User Culture to Fashion Technology Brand: The Evolution Theory of the Vidda Brand"* won the Special Prize and the First Prize of "The 16th National Corporate Culture Achievements", fully demonstrating the recognition of Hisense's full recognition of building global hard power with cultural soft power.



The 16th National Corporate Culture Annual Conference



As the sole corporate representative, Hisense delivered a keynote speech at the Qingdao International Standardization Conference, calling for enhanced industry cooperation on standards to build an international ecosystem for technological collaboration

In July 2025, Hisense, as the sole corporate representative, delivered a keynote speech at the opening ceremony of the 2025 Qingdao International Standardization Conference. The Chief Information Officer of Hisense Group delivered a speech titled *"Innovation-led Industrial Upgrading, Standards-based Better Living"*, systematically explaining Hisense's "technology-based enterprise" strategy to the global standardization community and proposing an industrial development path of "dual drivers of innovation and standards" to create value for users, the industry, and society. Continuous technological innovation provides support for developing advanced standards, and standards serve as a link to strengthen industrial cooperation, solidifying best practices into industry consensus to support global high-quality development. At the same time, Hisense called for further strengthening cooperation on standards, fully leveraging their role in building consensus, connecting collaboration across the entire chain of R&D, manufacturing, and application, supporting the rapid transformation and efficient implementation of technology into applications, and building an open, inclusive, and mutually beneficial international ecosystem for technological collaboration.



Keynote speech at the 2025 Qingdao International Standardization Conference

Empowering Industry Development

Building on the industry position in fields such as home appliances and lasers, Hisense considers promoting the overall progress of the industry as part of its own development responsibility. While actively participating in the formulation of industry standards, Hisense is gradually opening up core patents, moving from co-building rules to sharing resources, and working with industry partners to advance the industry to a more mature stage of development.

Leading Technology Innovation

Hisense has accumulated profound technological achievements and industry experience in the laser display field over the long term, with the market share in Laser TV consistently ranking first globally. Hisense continues to transform technological advantages into product competitiveness and guides and regulates industry development in the fields of patents and standards, turning its own technological accumulation into a driving force for the overall progress of the industry.

We have been deeply involved in the establishment of the IEC TC110 Laser Display Working Group and the domestic sub-technical committee (SAC/TC547/SC1), and have successively promoted the issuance of standards such as China's first Laser TV industry standard and the first green design standard for projection products.

In February 2025, the International Electrotechnical Commission's Technical Committee for Electronic Displays (IEC TC110) held an international standards meeting in Qingdao, China. As a representative of China's display industry, Hisense led discussions on core standards for laser display technology, promoting Chinese innovation in the development of international standards.



Group Photo of Attendees at the IEC TC110 International Standards Meeting

Collaborating Industrial Advancement

In September 2025, we hosted the 2025 Laser Display Technology and Industry Development Conference in Qingdao with the theme "Borderless", announcing the gradual opening of **over 1,300** core patents for tri-color laser technology to the entire industry to progressively break technological monopolies and promote synergistic development across the entire industrial chain.

Prior to this, Hisense announced to open up **66** core patent technologies for three-tub washing machines to the industry, becoming the first enterprise in the home appliance sector that is courageous enough to break through the "patent barriers", advocate for technology sharing, and strive for "ecological collaboration". From technological leadership to co-building standards and then to sharing patents, Hisense is participating in industry development in a more open manner, promoting the healthy and win-win development of the laser display industry ecosystem.



Hisense "Borderless" 2025 Laser Display Technology and Industry Development Conference

Social Contribution

Hisense adheres to the principles of "Technology for Good, Business for Good," deeply integrating social contribution and rural revitalization into its medium- and long-term development plans. We have established a special public welfare fund and standardized the management and use of related funds to ensure that all public welfare projects are fully open and transparent, proactively accepting public supervision and striving to set an industry benchmark for public welfare.

Rural Revitalization

Hisense empowers the upgrading of traditional agriculture with digital technology, strengthening the foundation for rural industrial development. In 2025, focusing on rural industrial development in Qiandongnan Prefecture, Guizhou, Hisense donated special funds for the construction of rural revitalization demonstration villages in Leishan and Guanling, with an emphasis on improving supporting infrastructure for rural industries and cultivating strong local specialty industries. At the same time, it has established a smart agriculture industrial park, deeply integrating intelligent planting technology and digital management systems into the entire process of rural agricultural production to promote the transformation of traditional agriculture toward a more refined and modern model.



Renewable energy technology empowers a new paradigm for rural revitalization

Hisense leverages green new energy technology to create a new track for rural eco-industries. Kelin Electric deeply empowers the large-scale photovoltaic composite project in Yanchi, Ningxia, providing intelligent booster equipment for a **28,000-mu** "sand, gobi, and barren land" photovoltaic agriculture project to ensure the efficient grid connection and utilization of new energy. It innovatively implements an integrated "photovoltaics + agriculture" industrial model that balances green power generation, ecological restoration, and agricultural development, providing stable employment and income channels for rural areas and successfully establishing a new paradigm for rural industrial revitalization that combines ecological improvement, green power generation, and industrial income growth.



The Large-scale Photovoltaic Composite Project in Yanchi, Ningxia



"Freshness Quest" agricultural assistance program selected as a "Sustainability Practice Outcome"

In March 2025, Hisense RonShen Refrigerator jointly launched the "Freshness Quest" annual assistance program for farmers with local origin brands across multiple regions. With the goal of "technological assistance for farmers, brand promotion for agriculture, and income increase for farmers", relying on core technologies such as WILL natural preservation, through brand collaboration, production and sales connection, origin location fresh product exploration, and offline fruit and vegetable exhibition tours, it helps local agricultural products enhance their added value and market competitiveness.

