



2025 Environmental, Social and Governance report

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About This Report

Background

This report aims to provide an objective and fair account of the environmental, social and governance (hereinafter “ESG”) performance of Haier Smart Home Co., Ltd. and its subsidiaries (hereinafter “Haier Smart Home”, “the Company”, or “we”) in 2025. For corporate governance matters, readers are advised to read this report in conjunction with the “Corporate Governance Report” (H Share) or “Corporate Governance, Environment and Society” (A Share) section of the *Haier Smart Home Co., Ltd. 2025 Annual Report* (hereinafter the “2025 Annual Report”).

Reporting Scope

This report covers the period from January 1 to December 31, 2025, with certain content extending beyond this timeframe. The reporting scope encompasses all of the Company’s principal businesses, namely smart solutions for food preservation and cooking (covering refrigerator/freezer, and kitchen appliance product categories and solutions), fabric care, air management (covering home and commercial air conditioning products and solutions), and water solutions, as well as other businesses, which is broadly consistent with the *2025 Annual Report* and previous ESG reports. We review the reporting scope on a regular basis to ensure it captures the material impacts across the Company’s business portfolio.

Basis of Preparation

This report has been prepared primarily in accordance with

Appendix C2 of the Listing Rules, the *Environmental, Social and Governance Reporting Code* (hereinafter the “ESG Reporting Code”) issued by The Stock Exchange of Hong Kong Limited (hereinafter “HKEX”), the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange (hereinafter “SSE”), as well as the *Guide No.1 for Self-Regulatory Supervision on Listed Companies of the SSE—Standardized Operations* and the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports*, with reference to the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Reporting Initiative (GRI), the amendments to the *Sustainability Accounting Standards* (SASB Standards) of the International Sustainability Standards Board (ISSB)¹, the *Sustainability Disclosure Standards for Business Enterprises — Basic Standards (Trial)* and the *Sustainability Disclosure Standards for Business Enterprises No. 1 — Climate (Trial)* issued by China’s Ministry of Finance and other government agencies.

Reporting Principles

This report has been prepared in accordance with four core principles: “Materiality”, “Quantitative”, “Balance”, and “Consistency”.

Materiality

We conduct materiality assessments in accordance with the ESG Reporting Code and the *Guide No.4 for Self-Regulatory Supervision*

on Listed Companies of the SSE—Compilation of Sustainable Development Reports. Our process involves: i) identifying relevant ESG topics, ii) assessing the materiality of each topic, and iii) Board review and confirmation of the assessment process and results. We report on ESG matters based on the outcomes of the materiality assessment. For details on the materiality assessment process, please refer to the “Double Materiality Assessment” section later in this report.

Quantitative

In accordance with the ESG Reporting Code, the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports* and with reference to applicable quantitative standards and practices, this report adopts quantitative methods to measure and disclose applicable key performance indicators, and has established environmental targets comprising both numerical figures and directional statements. The measurement standards, methodologies, assumptions and/or calculation tools for key performance indicators in this report, as well as the sources of conversion factors used, are explained at the relevant sections where applicable. Environmental targets are disclosed in the “Full Life-Cycle Green Management and Climate Resilience” chapter.

Balance

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

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

Consistency

The methodology used in preparing this report is consistent with previous years. Any changes that may affect meaningful comparison with prior reports have been noted in the corresponding sections.

Data Sources and Reliability Assurance

The textual information and case studies in this report are primarily sourced from the Company's statistical data, relevant documents, and internal files. Certain data in this report are excerpted from the *2025 Annual Report*, while other data are derived from the Company's internal digital systems or manual records. The Company

undertakes that this report contains no false records, misleading statements or material omissions, and assumes responsibility for the truthfulness, accuracy, and completeness of its contents.

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

Access to and Feedback on This Report

This report is available in both printed and electronic formats. The electronic version can be accessed on the Haier Group official

website (<https://www.haier.com/>), Haier Smart Home official website (<https://smart-home.haier.com/cn/>), the HKEX website (www.hkexnews.hk), and the Shanghai Stock Exchange website (<http://www.sse.com.cn/>).

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

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Statement of the Board

The Board of Directors is the highest governing and decision-making body for ESG matters at Haier Smart Home and places a strong emphasis on the Company's sustainable development. The Board has established a dedicated Environmental, Social and Governance Committee to assist the Board in ESG governance and information disclosure. The ESG Committee reports significant ESG matters to the Board on a regular basis through routine meetings and special sessions.

The Company regularly assesses, prioritizes, and manages ESG-related matters, including associated business risks and their materiality. The Board is responsible for reviewing the assessment results, determining the Company's material ESG risks, identifying ESG topics of strategic significance to the Company's development, and reviewing and advising on the management measures adopted. For details on risk management and the materiality assessment, please refer to the "Corporate Governance Report" (H Share) or "Corporate Governance, Environment and Society" (A Share) in the 2025 Annual Report and the "Double Materiality Assessment" section of this report.

The Company has formulated an effective ESG strategy and

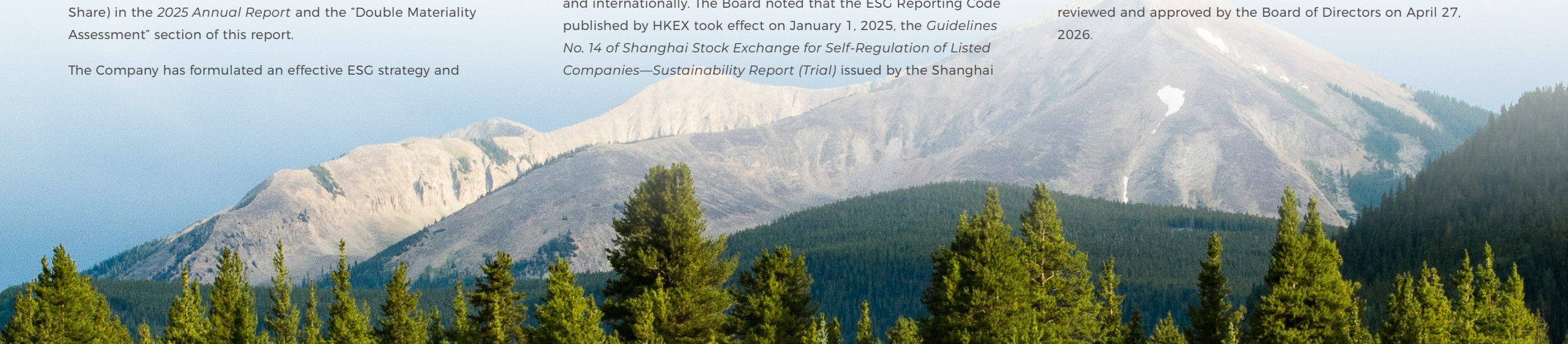
continues to explore ways to enhance its ESG performance. The Board reviews the ESG strategy on a regular basis to ensure its alignment with the Company's overall business development strategy. For details on the ESG strategy, please refer to the "ESG Vision and Strategy" section. The ESG Executive Working Group, composed of core management, reports regularly to the Environmental, Social and Governance Committee on internal ESG matters and is responsible for implementing the Company's ESG policies and providing recommendations.

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

During the year, the Board continued to monitor the latest ESG regulatory requirements and emerging trends both domestically and internationally. The Board noted that the ESG Reporting Code published by HKEX took effect on January 1, 2025, the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai

Stock Exchange came into force on May 1, 2025 and the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports (January 2026 Revision)* released by SSE on January, 2026. In addition, China's Ministry of Finance and other government agencies jointly issued the *Sustainability Disclosure Standards for Business Enterprises — Basic Standards (Trial)* and the *Sustainability Disclosure Standards for Business Enterprises No. 1 — Climate (Trial)*, establishing a unified sustainability disclosure standards framework and raising the bar for corporate sustainability disclosures. In response to these regulatory requirements and to enhance ESG performance, the Board has proactively undertaken preparatory measures, including organizing relevant training, conducting discussion and research, and developing responsive action plans.

This report provides comprehensive disclosure on the aforementioned environmental, social and governance matters, and was reviewed and approved by the Board of Directors on April 27, 2026.



Letter from Management

Dear Stakeholders,

In 2025, a year of significant transformation and challenge, Haier Smart Home remained firmly committed to putting users first, integrating sustainability principles into both our corporate strategy and daily operations. We believe that strong ESG practices are not only a corporate responsibility in the face of global challenges, but also a key driver of long-term growth and future competitiveness. In 2025, we maintained our industry-leading position across multiple authoritative ESG ratings. These achievements would not have been possible without the dedication of all Haier Smart Home employees, or without the trust and support of our global ecosystem partners, investors, and communities.

Haier Smart Home's ESG Philosophy : Embedded in Strategy and Management, Creating Lasting Value

At Haier Smart Home, we have always treated ESG as a strategic pillar of corporate governance. Rooted in the "Model of RenDanHeYi", our ESG philosophy aims to deliver the best user experiences through innovative products, services, and business models, while achieving harmony between business growth, the environment, and society. We have elevated ESG management to the heart of our corporate strategy, embedding it across governance, operations, and the full product lifecycle to create sustainable long-term value for all stakeholders.

Key ESG Innovations and Milestones in 2025

Over the past year, we have made systematic and substantive

progress across ESG governance, stakeholder engagement, climate action, zero-carbon parks, green supply chains, and community contributions.

• Robust ESG Governance and Strategic Focus

We have established a global ESG governance framework covering governance, management, and execution. In 2025, we conducted a "double materiality" assessment, systematically evaluating the impact of ESG issues on both business development and stakeholders. This ensures that our ESG strategy remains closely aligned with core operations and that resources are focused on the most material areas.

• Systematic Stakeholder Engagement

We have built routine, multi-channel stakeholder engagement mechanisms, including ESG-focused briefings, surveys, and interviews, to continuously gather expectations and feedback from investors, customers, employees, communities, and suppliers. Actionable feedback has been incorporated into ESG target-setting and performance improvement. In 2025, we surveyed 1,543 customers and 1,017 employees, and conducted in-depth interviews with 28 representatives from 20 global investment institutions. These efforts provided vital input for identifying key ESG topics, shaping strategy, and strengthening our report disclosures.

• Ambitious Climate Action

In 2025, we formally established a Climate Change Committee led

by our top management decision-making body and published the *Haier Smart Home Carbon Neutrality White Paper*. The white paper sets out our carbon neutrality roadmap, key initiatives, and technology pathways, reflecting a firm and transparent commitment to addressing climate change. Haier Smart Home has pledged to achieve carbon neutrality in its own operations no later than 2050. The emission reduction targets set by two of our subsidiaries, Qingdao Haier Special Freezer Co., Ltd. and Haier Europe have both been validated by SBTi.

We have also developed an industry-leading "6-Green" supply chain system (Green Design, Green Procurement, Green Manufacturing, Green Logistics, Green Recycling, and Green Services), embedding sustainability principles throughout the entire product lifecycle. This system has meaningfully reduced our environmental footprint and driven green upgrades across the supply chain.

In 2025, we established the Integrated HVAC Platform, a core strategic initiative in the smart energy domain. The platform brings together five major business segments (home air conditioning, commercial air conditioning, heat pumps, water heaters, and water purification) to provide households and commercial users with one-stop solutions for heating, cooling, ventilation, water, and smart controls. Through four digital platforms (solutions, design, construction, and operations), it creates a closed-loop service chain from user needs to long-term maintenance, driving a fundamental shift from

"selling products" to "providing integrated air solutions". In terms of energy efficiency, we leverage our globally leading magnetic levitation technology (our magnetic levitation central air conditioners have ranked first in global market share for eight consecutive years) to deliver significant energy savings. Specifically, our magnetic levitation air conditioners can achieve 30%-50% energy savings, AI-powered VRF solutions can deliver up to 30% comprehensive energy savings, and wind-liquid convergence solutions for data centers can save 25%.

Addressing the environmental challenges posed by traditional refrigerants, Haier Smart Home is actively advancing the transition in refrigeration technology, with a focus on CO₂ refrigeration to provide low-carbon and even zero-carbon solutions for commercial cold chains and large-scale facilities. The natural refrigerant CO₂ has a Global Warming Potential (GWP) of just 1, making it virtually harmless to the environment compared to traditional synthetic refrigerants. At the same time, it enables cascaded energy recovery by combining refrigeration with heat recovery through trans-critical cycling, significantly improving overall system energy efficiency. China's National Speed Skating Oval ("Ice Ribbon") adopted our trans-critical CO₂ combined cooling and heating system, achieving enhanced energy efficiency while ensuring precise ice surface temperature control.

• **Continuously Upgrading the "Model of RenDanHeYi" to Foster Employee Innovation and Development**

In 2025, we continued to implement the "Model of RenDanHeYi"

globally, encouraging employee innovation, valuing individual contributions, and fostering an open, diverse, and inclusive work environment. This has cultivated a corporate culture of entrepreneurship, innovation, a user-first mindset, and a commitment to constant self-reflection. We employ flexible incentive and value-sharing mechanisms to motivate employees' enthusiasm and entrepreneurial spirit, thereby driving sustainable development. The "Model of RenDanHeYi" is also applied to newly acquired enterprises to support cross-cultural integration and promote growth in local markets. In 2025, we focused on building talent reserves in technology, AI, and international operations, attracting 1,830 key professionals in the China region over the course of the year.

• **Sustained Global Community Value Creation**

As a responsible corporate citizen, we actively fulfill our social responsibility worldwide. Through education support, disaster relief, community development, and other initiatives, we give back to local communities, strengthening relationships and continuing to build our brand reputation and trust.

Looking Ahead: Joining Forces with Global Ecosystem Partners for a Sustainable Future

Looking ahead, the global sustainability agenda will continue to gain momentum. Haier Smart Home will remain guided by ESG as a strategic compass, continuously strengthening our ESG governance systems to ensure they remain effective and forward-looking. We will:

- **Deepen our low-carbon transformation.** Accelerate implementation of our carbon neutrality roadmap, explore additional emission reduction technologies, and launch energy-efficient products and innovative solutions.
- **Strengthen value chain collaboration.** Partner with global suppliers and partners to jointly build a greener, more inclusive, and more resilient industrial ecosystem.
- **Expand social value.** Continuously invest in education, technology, culture, and community development to create broader positive social impact.
- **Enhance transparent communication.** Continuously improve dialogue with all stakeholders, disclosing our progress and challenges with greater openness.

We know that sustainable development is a long journey that demands unwavering commitment. Haier Smart Home will continue to harness the power of innovation and stand firm in our responsibility, deeply embedding ESG into the DNA of our growth. We look forward to joining hands with all our partners, users, and communities to shape a greener, more equitable, and brighter future together.

Thank you for your continued trust and support.

Haier Smart Home Management
April 2026

About Haier Smart Home

The Company's predecessor, Qingdao Refrigerator Factory, was founded in 1984, with headquarters located in Qingdao, China. It was officially renamed Haier Smart Home Co., Ltd. in June 2019. As a global ecosystem brand dedicated to providing smart home solutions that enhance the lives of users worldwide, the Company primarily engages in the R&D, production, and sales of smart home appliance products and scenario-based solutions, including refrigerators, freezers, washing machines, air conditioners, water heaters, kitchen appliances, and small home appliances. Through a diverse portfolio of products, brands, and solutions, we create comprehensive smart living experiences tailored to the unique needs of our users.

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

an "A+D+H" global capital market presence.

The Company owns a global cluster of home appliance brands, including Haier, Casarte, Leader, GE Appliances, Candy, Fisher & Paykel (hereinafter referred to as "FPA"), AQUA, CCR, and Kwikot, and continues to expand its business reach. According to Euromonitor International, a leading global market research firm, Haier has maintained its position as the world's number one major home appliance brand by retail volume for 17 consecutive years as of 2025. Meanwhile, Haier-branded refrigerators and washing machines have ranked first in retail volume among global major home appliance brands for 18 and 17 consecutive years, respectively.

As our premiumization and globalization strategies continue to advance, Haier Smart Home's brand influence has grown steadily. The Company has become a leading household appliance brand, listed in the World Brand Lab's "World's 500 Most Influential Brands" for multiple consecutive years and featured on the Kantar Brand Z "Top 100 Most Valuable Chinese Brands" ranking for fifteen consecu-

tive years. Haier Smart Home has consistently been recognized on the Fortune Global 500 and the Fortune China ESG Impact List. Haier Smart Home's ESG practices have earned an MSCI ESG rating of "AA", a leading rating among domestic home appliance peers. As connectivity becomes ubiquitous, Haier's ecosystem brand, led by smart home innovation, will continue to deliver enriched living experiences to users worldwide.