During the reporting period, the project case of *"Freshness Quest" Helps Local Agricultural Products in Origin Areas to Generate Revenue and Enhance Reputation* was selected for the fourth "Xinhua Credit Jinlan Cup" Sustainability Practice Achievements. It became a certified public welfare project for agricultural assistance by Xinhua News Agency, helping to reduce losses and increase the value of agricultural products such as Changping strawberries, Luopin small yellow ginger, Zhongwei selenium sand melon, and Ningxia wolfberry.



The Fourth "Xinhua Credit Jinlan Cup" Sustainability Practice Achievements



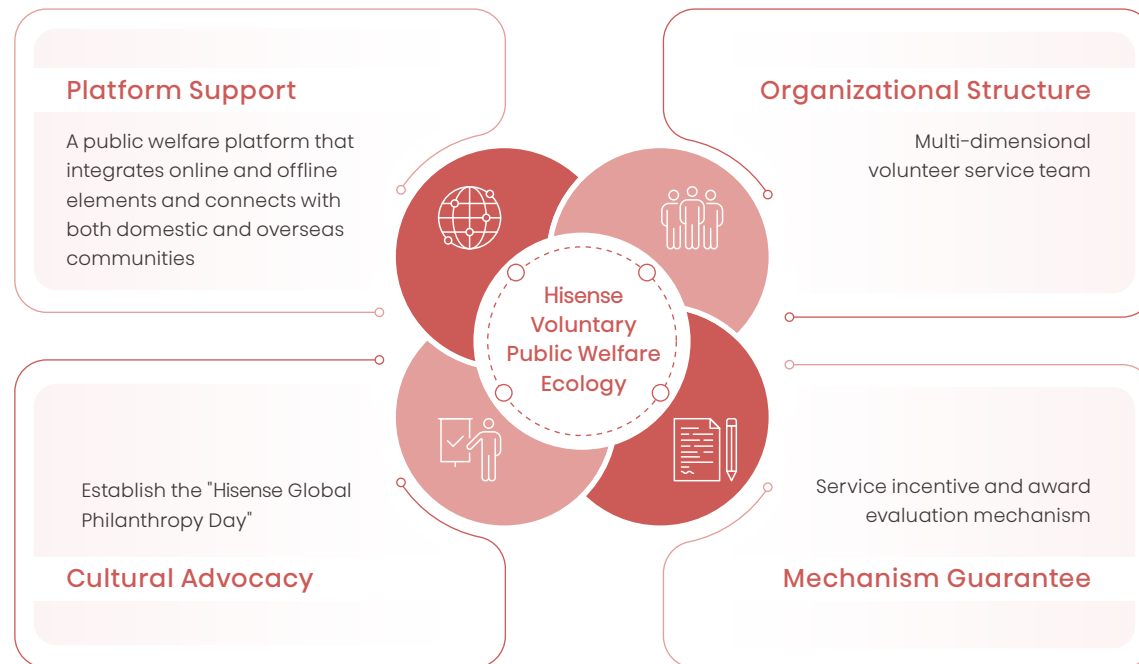
"Carbon Green Silk Road" desert oasis joint construction initiative

In April 2025, Hisense launched the "Carbon Green Silk Road" desert oasis joint construction initiative, signing the "Carbon Green Silk Road" joint construction commitment with public welfare organizations and individuals. For the past four years, Hisense has been conducting tree planting in the Sun Forest Area. It has integrated the green development concept into all aspects of product research and development, production manufacturing, and public welfare fulfillment, aiming to help build the ecological barrier in Dunhuang and address the local desertification problem through continuous tree-planting public welfare activities.



Volunteer Services

Hisense continues to deepen its globalization of public welfare practices, viewing employee volunteer services and deep community involvement as core vehicles for fulfilling corporate citizenship responsibilities. Hisense has built a systematic, institutionalized, and regular volunteer public welfare system to consolidate the charitable efforts of all employees, cultivate community services, convey social warmth, and create a sustainable corporate public welfare ecosystem.



Strengthening Organizational and Institutional Guarantees

Hisense continuously improves its volunteer service organizational structure and long-term institutional guarantees to solidify the foundation of public welfare practices. It has established a volunteer service system with a clear hierarchy and efficient coordination, where the Group headquarters sets up a general volunteer corps and subsidiary companies form volunteer teams. Relying on multi-departmental collaboration, this creates a three-dimensional volunteer work structure characterized by unified planning at the headquarters, local implementation, and broad participation from all employees.

To solidify a culture of public welfare and promote its regular development, Hisense has designated October 19 as **"Hisense Global Philanthropy Day"**, a day for concentrated, company-wide volunteer services and charitable donation activities each year, deeply integrating the concept of public service into the corporate culture. At the same time, we have established and improved a mechanism for tracking volunteer service hours and providing incentives through a point system. We incorporate employees' public welfare performance into our system for appraisals and awards to fully mobilize their initiative and enthusiasm for participating in public service and activate their intrinsic motivation for philanthropy.

Building Diverse Platforms for Participation

Hisense has built a diverse public welfare participation platform that integrates online and offline channels and links domestic and overseas activities, enriching the scenarios for employee public welfare practices. Relying on core production bases in Qingdao, Shunde, and Pingdu, we have established "Worker Stations" that provide free amenities such as rest areas, meals, charging, and medical consultations to outdoor workers and community residents. We regularly organize employees to conduct community volunteer activities, including public welfare appliance repairs, free health clinics, and popular science lectures, to ensure that community services are provided on a regular and standardized basis.