Haier Smart Home regards ESG as a vital component of its corporate strategy, embedded across all levels from guiding philosophy and organizational structure to strategic planning and on-the-ground implementation. For over a decade, we have consistently published ESG Reports (previously known as "Social Responsibility Report" prior to 2021), advancing our ESG practices through stronger sustainable governance, green and low-carbon development, diversity and inclusion, smart experiences, and industry collaboration.

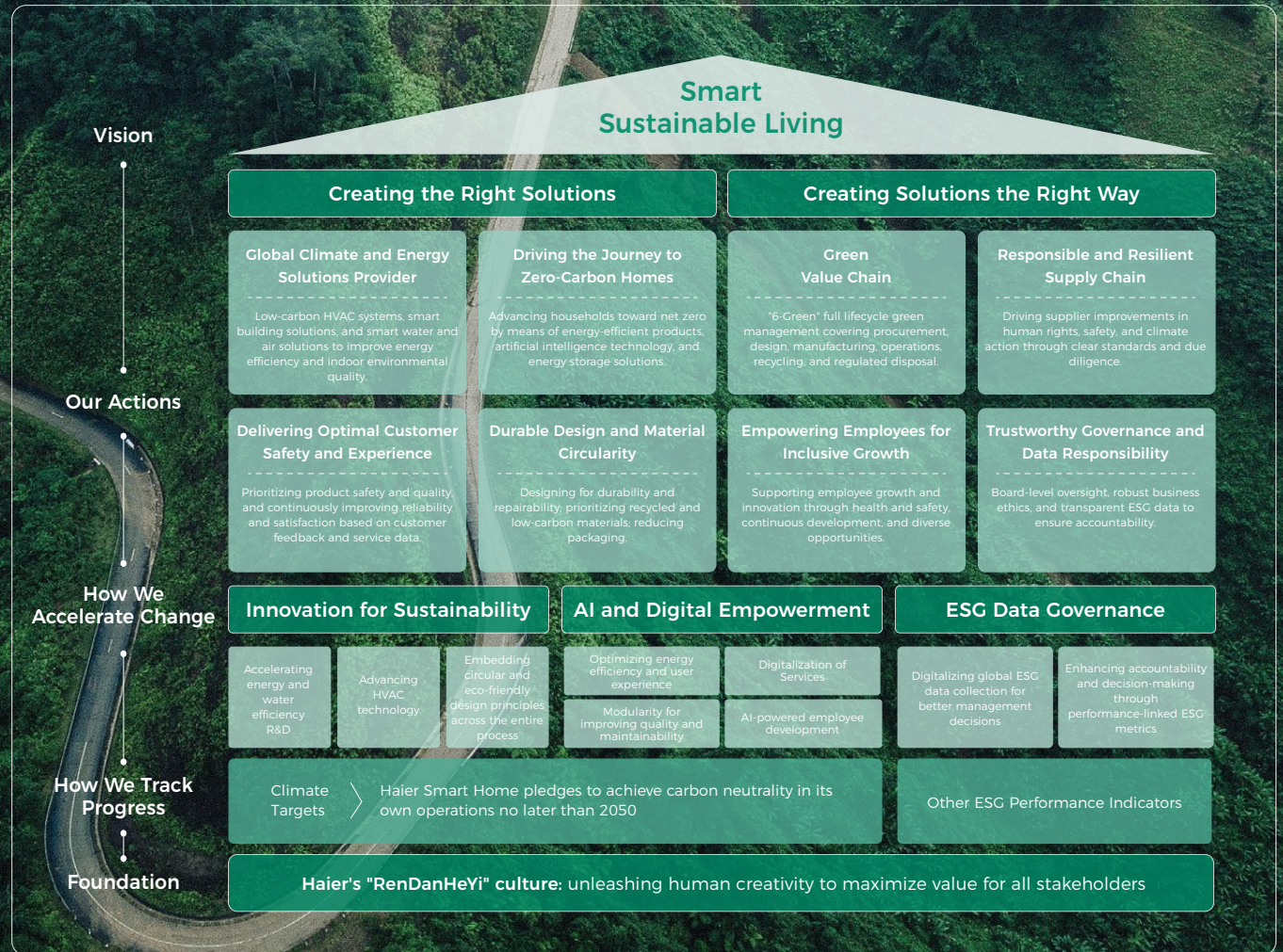


ESG Vision and Strategy

In 2025, the Company comprehensively upgraded its ESG vision and strategy framework in line with its business characteristics and industry landscape. Our ESG vision, "Smart Sustainable Living", reflects our commitment to integrating smart technology with a human-centered approach, bringing sustainable living concepts into homes, commercial spaces, industrial settings, and other diverse scenarios to create a greener, smarter future. Guided by this vision, the Company takes "RenDanHeYi" as its core foundation and adopts a dual-driver approach of "creating sustainable solutions" and "creating solutions in a sustainable manner". We systematically advance sustainability initiatives across the organization and accelerate transformation through three strategic directions: "innovating for sustainability", "AI and digital empowerment", and "ESG data governance", collectively driving progress toward climate targets and other ESG performance goals.



Since joining the United Nations Global Compact (UNGC), Haier Smart Home has closely aligned its ESG strategy and practices with the United Nations 2030 Sustainable Development Goals (UN SDGs). The Company is committed to upholding the Ten Principles of the Global Compact, grounded in United Nations Conventions, and to continuously advancing ESG leadership.



ESG Governance

Sound ESG governance plays an important role in ensuring stable business operations, responding to emerging crises, and seizing growth opportunities. To embed ESG principles into the corporate strategy, the Company has established an ESG governance structure that encompasses its overseas operations and is organized across three tiers: governance, management, and execution.

The Board of Directors serves as the highest decision-making body. It has established the Environmental, Social and Governance Committee (hereinafter the "ESG Committee"), comprising four

directors, to provide comprehensive oversight on ESG-related matters and fulfill related governance responsibilities on behalf of the Board. For detailed information on the ESG Committee, please refer to the *Implementation Rules of the Environmental, Social and Governance Committee of the Board of Directors of Haier Smart Home Co., Ltd.* In 2025, a new ESG Executive Committee was established under the ESG Committee. Composed of core management, it is responsible for integrating ESG strategy into the Company's strategic operations. The ESG Executive Office and various Chain Groups are responsible for the day-to-day execution of

ESG initiatives.

In addition, each overseas region has established its own ESG management structure and advances ESG-related work in accordance with locally applicable laws and regulations. Responsibilities include formulating ESG objectives, strategies, and plans, overseeing and reviewing ESG commitments, preparing annual ESG reports, and promoting a culture of sustainability within teams by sharing best practices.



ESG Management Capability Building

The Company regularly invites senior industry experts to deliver training on ESG development trends, best practices, and professional skills. This ensures that the Board, management, and relevant personnel maintain the ESG knowledge and competencies required to support the Company's strategy, policy implementation, and oversight.

The ESG Committee convenes regular meetings each year to receive management reports on ESG matters, assess the Company's ESG performance along with the risks and opportunities it faces, formulate the Company's ESG vision, targets, and strategy, and provide recommendations to the Board. This process ensures that ESG-related impacts, risks, and opportunities are incorporated into decision-making. During the reporting period, the ESG Committee held two meetings. It discussed and reviewed the Company's 2024

ESG Report, deliberated on ESG strategy, ESG targets, and priority ESG management projects, and submitted recommendations to the Board.

ESG Incentive Mechanism

Haier Smart Home has incorporated key ESG indicators into the monthly performance appraisals of relevant management employees, in alignment with the Company's business characteristics and ESG objectives. These indicators include training completion rates, trade-in program effectiveness, anti-fraud investigations, quality loss metrics, quality certifications, and production safety, all of which support the achievement of ESG targets.

Furthermore, ESG indicators have been linked to the compensation of selected senior executives and key employees, promoting the integration of ESG efforts with business operations. In resource

recycling, for example, senior executives are assigned targets for appliance collection, disassembly, and material regeneration. Performance against these targets is evaluated monthly, and the results are directly linked to executive compensation.

ESG Due Diligence

In recent years, Haier Smart Home has proactively responded to external sustainability regulatory requirements and guidelines and consistently prioritized ESG management and investigation. The Company is currently strengthening its professional capabilities in the ESG domain, advancing the development of relevant institutional frameworks and talent reserves, and preparing to launch ESG due diligence efforts focused primarily on supply chain assessments. These efforts will provide a comprehensive view of the Company's ESG status and impacts, supporting the continued advancement of ESG practices.



Double Materiality Assessment

In 2025, Haier Smart Home engaged an independent third party to conduct a stakeholder survey to assess and respond to stakeholder expectations on a scientific basis. Through a systematic analysis of domestic and international sustainability trends and with reference to the SSE's *Guidelines No. 14 for Self-Regulation of Listed Companies — Sustainability Report (Trial)* (hereinafter the "Guidelines") as well as other sustainability disclosure guidelines, the Company conducted a "double materiality" analysis encompassing both impact materiality and financial materiality. This analysis identified the Company's sustainability priorities and determined disclosure content, resulting in 26 material topics across four dimensions, including Product/Customer (5 topics), Environment (9 topics), Talent/Society (9 topics), and Corporate Governance (3 topics).

Assessment Process and Methods:

Our main analysis process includes the following steps:

- 1) Understanding the context of company activities and business relationships, and identifying the value chain: Building on the Company's sustainability work, we further clarified the impact of the Company's operations on stakeholders and the impact of external environmental changes on the Company's own operations and value chain. Methods included interviews, desk research, and discussions with internal and external experts.
- 2) Establishing a three-tier exploration and assessment model: The model spans cross-industry benchmarking (20% weighting), sector-specific analysis (30% weighting), and company-specific evaluation (50% weighting), applying three levels of practice and benchmarking to focus on material topics relevant at the global, industry, and company levels. We conducted a preliminary assessment of the current status and future outlook of each topic, establishing a data and topic foundation for the assessment of

financial materiality and impact materiality.

3) Developing a topic inventory: Taking full account of Haier Smart Home's future development plans and based on the requirements of the Guidelines, combined with other applicable sustainability disclosure standards, industry standards, and peer analysis, we identified 26 sustainability topics relevant to the Company.

4) Identifying the main impacts, risks, and opportunities associated with each topic: Through internal and external interviews, questionnaire surveys, and data analysis, we identified the main impacts, risks, and opportunities associated with each topic.

5) Assessment and confirmation of topic materiality: Stakeholders were invited to score the identified impacts, risks, and opportunities through interviews and questionnaire surveys. The scoring results were then discussed with the Company's internal sustainability experts, financial experts, relevant business segment experts, and external experts, forming Haier Smart Home's sustainability topic Double Materiality analysis matrix, which was submitted to the Board of Directors for approval.

During the year, the Company reviewed and adjusted its sustainability topics based on the topic framework set out in the *Guidelines* and in alignment with its ESG strategy framework.

Impact Materiality Assessment Method

We took the following steps to assess the Impact Materiality of each topic:

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

Financial Materiality Assessment Method

We took the following steps to assess the Financial Materiality of each topic:



- Reviewed external environmental changes related to the Company's sustainability, fully considered the Company's dependence on and influence over relevant resources and relationships, and identified the principal sustainability risks and opportunities facing the Company.
- Established Financial Materiality assessment thresholds:
 - » Selected key financial indicators closely related to the Company's business operations and financial condition;
 - » Defined Financial Materiality assessment thresholds based on the Company's scale, business structure, and industry characteristics.
- Topic decomposition and business scenario alignment:
 - » Decomposed key topics into assessable sub-topics;
 - » Matched topics with business activities by aligning them with the actual operations and management scenarios of each business segment.
- Risk and opportunity identification and financial impact assessment:
 - » Systematically identified the risks and opportunities that key topics may present across different business scenarios;
 - » Mapped the key non-financial and financial indicators associated with each risk and opportunity, establishing linkages between indicators;
 - » Conducted an integrated analysis of the likelihood of relevant risks and opportunities and their degree of impact on financial performance;
 - » Engaged internal professional teams or external experts to support evaluation and judgment.

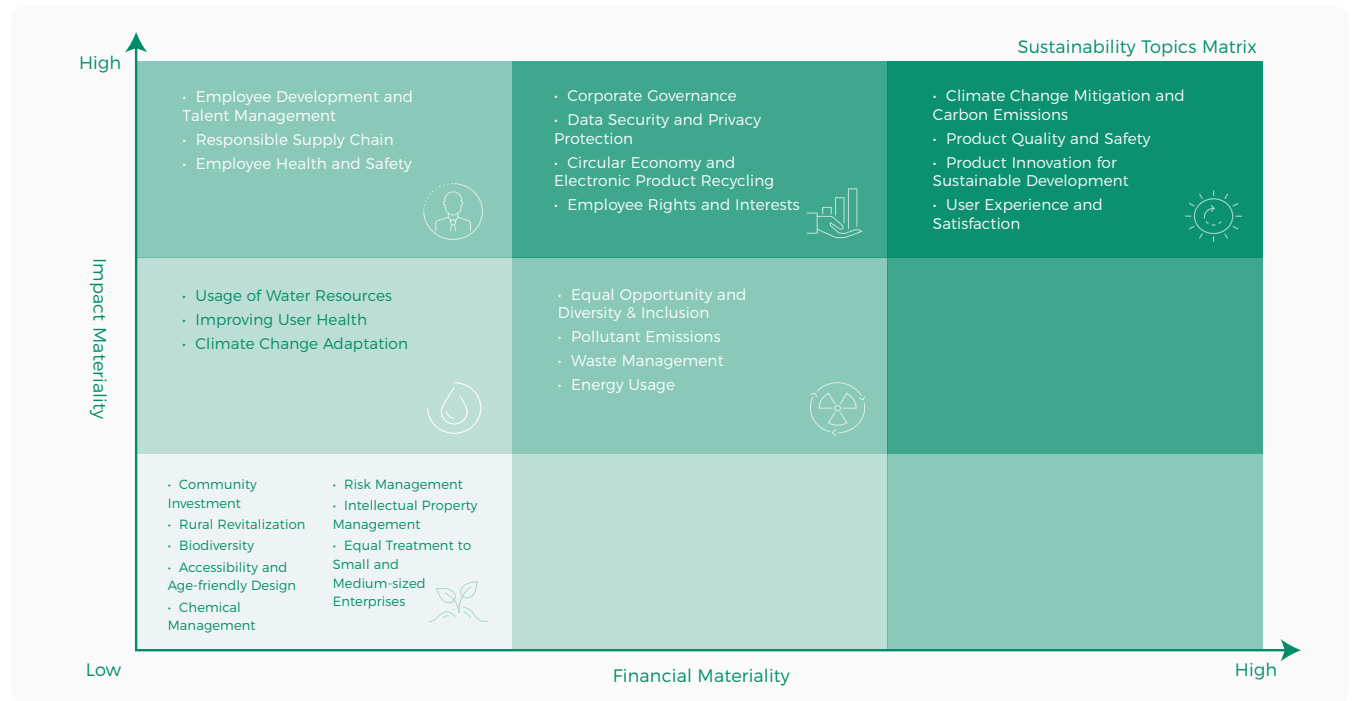
- Threshold comparison and Financial Materiality determination. Summarized the assessment results, prioritized topics according to impact levels, and determined the topics with Financial Materiality.

Double Materiality Assessment Results

Through the steps above, Haier Smart Home analyzed sustainability and ESG regulatory developments and conducted industry benchmarking, resulting in an optimized inventory of 26 material topics², with particular reference to the mandatory disclosure topics

required by the *Guidelines*. The identified material topics and the materiality matrix are presented below.

Through the Double Materiality Assessment, a total of 11 key topics were confirmed, of which four topics were identified as having both Impact Materiality and Financial Materiality. These are Climate Change Mitigation and Carbon Emissions, Product Quality and Safety, User Experience and Satisfaction, and Product Innovation for Sustainable Development.



² Among them, the "Risk Management" topic encompasses "Environmental Compliance Management", and the "Corporate Governance" topic encompasses "Anti-bribery and Anti-corruption" and "Anti-unfair Competition".