To optimize the employee experience in public welfare participation and achieve digital management of volunteer services, we have established a dedicated online public welfare platform. This platform covers the entire process of publishing activities, employee registration, service hour tracking, and project matching, creating a closed-loop online management system. It significantly improves the operational efficiency of volunteer services and the convenience of employee participation, making public welfare engagement lightweight, routine, and easily accessible.

In overseas public welfare practices, Hisense adheres to a development concept of local integration, organizing local employees to engage in community public welfare services and actively fulfilling its corporate social responsibilities. Employees in Japan are deeply involved in local public welfare projects, volunteering to distribute food to single-parent families in poverty, conducting internal charity fundraising, and continuously supporting local disadvantaged groups through the donation of office equipment. The team in Singapore actively responds to the call of the local Community Development Council by participating in community public welfare initiatives and providing volunteer services to people with disabilities and those in need. Through regular and localized public welfare actions, Hisense has established a responsible corporate image.



Hisense Japan Employee Volunteers Participate in "Yokohama Food Bank" Food Distribution Event

Educational Support

Hisense is committed to breaking the intergenerational cycle of poverty through public welfare initiatives that support education. By leveraging diverse measures such as hardware donations, joint construction of campus facilities, and integration of education and industry, we continuously build a fair and high-quality educational growth platform to promote the balanced development of educational resources. Since 1998, Hisense has been continuously involved in the construction of Hope Primary Schools and has established Hisense Hope Primary Schools in impoverished areas across multiple provinces in China, systematically improving the hardware facilities and operating conditions of rural basic education.

As a practical base for science and technology innovation education, Hisense has hosted numerous student visits to intelligent production lines, conducting "Walking Classroom" activities. Several Hisense experts have been appointed as science vice-principals in primary and secondary schools, regularly delivering lectures on campus. We also consistently carry out distinctive public welfare projects such as "Reading and Seeing the World with Hisense," "Yuchen Education Assistance," and "The Prime Time for Reading."



The "Walking Classroom" Activity



Hisense Refrigerator · Yuchen Education Assistance Program's "Caring Football on Campus" visits Beichuan, Sichuan, to inspire a passion for sports in rural children

In March 2025, the Hisense Refrigerator · Yuchen Education Assistance 2025 "Caring Football on Campus" event was launched at Xingfu Primary School and Chenjiaba Primary School in Beichuan, Sichuan. Through donating sports equipment, offering public welfare football classes, and organizing a "Mixed FIFA Club World Cup" friendly match and interactive experiences, Hisense Refrigerator Company inspired a love for football and sports among rural children. Chenjiaba Primary School was built by Hisense after the 2008 Wenchuan earthquake, and Xingfu Primary School is a long-term educational support base for Hisense and a "National Youth Campus Football Characteristic School." Since Hisense launched the Yuchen Education Assistance public welfare project in 2017, it has ventured deep into impoverished mountainous areas, contributing to the balanced development of education through various means such as donating materials and providing educational resources. As of last year, the project has reached **more than 40 schools in over 10 provinces** and cities nationwide, benefiting **over 300,000 person-times**.



Hisense Refrigerator · Yuchen Education Assistance 2025 "Caring Football on Campus" Event



Hisense Refrigerator Company and the Blueprint Public Welfare Foundation jointly built a reading room and sponsored a marine public welfare study tour

In July 2025, at the opening ceremony of the 35th Blueprint Marine Public Welfare Study Tour hosted by the Blueprint Public Welfare Foundation, Hisense Refrigerator Company formally signed a cooperation agreement with the foundation, donating special funds to jointly establish the "Hisense Blueprint Reading Room" to create a high-quality and welcoming reading and learning space for children from mountainous areas. During the subsequent study tour, the children visited the Institute of Oceanology of the Chinese Academy of Sciences, the Qingdao Aquarium and Navy Museum, and the Hisense Exploration Center, and participated in a mock youth court and lectures on marine ecological protection, which stimulated their curiosity and spirit of exploration.



Opening Ceremony of the 35th Blueprint Marine Public Welfare Study Tour

Hardware Donations

Philippines: Collaborated with the GMA Kapuso Foundation to donate televisions to three schools; participated in the classroom construction project at Bulilis Elementary School in Bohol province.

Uganda: Donated Hisense smart TVs to multiple schools, providing strong support for the local digital education cause, and offering local children the necessary tools to adapt to the development of modern society.

South Africa: Donated household and teaching appliances to a community school in Tembisa on Children's Day and conducted electrical safety training; supported the display equipment needs of a local science education center.

Study Tours

Malaysia: Partnered with the Suriana Welfare Society to organize a science popularization trip for children to the National Planetarium of Malaysia.

Uganda: Hisense announced the establishment of a technology museum in Uganda, which will be open to the public for free, with a focus on educating students about the application of physics in daily life.

Cultural Exchange

South Africa: Jointly organized a China-Africa cultural exchange paper-cutting art public welfare workshop with a local cultural institution, providing cultural exchange and handicraft art experience courses for local students to promote China-Africa cultural exchange and art education development.

Spain: Collaborated with design students from UDIT University to hold the "Shared Living: Co-living Space Concept Design" competition, and applied the winning proposal in the Hisense exhibition hall.