Summary of Double Materiality Topic Impacts

ESG Topic	Key Impacts, Risks and Opportunities	Affected Stakeholders	Value Chain Impact Scope	Time Horizon ³	Financial Impact and Response Measures
Climate Change Mitigation and Carbon Emissions	<p>Impact: The manufacturing and use of home appliances may accelerate climate change. Actively pursuing carbon reduction initiatives and building environmental protection capabilities can help mitigate these effects.</p> <p>Risk: The Company's manufacturing operations may be exposed to risks from extreme weather events and rising energy costs.</p> <p>Opportunity: Growing demand for green technologies and products, supportive government policies for green home appliances, and clean energy alternatives may bring additional business growth opportunities for the Company.</p>	Users, distributors, regulatory bodies and government departments, shareholders and investors, NGOs and the public	Own operations Upstream Downstream	Medium-term Long-term	<p>Response measures: Continuously optimize production processes and promote energy-efficient, environmentally friendly products to reduce carbon emissions and strengthen competitiveness in the green supply chain. Increase R&D investment in new energy and intelligent technologies to drive low-carbon product transformation, adapting to market changes and capturing opportunities in the low-carbon economy.</p> <p>Financial impact: Please refer to the "Climate Change Response" section of this report for details.</p>
Product Quality and Safety	<p>Impact: A comprehensive full-chain quality management approach, combined with high-quality products, safeguards consumer health and safety while advancing the accessibility of technology.</p> <p>Risk: Inadequate quality controls may lead to higher product defect rates, potentially resulting in export restrictions, product recalls, and declining market share, causing a decrease in revenue.</p> <p>Opportunity: Strong quality and safety performance and a solid industry reputation may lead to increased product sales and market share, thereby driving revenue growth.</p>	Users, distributors, regulatory bodies and government departments, shareholders and investors, media, NGOs and the public	Own operations Downstream	Medium-term Long-term	<p>Response measures: Continue to enhance the end-to-end quality monitoring system, strengthen product lifecycle quality management and safety oversight, reinforce compliance certification and risk prevention, and accelerate the adoption of digital and intelligent applications and supply chain collaborative management. Leverage quality management as a driver of innovation by advancing intelligent safety features and high-standard certifications to capture growth opportunities arising from consumption upgrades.</p> <p>Financial impact: In 2025, the Company's estimated warranty and installation provision amounted to RMB 1,968,277,900, as disclosed under "VII. Explanatory Notes for Items In Consolidated Financial Statements, Item 40. Estimated liabilities" in the 2025 Annual Report.</p>
User Experience and Satisfaction	<p>Impact: Prioritizing user experience and satisfaction significantly enhances customer loyalty and brand reputation, creating new avenues for market growth.</p> <p>Opportunity: The Company continues to develop low-carbon, energy-efficient products and services that align with consumer preferences for electricity-saving and water-saving solutions, enabling further revenue growth.</p>	Users, distributors, regulatory bodies and government departments, shareholders and investors	Own operations Downstream	Short-term Medium-term Long-term	<p>Response measures: Continuously refine product design and service processes to strengthen market competitiveness and drive repeat purchases. Improve the omni-channel user feedback system to enable rapid response to user needs and ensure that experience optimization is embedded across all touchpoints.</p> <p>Financial impact: In 2025, the Company's estimated warranty and installation provision amounted to RMB 1,968,277,900, as disclosed under "VII. Explanatory Notes for Items In Consolidated Financial Statements, Item 40. Estimated liabilities" in the 2025 Annual Report.</p>

³ Considering the Company's business development plans and drawing on domestic and international sustainability management and disclosure standards, we define short-term as within one year after the end of the reporting period, medium-term as one to five years after the end of the reporting period, and long-term as five years and beyond.

Summary of Double Materiality Topic Impacts

ESG Topic	Key Impacts, Risks and Opportunities	Affected Stakeholders	Value Chain Impact Scope	Time Horizon ³	Financial Impact and Response Measures
Product Innovation for Sustainable Development	<p>Impact: Continuously driving product innovation strengthens market competitiveness and creates new growth avenues. Innovation practices also promote internal process optimization and cross-departmental collaboration, improving operational efficiency.</p> <p>Opportunity: Strong independent innovation capabilities and ongoing R&D and application of low-carbon, energy-efficient technologies help the Company continuously expand its low-carbon market share, driving growth in product sales and revenue.</p>	Users, distributors, regulatory bodies and government departments, shareholders and investors	Own operations Downstream	Medium-term Long-term	<p>Response measures: Increase R&D resource investment and encourage internal experimentation and external collaboration to enhance innovation momentum. Strengthen intellectual property protection to ensure that innovation outcomes are efficiently converted into market competitiveness.</p> <p>Financial impact: In 2025, the Company's R&D investment totaled RMB 10,716,600,100, as disclosed under "V. Major Operations During The Reporting Period, (1) Analysis of Principal Business, 4. R&D expenditure" in the <i>2025 Annual Report</i>.</p>

The above constitutes forward-looking statements regarding future developments and should not be construed as guarantees, projections, or precise predictions of future outcomes. The Company has fully considered various uncertainties in this process. Given the limitations of available data sources and other uncertain factors, it has determined to disclose the expected financial impacts of the above sustainability topics in qualitative terms for the time being, taking into account likelihood and the current state of resources.

ESG Performance Highlights



Corporate Governance

- Independent directors on the Board: **36%**
- Over **1,000** anti-corruption and anti-fraud training sessions conducted
- **100%** coverage of anti-corruption and anti-fraud awareness training for employees in the China operating region



Information Security and Privacy Protection

- Achieved **ISO 27001, ISO 27701, and ISO 27018** information security certifications
- No major information security breaches over the past three years



Circular Economy and Electronics Recycling

- Recycled over **8 million** units of used home appliances nationwide during the year, with cumulative recycling approaching **30 million** units and a steadily increasing rate of recycled material utilization from disassembly
- Leveraging over **32,000** offline retail stores, more than **100,000** service personnel, over **100** logistics distribution centers, and **3,000** collection network points, recycling operations now cover **31** provinces/autonomous regions/municipalities, **317** prefecture-level cities, and **2,728** districts and counties across China
- The Haier Smart Home green recycling interconnected factory can disassemble **2 million** used home appliances annually, regenerating **30,000** tons of recycled materials with a recycled material utilization rate exceeding **95%** and achieving annual carbon emission reductions of approximately **17,000** tons
- The Whale Recycling Platform extended coverage to 3C electronics and used clothing
- **13** lighthouse factories in operation, including 1 sustainable lighthouse factory and 1 talent lighthouse factory
- **27** national-level green factories, **12** national-level green supply chain enterprises, **10** zero waste and zero waste to landfill factories, and **5** zero-carbon factories



Climate Change Mitigation and Carbon Emissions

- Formally established a **Climate Change Committee** led by the highest decision-making body
- Developed a carbon reduction roadmap with a commitment to achieve carbon neutrality in the Company's own operations no later

- than 2050
- The carbon reduction targets of Qingdao Haier Special Freezer Co., Ltd. and Haier Europe have both been validated by **SBTi**
- 60% of scope 2 is covered by renewable sources in Haier Europe



Equal Opportunity and Diversity & Inclusion

- Employees from more than **50 countries** worldwide

- Attracted a total of **1,830** key talent in the China region during the year



Employee Rights

- **100%** labor union coverage
- **100%** signing rate for the *Collective Contract* and the *Special Collective Contract for Female Workers*

- **Zero** incidents of illegal employment practices
- Non-salary benefits coverage for all employees



Product Quality and Safety

- All factories in domestically established operating regions and all Haier Europe factories have obtained **ISO 9001** Quality Management System certification

- Product quality remained stable and under control, with **zero** product recalls



User Experience and Satisfaction

- User satisfaction rate reached **99.56%**, product satisfaction rate reached **99.88%**, complaint closure rate reached **100%**, and complaint resolution satisfaction rate reached **99.98%**
- User optimal experience standard, **2** national patents, **1** industry standard issued, **2** group standards initiated
- A team of **2,081** top-tier service trainers, conducting over **40,000** training sessions and training more than **210,000** people-times
- Complimentary delivery and installation coverage for more than **99%** of users, on-time delivery and installation rate of over **99%**



Intellectual Property Management

- Filed over **120,000** cumulative patent applications, including over **78,000** invention patents and over **19,000** overseas invention patents
- Received a total of **12** national patent gold awards
- Granted **7,667** patents during the reporting period, including **4,087** invention patents
- Currently hold a total of **56,462** patents, including **26,156** invention patents



Employee Development and Talent

- **100%** employee training coverage
- Average of **71** training hours per employee



Employee Health and Safety

- In the China region:
- Conducted **635** emergency drills at industrial parks with a cumulative **10,489** participants
 - Conducted **1,966** on-site emergency response drills at factories with a cumulative **49,281** participants
 - Organized **928** Safety Production Month events with over **90,000** participants
 - Organized **1,349** safety training sessions covering over **160,000** employees
 - Completed testing at **2,935** occupational hazard monitoring points and **14,000** medical examinations for workers engaged in hazardous occupations



Responsible Supply Chain Management

- **1,607** suppliers obtained **ISO 9001** Quality Management System certification, **932** obtained **ISO 14001** Environmental Management System certification, **329** obtained **QC 080000** Hazardous Substance Process Management System certification, and **369** obtained **TS 16949** Automotive Quality Management System certification.
- **100%** of active suppliers responded to the Supplier Integrity

Reminder Letter

- Social responsibility audit and compliance management coverage of **95%** of suppliers
- Conducted responsible minerals verification across **1,607** suppliers in the supply chain, with no use of conflict minerals identified.



Community Investment

- Assisted in building **406** Hope Schools to date

- Annual charitable donations exceeded RMB **8 million**



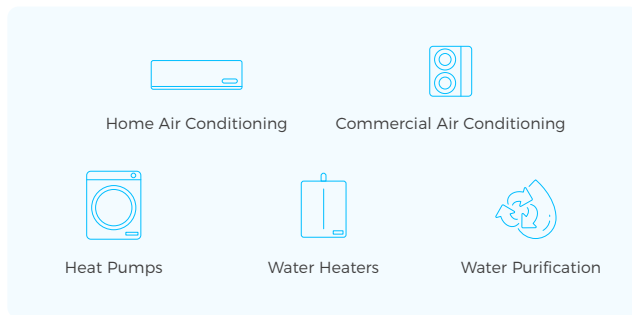
Special Topic 1: Smart Energy - Powering a Greener Future

Against the backdrop of global sustainable development and China's "dual carbon" goals, green and low-carbon practices have become a core competitive advantage for enterprises. In recent years, Haier Smart Home has built on low-carbon technology innovation and leveraged digital intelligence as its central driver to develop smart HVAC and smart cold chain industries, expanding from smart home energy solutions into industrial and commercial application scenarios.

TOPIC 1

Smart HVAC for Green Buildings

HVAC systems are a major contributor to building energy consumption. In 2025, the Company established the Integrated HVAC Platform. As a core strategic initiative in the smart energy sector, the Platform deeply integrates resources across five major product lines: home air conditioning, commercial air conditioning, heat pumps, water heaters, and water purification. It delivers one-stop solutions covering cooling, heating, ventilation, water, and smart controls for both residential and commercial users. Through four digital middle platforms for solution design, engineering design, construction, and operations and maintenance, the Platform connects the full service lifecycle from user needs to long-term operations. This represents a fundamental shift from selling products to providing integrated air solutions.





Smart Air AI Solutions

Leveraging user insights and big data analytics, the Company applies AI to build smart air management systems for diverse scenarios, enhancing comfort while achieving precise energy savings.

- ◆ Casarte Comfort Air Solution: Supported by AI comfort algorithms, dual-channel air intake increases airflow by **17%** while reducing energy waste. The system ensures consistent temperature across the entire space, with variance of no more than **0.5°C**.
- ◆ Haier Healthy Air Solution: Driven by AI healthy air algorithms, the system delivers personalized airflow tracking with precise temperature and humidity control. It achieves a **99.93%** sterilization rate within two hours. AI smart energy-saving algorithms enable performance **25%** above China's Level 1 energy efficiency standards.
- ◆ Leader Air Solution: Built on AI energy-saving logic, the solution applies Air Magic full-chain AI power-saving technology to precisely regulate air conditioner operating frequency, identify usage scenarios, and match optimal energy-saving modes to reduce electricity consumption.



Smart System Upgrades in the Water Solution Business

Haier's water solution business has established a comprehensive global presence. Through technologies such as smart AI algorithms, load forecasting, condition monitoring, and climate-responsive coordination, we have achieved green and smart upgrades across multiple applications.

- ◆ Multi-energy smart hybrid technology: By integrating air-source heat pumps, gas, solar, and other energy sources with smart algorithms, the system automatically switches to the optimal energy mode based on factors such as outdoor temperature and electricity costs, enabling highly efficient energy utilization and achieving average energy savings of **10%-20%** compared with conventional energy solutions.
- ◆ Intelligent adaptive control: Equipped with AI energy-saving butler technology, the system automatically adjusts parameters such as water temperature and heating temperature according to internal and external environmental conditions, preventing excessive heating or cooling. Compared with conventional solutions without AI energy-saving technology, this achieves energy savings of **10%-20%**.
- ◆ High-efficiency heat exchange and thermal dissipation design: By adopting liquid cooling technology and dual-engine vapor injection enthalpy enhancement technology, our system improves heat exchange efficiency and reduces energy consumption. Compared with conventional energy solutions under equivalent operating conditions, energy savings can reach **15%-20%**.
- ◆ Comfort: Full DC inverter water temperature control technology, primarily based on heat pumps and paired with flexible terminal design, delivers stable and evenly distributed indoor temperatures, with user satisfaction rates exceeding **96%**. For example, the M7 residential heat pump has achieved the European A+ energy efficiency rating, with energy savings of **78%** and effectively reduced operating noise.



Smart Building Solutions for Green Energy-Saving Scenarios

Smart Building solutions are built around the proprietary "Building Brain", delivering intelligent control across all building spaces through one-stop solutions that help reduce costs and improve efficiency for offices, shopping centers, hotels, rail transit, and other scenarios. In the magnetic levitation central air conditioning segment, the Company leverages oil-free levitation technology and an integrated energy management platform to achieve a comprehensive energy savings rate of over **50%** for high-efficiency plant rooms.

- ◆ In 2006, Haier Smart Home launched **China's first magnetic levitation unit**. After 20 years of development, the Company now offers the industry's most comprehensive magnetic levitation product portfolio, covering water-cooled, air-cooled, and heat pump systems. Products for AI computing center scenarios include the Hi-EMC evaporative-cooled magnetic levitation integrated cooling source and the Hi-DMC wind-liquid convergence natural cooling magnetic levitation cooling system.
- ◆ For large-scale general-purpose and supercomputing centers, Haier Smart Home deploys water-cooled centrifugal chillers and magnetic/air-suspension oil-free chillers as core equipment, achieving system energy savings of **30%** and a PUE below **1.25**. For small and medium-sized new-build or retrofit data centers, advanced technologies such as levitation phase-change VRF and heat pipe air conditioning systems can significantly reduce PUE. Ancillary buildings can adopt cooling-heating dual-purpose VRF systems for simultaneous cooling and heating supply, delivering an integrated fresh air experience with constant temperature, humidity, and air quality.
- ◆ National-level supercomputing centers impose stringent requirements on the reliability, response speed, and energy efficiency of cooling systems. Haier Smart Building provided a customized system integration solution comprising 27 units of 1,200RT water-cooled magnetic levitation chillers and precision air conditioning, with a total cooling capacity of **110MW**. The measured overall PUE was below **1.2**, achieving the intended goals of high-efficiency energy savings and green operations.

Smart Cold Chain for Industry Transformation

Addressing the environmental challenges posed by conventional refrigerants, Haier Smart Home is actively driving the transformation of refrigeration technology. With CO₂ refrigeration technology at its core, the Company provides low-carbon and even zero-carbon solutions for commercial cold chains, large-scale public buildings, and infrastructure. The natural refrigerant CO₂ has a Global Warming Potential (GWP) of 1, far lower than that of traditional synthetic refrigerants, making it an environmentally friendly alternative. Through the synergy of refrigeration and heat recovery in trans-critical cycles, it enables cascaded energy utilization and can significantly improve overall system energy efficiency.



National Showcase

National Speed Skating Oval ("Ice Ribbon") Project: The application of trans-critical CO₂ direct cooling ice-making technology ensures precise ice surface temperature control while saving 2 million kWh of electricity annually, increasing energy efficiency by **20%**.



Regional Energy Center

An Airport Integrated Energy Project: Integrating ground-source heat pumps, air-source and CO₂ trans-critical cycle technology, the project delivers a highly efficient and stable combined cooling and heating system. Upon project completion, it is expected to save 5 million kWh of electricity and reduce carbon emissions by 5,500 tonnes annually, offering an innovative pathway for low-carbon energy supply at high-traffic transportation hubs in cold regions.



Commercial Breakthrough

First CO₂ Refrigeration Supermarket Project: By applying a trans-critical CO₂ refrigeration system in a commercial supermarket, the project achieves stable operation under high-temperature, high-humidity conditions, creating a near-zero-carbon refrigeration demonstration store. The project is expected to reduce annual electricity consumption by approximately **18%**, providing a replicable low-carbon retrofit model for the retail industry.