Hisense South Africa Collaborated with Local Cultural Institutions to Hold a China-Africa Cultural Exchange Paper-cutting Art Public Welfare Workshop



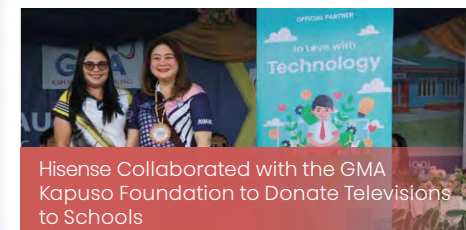
Hisense's Overseas Educational Support Practices



Hisense Donated Household and Teaching Appliances to the Tembisa Community School



Hisense Donated TVs to Several Public Schools in Uganda



Hisense Collaborated with the GMA Kapuso Foundation to Donate Televisions to Schools



Hisense Collaborated with the Surianah Welfare Association to Organize Children to Visit the National Astronomical Museum in Malaysia

Public Welfare and Charity

Leveraging global footprint, Hisense deeply practices a localized public welfare strategy, thoroughly integrating into the development of local communities overseas. In key overseas markets such as Indonesia, South Africa, Thailand, Japan, and Europe, we carry out diverse public welfare practices tailored to local livelihood needs. Through regular and localized public welfare actions, Hisense precisely responds to local social needs, continuously strengthens its connection with communities, and builds consensus based on trust. These sustainable public welfare practices convey our humanistic warmth and demonstrate a firm commitment to the long-term development concept of "growing together with local communities."

Sports Empowerment

Hisense regards sports as an important link to connect global communities and convey goodwill. Through diverse forms such as event sponsorship, joint construction of venues, and immersive experience activities, we have inspired enthusiasm for sports among young people and supported the inclusive and beneficial development of global sports.

Football Development

Japan: By organizing the Hisense Cup U12 Football Tournament, we provided children who love football with opportunities for competition and communication, shortening the distance between them and top-level events, and helping to cultivate local football talents and build a football environment. This also demonstrates social responsibility of the company as a sponsor of the World Cup.

Southeast Asia: Supported youth football development in Indonesia, Malaysia, Thailand, Vietnam, and other locations by sponsoring youth football cups, co-hosting tournaments with local football associations, and inviting legendary football stars for coaching.

Europe: Donated footballs to the youth department of the local club Türksport Garching; Donated equipment to the Lucas Podolski Youth Academy in Poland.

South Africa: Donated smartphones to the Pitso Mosimane Soccer Schools Foundation for digital training management; Partnered with the Real Madrid Foundation to launch a five-year football talent development scholarship program and sponsored a youth public welfare training camp.



Indonesian Football Legend Cristian Gonzáles Participated in An Offline Football School Event Sponsored by Hisense Indonesia

Inclusive Sports

Germany: Gorenje became a premium partner of the inclusive handball project "Glücksliga," empowering children with physical and mental disabilities through jersey sponsorship, event naming rights, and other means.

Italy: Collaborating with Insuperabili Club, helping individuals with cognitive, emotional, or physical disabilities improve their quality of life through personalized football programs.

Saudi Arabia: During the FIFA Club World Cup, organized an accessible viewing event specifically for people with disabilities and provided escort services.

Healthy Lifestyle Advocacy

South Africa: Conducted public interactions and community public welfare activities during the Cape Town Cycle Tour to promote a healthy lifestyle concept.

Disaster Relief

In the face of various natural disasters, Hisense has always responded quickly and taken the initiative, allocating resources and funds at the earliest opportunity to fully support emergency rescue and post-disaster reconstruction in affected areas. In 2025, in response to the earthquake in Dingri, Tibet, Hisense actively initiated an employee fundraising campaign specifically to aid in the repair and reconstruction of schools in the disaster area. In response to the fire in Tai Po, Hong Kong, Hisense donated HKD 10 million specifically for local disaster relief and post-disaster recovery, demonstrating corporate social responsibility through efficient and pragmatic relief actions.



Hisense Indonesia and Thailand donate supplies to flood-stricken areas to support disaster relief in Southeast Asia

In November 2025, parts of Southeast Asia were hit by severe floods, posing a serious threat to the lives and property of local residents. Hisense Indonesia established a special rescue task force to coordinate with local relief efforts and needs, and officially launched a special humanitarian aid program in collaboration with the well-known local public welfare platform Kitabisa. To further expand the coverage of the aid, Hisense Indonesia proactively coordinated with the China Chamber of Commerce in Indonesia (CCCI) to donate an additional batch of urgently needed emergency supplies, including drinking water, instant food, and medical emergency kits. These supplies were quickly delivered to the hardest-hit areas through the chamber's channels, effectively filling the gap in local relief supplies. The total value of donated funds and materials (including drinking water, food, and medical kits) **exceeded IDR 100 million**.

During the same period, southern Thailand was struck by a once-in-a-century flood disaster. Extreme rainfall left many areas inundated and caused a shortage of clean drinking water. Upon learning of the situation, Hisense Thailand promptly activated its emergency response procedures. After quickly completing disaster assessment, needs coordination, material preparation, and transport logistics, the company urgently donated a shipment of clean drinking water to the affected region, alleviating the local population's struggle to access it.



Hisense Indonesia Launched A Special Humanitarian Aid Program in Collaboration with the Public Welfare Platform Kitabisa



Hisense Thailand Donated Clean Drinking Water

◎ Caring for Vulnerable Groups

Hisense focuses on assisting special vulnerable groups in society, with a particular emphasis on individuals with autism, women, and families facing hardship and poverty. Through innovative public welfare partnership models and precisely targeted support measures, we provide diverse and regular heartwarming support for these special groups, contributing to the development of an inclusive and harmonious society.



Empowering Vulnerable Groups

Hungary: In collaboration with the Autistic Art organization, a unique refrigerator designed with the participation of autistic individuals was produced and auctioned, raising over 2,000 euros for charity; the kitchen sets designed by both parties have continued to be sold on each other's official websites, providing a stable income for autistic artists.



Supporting Women

Spain: In collaboration with the APRAM association, we help multiple women return to the workplace.



Assisting Families in Poverty and Vulnerable Situations

Portugal: Donated funds and products to the Gil Foundation and the Cerci Porto organization to support families with critically ill children and to combat poverty.

South Africa: Organized the "Loads of Love" campaign, donating washing machines and tumble dryers throughout the year to 71 non-profit institutions and community organizations. This initiative specifically targeted groups such as abused women and the homeless, helping them rebuild their dignity. Additionally, daily necessities, televisions, and appliances were donated to vulnerable groups.



Supporting Children and Public Health

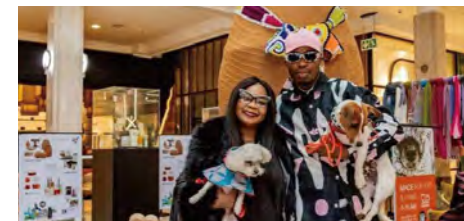
Donated home appliances to public institutions such as the newly established Bambi Children's Home in Germany, the Baragwanath Hospital in South Africa, and the Heim Pál Children's Hospital in Budapest, Hungary.



Hisense South Africa Employees participated in the "Loads of Love" Campaign

◎ Animal Welfare

Hisense extends public welfare efforts to the field of animal protection, actively advocating for the harmonious coexistence of humans and animals and taking concrete actions to safeguard the rights of stray animals. In 2025, the "Loads of Love" special campaign was launched in South Africa, donating washing machines, tumble dryers, and other supplies to local animal protection organizations such as the Good Hope SPCA. This helps the organizations clean and maintain animal bedding and care equipment, effectively improving the shelter environment and care conditions for stray animals.



Hisense South Africa Collaborated with Local Animal Welfare Organization on An Adoption Event and Donated Washing Machines

◎ Local Employment

In globalization process, Hisense has always regarded local employment and talent cultivation as core measures for fulfilling its international corporate social responsibility. By establishing a strong presence in overseas markets and focusing on local development, we are committed to putting down roots and integrating into local communities. While expanding our industrial layout and investing in local factories, we continuously create high-quality jobs, improve local talent development systems, empower the local workforce through skills enhancement, and contribute to the long-term sustainable development of the regional economy and society.

Hisense has been fully implementing the "Local for Local" development concept in South Africa. Currently, the proportion of local employees directly employed by the industrial park in South Africa **exceeds 90%**. At the same time, relying on a complete industrial chain, it radiates and drives the development of logistics, supporting manufacturing, and comprehensive services, creating **over 4,000** indirect jobs and effectively activating regional industrial vitality and internal economic momentum.

Beyond providing jobs, Hisense focuses on empowering the growth of local talent and strengthening the local talent base. The industrial park collaborates with local vocational schools and secondary schools to build joint training bases, offering practical courses tailored to the needs of modern manufacturing, such as electronics technology and software applications. These courses are designed to precisely address the skills gaps among local youth. As of the end of 2025, skills training had been provided to over 1,400 participants. Many graduates have successfully joined Hisense or local partner companies, achieving a seamless transition from skills enhancement to stable employment.



Hisense Factory in South Africa

Key Performance Indicators

Governance

Economic Performance

Indicator	Unit	2025
Total Annual Operating Revenue	RMB 100 Million	2,244
Overseas Operating Revenue	RMB 100 Million	1,107
Proportion of Overseas Operating Revenue to Total Annual Operating Revenue	%	49.3

Corporate Governance

Indicator	Unit	2025
Number of Board Members	Persons	9
Proportion of Independent Directors	%	33.3

Compliance Operations

Indicator	Unit	2025
Training Coverage Rate for Key Position Personnel	%	100

Business Ethics

Indicator	Unit	2025
Number of Cases Involving Litigation or Major Administrative Penalties Due to Unfair Competition	/	0
Monetary Value of Cases Involving Litigation or Major Administrative Penalties Due to Unfair Competition	RMB	0
Number of Warning Education Training Sessions	Sessions	300+
Employee Participation Rate in Warning Education	%	100
Management Coverage Rate for Business Ethics Training	%	100

Information and Data Security

Indicator	Unit	2025
Number of Major Privacy Breaches or Information Security Incidents	/	0
Number of Customers, Consumers, and Employees Affected by Information Security Incidents	Persons	0
Information Security Training Coverage Rate for Key Position Employees	%	100

Environmental¹⁶

Environmental Compliance Management

Indicator	Unit	2025
Environmental Review Coverage Rate	%	100
Number of Environmental Complaints	/	0
Number of Environmental Incidents	/	0
Number of Environmental Penalties	/	0
Number of Environmental Litigation Cases	/	0
Cumulative Number of Factories Certified with the ISO 14001 Environmental Management System	/	37
Number of Environmental Protection Training Sessions	Sessions	99
Cumulative Number of National-Level "Green Factories"	/	20
Cumulative Number of Provincial-Level "Green Factories"	/	14
Cumulative Number of World Economic Forum "Lighthouse Factories"	/	3