Special Topic 2: AI in Action -Transforming the Value Chain

Artificial intelligence has become a strategic driver of value chain transformation and corporate competitiveness. Haier Smart Home systematically integrates AI technology into every stage of the value chain, including R&D, manufacturing, marketing, and services. The Company is committed to delivering smarter, more agile, and warmer services to users; providing effective tool support for employees and service personnel; and empowering energy management in manufacturing to improve energy efficiency.

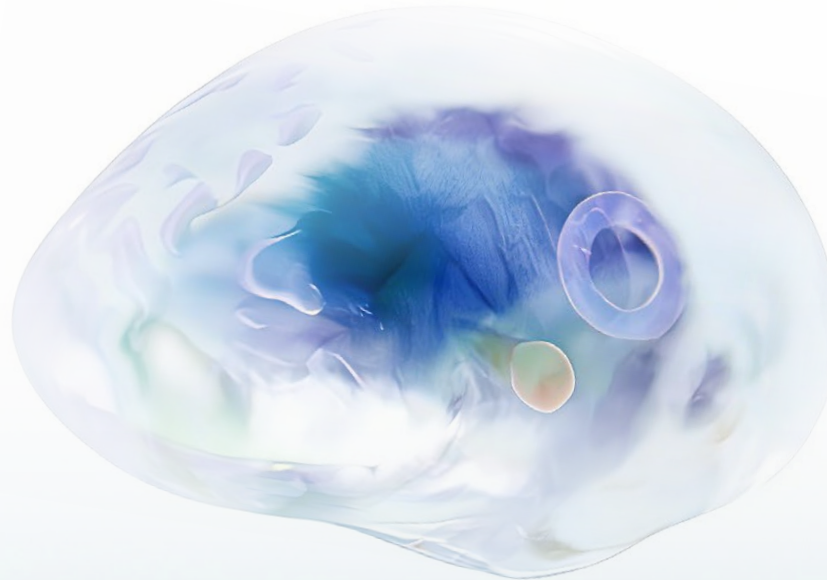
Enhancing Service Quality

With user-centric, we have deepened the systematic application of AI technologies to build an AI-driven service model based on a "sensing, dispatching, and closed-loop" framework. This approach is shifting the service experience from resolving individual issues to anticipating and fulfilling user needs across the entire lifecycle.

Intelligent dispatching and precision matching



The Company's Experience Cloud Platform applies AI to build models for sentiment analysis, industry insights, and brand interactions, enabling rapid identification of user issues. These are automatically and precisely routed to the optimal service node, achieving instant response and expert handling of user feedback.



Continuous improvement with intelligent feedback cycles

In strict compliance with personal information protection and data security regulations, the Company leverages Large Language Models (LLMs) to synchronize user feedback in real time with the corresponding R&D, quality, and service improvement nodes, triggering analysis and optimization workflows. The result is a smart feedback cycle linking user insights, data analysis, and product and service iteration. To date, user issue resolution efficiency has improved by **31.7%**, satisfaction and Net Promoter Score (NPS) have risen by **21%**, and the overall quality of service follow-through has improved significantly.

Smart Factory Quality Assurance

Smart transformation is a core driver of green manufacturing. Haier Smart Home actively embraces digitalization and is building a comprehensive intelligent system that spans production operations and the full energy and carbon management process, creating transparent, efficient, and low-carbon smart factories.

By integrating the Manufacturing Execution System (MES), Advanced Planning and Scheduling System (APS), and the Smart Home Green

Carbon System (which focuses on utilities such as water, electricity, and gas), the Company has achieved refined and visualized management across production execution, energy dispatching, and carbon management. Building on this digital foundation, we apply digital twin technology to empower factory energy management, identifying further opportunities to reduce energy use. This enables continuous reductions in energy consumption, precise carbon

emission management, and effective improvements in production efficiency.



Human-AI Collaboration Empowering Employees

As digitalization advances, traditional manual customer service models face unprecedented structural challenges. Issues such as high inquiry repetition rates, low agent efficiency, and long response cycles have become increasingly prominent.

Haier Smart Home has built a smart customer service system that integrates intent recognition, Natural Language Processing (NLP), Automatic Speech Recognition (ASR), Text-to-Speech (TTS), and other intelligent technologies. The system accurately understands colloquial user expressions, provides contextually relevant responses, and can detect user emotions to deliver timely and reassuring interactions. The intelligent resolution rate of Haier Smart Home's smart customer service system has stabilized above 80%. While significantly improving user experience, the system also effectively

reduces manual agent costs and office energy consumption, improving both service quality and operational efficiency.

Through AI tools, we provide frontline service and sales personnel with knowledge retrieval, digital training, and intelligent business processing capabilities, boosting frontline productivity:

- Service technician intelligent assistant: This system encompasses five major functional modules, including knowledge retrieval, spare parts search, scenario-based scripts, online learning, and intelligent task processing. It has driven an overall improvement of more than 30% in customer service personnel efficiency.
- Digital sales advisor system: The Company has developed a deep learning-based smart sales advisory system that integrates knowledge retrieval and sales technique modules, effectively accelerating

onboarding and training for new employees. The Company has built a continuously evolving intelligent training system, transforming training from centralized sessions to 24/7 self-directed learning, enabling frontline sales staff to access learning and training anytime, anywhere, and enhancing their knowledge proficiency.

In addition, Haier Smart Home has incorporated AI ethics and safety training into its regular employee training program. All employees involved in the design, development, deployment, and operation of AI products are required to complete foundational courses on AI ethics and safety. The training covers data privacy and security regulations, algorithmic fairness identification and bias mitigation, secure development practices, and the Company's AI ethics guidelines and code of conduct, promoting AI for Good.



Chapter 1: Integrity First - Resilient Global Operations

Haier Smart Home has always upheld the core principles of “integrity in operations, disciplined governance, and transparent disclosure”. Through high-standard corporate governance, robust internal controls, an integrity-driven ecosystem, and rigorous information and privacy protection, the Company safeguards its long-term stability and sustainable operations.

- ◆ **HKEX ESG Indicators Addressed:** B6 Product Responsibility, B7 Anti-corruption
- ◆ **A-Share ESG Topics Addressed:** Communications with stakeholders, Anti-commercial bribery and anti-corruption, Anti-unfair competition, Data security and customer privacy protection
- ◆ **UN SDGs Addressed:**



01

Our Targets

Short-Term Targets (2025-2027)

Business Ethics

Deeply integrate AI technologies into the unified "risk control-audit-compliance" framework to achieve end-to-end intelligent risk management

Build on business risk maps to iteratively develop continuous proactive monitoring, classification, and grading of digitized key risk scenarios, enabling data-driven risk identification, early warning, and response

Continue to strengthen compliance awareness training through a comprehensive approach (online and offline), multiple dimensions (internal and external), and diverse channels (e-learning courses, electronic publications, case-based education), covering all Haier Smart Home employees, with no fewer than 500 training sessions in China operating regions

Information and Privacy Security

Generative AI security framework standards and technical implementation: establish standardized processes for a generative AI security framework, publish bilingual policy requirements, systematize and formalize security requirements, and provide a documented basis for generative AI security risk management

Industrial cybersecurity protection: collect and analyze factory network traffic through industrial traffic probes, consolidate data into a situational awareness platform, enable factory security posture monitoring, analysis, and early warning, and build capabilities for rapid detection and response to malicious events targeting factory networks to enhance asset security

2025 Progress

Built the Haier Smart Home digital risk control workbench from "0 → 1 → N", achieving deep integration of "risk control-audit-compliance"

Six monitoring systems covering risk maps across 7 major business scenarios and 59 processes, with risks classified and graded into "high, medium, and low" levels; internal control and internal audit activities conducted for high-risk items

Comprehensive, multi-dimensional, and multi-channel training coverage achieved through both online and offline channels, with annual training sessions in China operating regions exceeding 1,000