Addressing Climate Change¹⁷

Indicator	Unit	2025
Scope 1 Greenhouse Gas Emissions	tCO ₂ e	295,583
Scope 2 Greenhouse Gas Emissions	tCO ₂ e	634,553
Total Greenhouse Gas Emissions (Scope 1 & 2)	tCO ₂ e	930,137
Greenhouse Gas Emission Intensity (Scope 1 & 2)	tCO ₂ e/RMB 10,000 Revenue	0.041
Actual Greenhouse Gas Emission Reductions Achieved	tCO ₂ e	54,719
Cumulative Number of "Zero Carbon Factories"	/	4

Energy Management

Indicator	Unit	2025
Total Energy Consumption	Tce	183,510
Energy Consumption Intensity	Tce/RMB 10,000 Revenue	0.0082
Total Direct Energy Consumption	Tce	34,559
Total Indirect Energy Consumption	Tce	148,951
Cumulative Number of Factories Certified with the ISO 50001 Energy Management System	/	29
Installed Capacity of Distributed Photovoltaic Systems in Industrial Parks	MW	135.2
Usage of Distributed Photovoltaic Power Generation	MWh	71,470
Hydropower Purchased	MWh	11,120
Green Electricity Certificates Purchased	MWh	66,784.6

Water Resource Management

Indicator		Unit	2025
Total Water Withdrawal		Tonnes	6,239,083
Total Water Withdrawal Intensity		Tonnes/RMB 10,000 Revenue	0.2780
Total Wastewater Discharge		Tonnes	4,911,460
Wastewater Discharge Intensity		Tonnes/RMB 10,000 Revenue	0.4320
Total Wastewater Discharge by Type	Industrial Wastewater	Tonnes	2,470,439
	Domestic Wastewater	Tonnes	2,054,020

¹⁶ The quantitative data related to environmental compliance management, wastewater (and wastewater pollutants), waste gas (and waste gas pollutants), waste materials and noise for FY2025 only cover the operational activities of Hisense within the territory of the People's Republic of China.

¹⁷ Hisense continues to deepen the implementation of sustainability initiatives and strengthen its sustainability management capabilities. In FY2025, Hisense has included all its global business operations in the greenhouse gas emission collection scope, including Hisense's global business and newly acquired businesses within the People's Republic of China. Due to the broader coverage of greenhouse gas and energy consumption inventory in FY2025 compared to FY2024, and the impact of changes in the scope of consolidation, the data such as greenhouse gas emissions, energy consumption, and water consumption for FY2025 have increased.

Waste and Pollutant Management

Indicator		Unit	2025
Total Waste Gas Emissions		10,000 m ³	670,874
Waste Gas Emission Intensity		10,000 m ³ /RMB 10,000 Revenue	0.0590
Air Pollutant Emissions by Type	Sulfur Dioxide (SO ₂)	Tonnes	3.24
	Nitrogen Oxides (NO _x)	Tonnes	11.70
	Particulate Matter (PM)	Tonnes	14.29
	Non-Methane Hydrocarbons	Tonnes	27.29
	VOCs	Tonnes	77.21
	Ozone-Depleting Substances (ODS)	Tonnes	12.84
Total Waste Emissions		Tonnes	72,132
Waste Emission Intensity		10,000 m ³ /RMB 10,000 Revenue	0.0063
Waste Emissions by Type	Non-Hazardous Waste	Tonnes	67,582
	Hazardous Waste	Tonnes	4,550

Resource Utilization and Circular Economy

Indicator	Unit	2025
Cumulative Number of Waste Household Appliances Recycled	10,000 Units	430+

Social

Product Quality and Safety

Indicator	Unit	2025
Cumulative Number of ISO 9001 Quality Management System Certifications	/	57
Cumulative Number of Companies Covered by IATF 16949 Certification	/	27
Overseas Safety Regulation Certification Coverage Rate	%	100
Number of Quality Training Sessions Conducted	Sessions	342
Participant-Times in Quality Training	Person-Times	11,034
Number of Quality Improvement Topics Advanced	/	597
Number of Company-level Quality Improvement Projects Implemented	/	103
Number of QC Activities Conducted	Sessions	1,810
Number of QC Management Groups	/	1,625
Number of WORST Quality Improvement Groups	/	23

R&D and Innovation

Indicator	Unit	2025
Total Number of Patent Applications	/	5,639
Number of Patent Applications by Type	Number of Utility Model Patent Applications	2,165
	Number of Invention Patent Applications	3,207
	Number of Appearance Patent Applications	267
Total Number of Patents Granted	/	3,893
Number of Patents Granted by Type	Number of Utility Model Patents Granted	1,806
	Number of Invention Patents Granted	1,771
	Number of Appearance Patents Granted	321
Cumulative Number of Enterprises Certified for Intellectual Property Management Systems	/	3
Cumulative Number of National Intellectual Property-Advantaged and Demonstration Enterprises	/	17

R&D and Innovation

Indicator	Unit	2025
Number of Training Sessions Conducted on Patent Application Promotion	Sessions	14
Number of Employees Participating in Patent Application Promotion Training	Persons	1,526

Sustainable Products

Indicator	Unit	2025
Number of Products with Full-Lifecycle Carbon Footprint Certification	/	29
Number of Products with Product Carbon Label/Mark Certification	/	10

Customer Experience and Satisfaction

Indicator	Unit	2025
Customer Complaint Response Rate	%	100
Customer Complaint Resolution Rate	%	100

Employee Rights Protection

Indicator		Unit	2025
Proportion of Employees by Gender	Male	%	63.10
	Female	%	36.90
Proportion of Employees by Region	Mainland China	%	69.80
	Hong Kong, Macao, Taiwan and Overseas	%	30.20
Proportion of Employees by Educational Attainment	Bachelor's Degree	%	24.28
	Master's Degree or Above	%	10.13
Proportion of Employees by Age Group	Under 30	%	40.30
	30 To 50 (Included)	%	56.10
	Over 50	%	3.60

Occupational Health and Safety

Indicator	Unit	2025
Employee Health Check-up Participation Rate	%	100
Work-related Fatality Rate	%	0
Number of Work-related Fatalities	Persons	0
Number of Production Safety Accidents	/	0

Employee Development and Training

Indicator		Unit	2025
Number of Employee Training Sessions Conducted		Sessions	6,646
Number of Trained Employees by Gender	Male	Persons	49,297
	Female	Persons	28,757

Sustainable Supply Chain

Indicator	Unit	2025
Percentage of New Suppliers Screened Using Environmental Evaluation Criteria	%	98.6
Supplier Signing Rate for the <i>Integrity Commitment Agreement</i>	%	99.3
Supplier Signing Rate for the <i>Supplier Standard of Conduct</i>	%	99.5
Cumulative Number of National-Level "Green Supply Chain Management Demonstration Enterprises"	/	7

GRI Standards Index

Statement of use

Hisense Group Holdings Co., Ltd. has reported the information cited in this GRI content index for the period from 1st Jan., 2025 to 31st Dec., 2025 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION(PAGE NO.) & EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	3
	2-2 Entities included in the organization's sustainability reporting	1
	2-3 Reporting period, frequency and contact point	1
	2-4 Restatements of information	/
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	3, 86-90
	2-7 Employees	104
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	17
	2-10 Nomination and selection of the highest governance body	17
	2-11 Chair of the highest governance body	/
	2-12 Role of the highest governance body in overseeing the management of impacts	7
	2-13 Delegation of responsibility for managing impacts	7
	2-14 Role of the highest governance body in sustainability reporting	/
	2-15 Conflicts of interest	23
	2-16 Communication of critical concerns	7
	2-17 Collective knowledge of the highest governance body	7, 17
	2-18 Evaluation of the performance of the highest governance body	17
	2-19 Remuneration policies	17
	2-20 Process to determine remuneration	/
	2-21 Annual total compensation ratio	/
	2-22 Statement on sustainable development strategy	6

GRI STANDARD	DISCLOSURE	LOCATION(PAGE NO.) & EXPLANATION
GRI 2: General Disclosures 2021	2-23 Policy commitments	18-23
	2-24 Embedding policy commitments	18-24
	2-25 Processes to remediate negative impacts	24, 75, 89
	2-26 Mechanisms for seeking advice and raising concerns	24, 75, 89
	2-27 Compliance with laws and regulations	101, 102
	2-28 Membership associations	92
	2-29 Approach to stakeholder engagement	7
GRI 3: Material Topics 2021	2-30 Collective bargaining agreements	/
	3-1 Process to determine material topics	8
	3-2 List of material topics	8
	3-3 Management of material topics	9-10
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	70
	101-2 Management of biodiversity impacts	70
	101-3 Access and benefit-sharing	/
	101-4 Identification of biodiversity impacts	/
	101-5 Locations with biodiversity impacts	/
	101-6 Direct drivers of biodiversity loss	/
	101-7 Changes to the state of biodiversity	/
	101-8 Ecosystem services	/
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	101
	201-2 Financial implications and other risks and opportunities due to climate change	51-54
	201-3 Defined benefit plan obligations and other retirement plans	/
	201-4 Financial assistance received from government	/
GRI 202: Market Presence 2016	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 2016	203-1 Infrastructure investments and services supported	/
	203-2 Significant indirect economic impacts	100
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	22-24
	205-2 Communication and training about anti-corruption policies and procedures	24

GRI STANDARD	DISCLOSURE	LOCATION(PAGE NO.) & EXPLANATION
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	/
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	101
GRI 207: Tax 2019	207-1 Approach to tax	19
	207-2 Tax governance, control, and risk management	19
	207-3 Stakeholder engagement and management of concerns related to tax	19
	207-4 Country-by-country reporting	/
GRI 301: Materials 2016	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	103
GRI 302: Energy 2016	302-1 Energy consumption within the organization	102
	302-2 Energy consumption outside of the organization	/
	302-3 Energy intensity	102
	302-4 Reduction of energy consumption	58
	302-5 Reductions in energy requirements of products and services	43
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	62
	303-2 Management of water discharge-related impacts	63
	303-3 Water withdrawal	102
	303-4 Water discharge	102
	303-5 Water consumption	102
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	102
	305-2 Energy indirect (Scope 2) GHG emissions	102
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	102
	305-5 Reduction of GHG emissions	102
	305-6 Emissions of ozone-depleting substances (ODS)	103
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissionst	103
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	65
	306-2 Management of significant waste-related impacts	65
	306-3 Waste generated	103
	306-4 Waste diverted from disposal	103
	306-5 Waste directed to disposal	/

GRI STANDARD	DISCLOSURE	LOCATION(PAGE NO.) & EXPLANATION
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	87
	308-2 Negative environmental impacts in the supply chain and actions taken	88
GRI 401: Employment 2016	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	74
	401-3 Parental leave	74
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	76
	403-2 Hazard identification, risk assessment, and incident investigation	78
	403-3 Occupational health services	76
	403-4 Worker participation, consultation, and communication on occupational health and safety	76
	403-5 Worker training on occupational health and safety	78
	403-6 Promotion of worker health	78
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76
	403-8 Workers covered by an occupational health and safety management system	76
	403-9 Work-related injuries	104
	403-10 Work-related ill health	/
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	/
	404-2 Programs for upgrading employee skills and transition assistance programs	79
	404-3 Percentage of employees receiving regular performance and career development reviews	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	74
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	/

GRI STANDARD	DISCLOSURE	LOCATION(PAGE NO.) & EXPLANATION
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	95
	413-2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	87
	414-2 Negative social impacts in the supply chain and actions taken	88
GRI 415: Public Policy 2016	415-1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	42
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	47
	417-2 Incidents of non-compliance concerning product and service information and labeling	/
	417-3 Incidents of non-compliance concerning marketing communications	/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	27

List of Terms

Abbreviation	Full Name
Hisense, the Group, We	Headquarters, Business Divisions and Subsidiary Companies of Hisense Group Holdings Co., Ltd.
Hisense Group, Group Headquarters	Hisense Group Holdings Co., Ltd.
This Report	<i>Hisense Group 2025 Environmental, Social and Governance Report</i>
2025, the year, the Reporting Period	The Period from 1 January 2025 to 31 December 2025
RMB	Renminbi (Currency Code: CNY)

Abbreviation of Subsidiary ¹⁸	Full Name of Subsidiary
Hisense Visual Technology	Hisense Visual Technology Co., Ltd.
Hisense Home Appliances	Hisense Home Appliances Group Co., Ltd.
Sanden Corporation	Sanden Holdings Corporation, Japan
Changelight	Xiamen Changelight Co., Ltd.
Kelin Electric	Shijiazhuang Kelin Electric Co., Ltd.
Hisense-Hitachi Company	Qingdao Hisense-Hitachi Air-Conditioning Systems Co., Ltd.
Hisense RonShen Refrigerator	Hisense RonShen (Guangdong) Refrigerator Co., Ltd.
Ligent Technologies	Ligent Technologies, Inc.
Hisense Refrigerator Company	Hisense Refrigerator Co., Ltd.
Hisense Air Conditioning Company	Hisense Air Conditioning Co., Ltd.
Hisense Mould Company	Qingdao Hisense Mould Co., Ltd.
Hisense TransTech Company	Qingdao Hisense TransTech Co., Ltd.
Hisense Commercial Cold Company	Qingdao Hisense Commercial Cold Chain Co., Ltd.
Hisense Europe Holding	Hisense Europe Holding GmbH
Gorenje d.o.o.	Gorenje Gospodinjski Aparati, d.o.o.
Hisense Saudi Arabia	Hisense Saudi Arabia LLC
Hisense Japan	ハイセンスジャパン株式会社
Hisense Indonesia	PT. Hisense International Indonesia
Hisense Thailand	Hisense International (Thailand) Co., Ltd.
Hisense South Africa	Hisense South Africa Enterprise (Pty) Ltd.
Hisense Dubai	Hisense Middle East FZE
Hisense Chile	Hisense Gorenje Chile SpA

¹⁸ The term "subsidiary" below refers to the subsidiaries and their respective subordinate companies.

Reader Feedback

Dear Reader:

Thank you for reading the *Hisense Group Holdings Co., Ltd. 2025 Environmental, Social and Governance Report*. To enhance the quality of this report and to provide you and other stakeholders with more valuable information, we sincerely hope that you can give your valuable opinions and suggestions. You can give feedback via the QR code below, or sending email to hiesg@hisense.com. We look forward to hearing from you !

1. To which of the following stakeholder categories do you belong?

- | | | |
|--|--|---|
| ☐ Consumers | ☐ Government and
Regulatory Agencies | ☐ Employees |
| ☐ Shareholders/Creditors | ☐ Suppliers | ☐ Business
Partners |
| ☐ Customers | ☐ Community and the Public | ☐ Media |
| ☐ Industry Associations and
Social Organizations | ☐ Other _____ | |

2. Do you believe this report comprehensively reflected Hisense Group's Environmental, Social and Governance performance?

- | | | |
|------------------------------|----------------------------------|-----------------------------|
| ☐ Yes | ☐ General | ☐ No |
|------------------------------|----------------------------------|-----------------------------|

3. Do you believe this report fully responded to the expectations and requirements of Hisense Group's stakeholders?

- | | | |
|------------------------------|----------------------------------|-----------------------------|
| ☐ Yes | ☐ General | ☐ No |
|------------------------------|----------------------------------|-----------------------------|

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

- | | | |
|------------------------------|----------------------------------|-----------------------------|
| ☐ Yes | ☐ General | ☐ No |
|------------------------------|----------------------------------|-----------------------------|

5. Do you find the text of this report to be well-organized, clear, and easy to understand?

- | | | |
|------------------------------|----------------------------------|-----------------------------|
| ☐ Yes | ☐ General | ☐ No |
|------------------------------|----------------------------------|-----------------------------|

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

- | | | |
|------------------------------|----------------------------------|-----------------------------|
| ☐ Yes | ☐ General | ☐ No |
|------------------------------|----------------------------------|-----------------------------|

7. Please list any content you had hoped to see that was not disclosed in this report:

8. What other comments or suggestions do you have regarding Hisense Group's ESG management and this ESG report?

Scan the QR Code to Complete the Reader Feedback Form