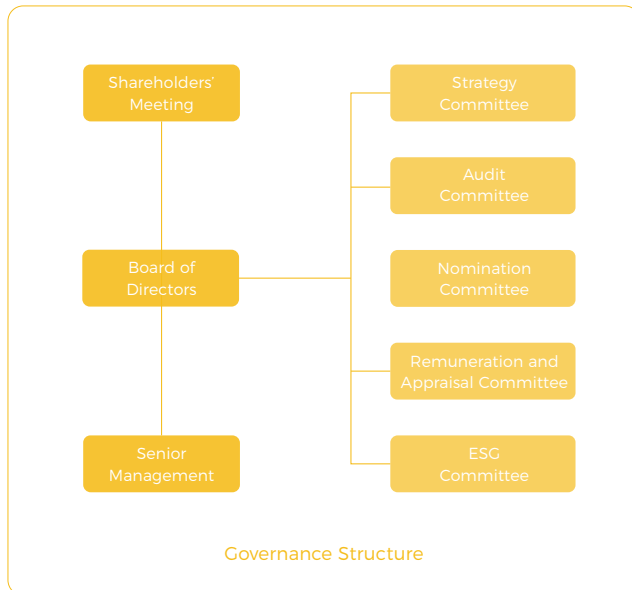
Established a generative AI security standards framework with systematic and process-oriented security management requirements. Published related policies in bilingual format, providing an institutional basis for generative AI security risk management

Completed the construction of the industrial situational awareness platform, enabling unified access and continuous operation of factory industrial traffic probes. Centralized remediation of high-risk, high-priority items in industrial control networks has been carried out, effectively reducing industrial cybersecurity risks



Strengthening Corporate Governance

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code on Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and other applicable regulations, the Company has established a well-structured governance framework. This framework features clear allocation of authority and responsibilities, mutual coordination, and checks and balances to ensure efficient and compliant corporate governance. For further details on our governance structure, please refer to the *2025 Annual Report*.



Board Governance

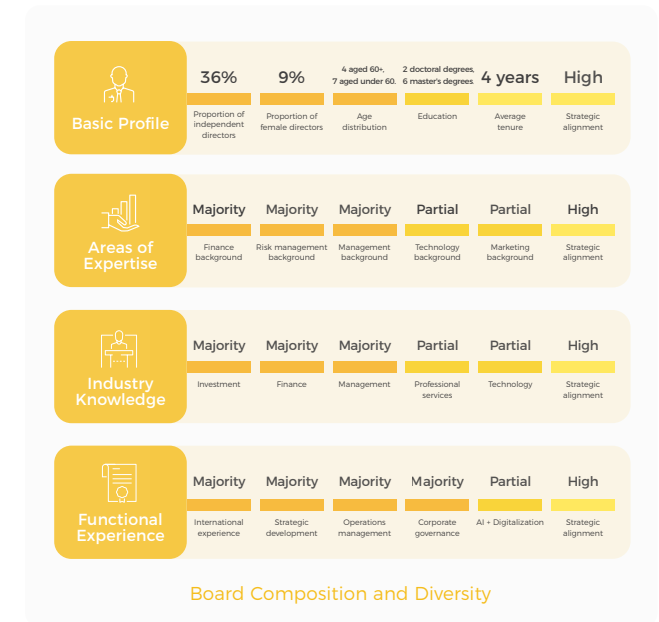
With reference to the guidance on enhancing board effectiveness in the *Corporate Governance Code* revised by HKEX in 2025, the Nomination Committee evaluated the Board's governance effectiveness for the year 2025. The assessment concluded that the Board members possess diverse professional skills and extensive experience, and that the Board operates in an efficient and orderly manner. Board members actively fulfill their supervisory duties and support management in executing strategy and delivering results. The Board maintains a collegial culture of mutual respect, with healthy mechanisms for exchanging diverse perspectives. All directors are highly committed to safeguarding the Company's overall interests and long-term development.

Board Diversity

Haier Smart Home has formulated and rigorously implements a board diversity policy, ensuring that the selection of Board candidates is based on a range of diversity criteria. These criteria include, but are not limited to, gender, age, cultural background, educational background, industry experience, professional skills, knowledge, length of service, and other relevant factors. The Nomination Committee reviews the effectiveness and implementation of the Board diversity policy and conducts annual diversity assessments.

The Company holds board elections every three years. The current Board comprises 11 directors, including 3 executive directors (including employee-representative directors) and 8 non-executive directors (including independent directors). There are 4 independent directors, representing 36% of the Board. Board members bring

extensive knowledge and experience in areas such as the home appliance industry, AI and digital technology, corporate governance, global markets, financial management, and risk management, supporting optimal decision-making and the Company's sustainable and healthy development. For details on Board members' professional expertise, please refer to the "*Corporate Governance Report*" (H Share) or "*Corporate Governance, Environment and Society*" (A Share) section of the *2025 Annual Report*. The average tenure of Board members is 4 years.



Board Independence

The Company has four independent directors with professional expertise in areas including the industry, accounting, and risk management. The Company's Articles of Association and the *Independent Director System* set out the qualifications, independence requirements, nomination, election and replacement procedures, as well as the duties and performance requirements of independent directors, thereby strengthening their independence. The chairs of the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee are all independent directors. Independent directors account for at least half of the membership of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee.

Salary Clawback Mechanism

The Company has established salary clawback mechanisms, bonus return policies, and long-term equity incentive programs for certain projects. Performance of management and relevant personnel is reviewed and assessed based on project implementation, thereby motivating them to more effectively fulfill their responsibilities.



Strengthening Internal Controls

To better manage risks associated with business development, Haier Smart Home has established and continuously improved its risk management and internal control systems with reference to the *SSE Guidelines on Internal Control for Listed Companies*, the *Basic Standard on Internal Control for Enterprises* and *Supplementary Guidelines on Internal Control for Enterprises* jointly issued by the Ministry of Finance and four other ministries, and the *HKEX Code on Corporate Governance*. These frameworks clearly define the roles

and responsibilities of the Board of Directors, the Audit Committee, and management in the internal control framework. We assess the effectiveness of internal controls and risk responses across all business scenarios and build risk maps. We have developed a digital risk management platform that enables proactive monitoring, early warning, and online closed-loop end-to-end management of key risk items. For high-risk items, we develop targeted response plans and conduct special audits. The Company has also incorporated

sustainability risk management into its enterprise-wide risk management framework to develop appropriate management and control measures. In 2025, the Company organized specialized compliance training on topics including economic sanctions, export controls, and global employment practices.

For more information on corporate governance, internal controls, and risk management, please refer to the *2025 Annual Report*.



Building an Integrity Ecosystem

Haier Smart Home is committed to conducting business in accordance with the highest standards of business ethics. The Company strictly complies with the *Supervision Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and other applicable laws and regulations in all jurisdictions where it operates. The Company has formulated a suite of policies applicable to all employees and rigorously implemented on a global basis, including the *Haier Code of Business Conduct*, the *Anti-Fraud Charter*, the *Antitrust Compliance Manual*, the *Code of Conduct for Haier Smart Home Employees*, and the *Supplier Blacklist Management System*. The Board of Directors is responsible for reviewing and overseeing the Company's policies and measures on legal and regulatory compliance. All employees are required to study the Haier Smart Home Employee Code of Conduct through the online platform each year and pass the relevant tests, confirming that they understand and will comply with its contents. In 2025, we revised the *Regulations on Overseas Payment-on-Behalf Business Management*, focusing on compliance management of overseas payment-on-behalf operations and strengthening the prevention of money laundering and other illegal activities.

Anti-Corruption

Haier Smart Home has established a business ethics compliance management framework. The Board of Directors has overall responsibility for supervising, managing, and guiding the Company's business ethics matters, including the implementation of relevant policies and measures. The Company has established an Anti-Fraud Committee comprising personnel from internal control, legal affairs, and various

business lines to actively promote the development and implementation of business ethics-related systems, such as anti-corruption, anti-money laundering, and anti-fraud. The Committee regularly identifies risks related to business ethics and reports to the Board of Directors and Audit Committee for their supervision. Haier Smart Home maintains zero tolerance for bribery and corruption, and strictly prohibits any such conduct, including the acceptance of facilitation payments. The Company has established guidelines for gift and hospitality management, permitting reasonable levels of business interactions while explicitly prohibiting improper gifts and transfers of benefits.

The Company continues to strengthen risk control through a coordinated approach of "risk management + internal control + audit + anti-fraud". We employ digital means such as big data cloud monitoring systems for pre-emptive risk warning and screening. Weekly, monthly, and quarterly identification and assessment of risks related to corruption, bribery, fraud, and money laundering are conducted across all levels, including factories, business lines, and platforms, to promptly detect, prevent, and address relevant risks. We regularly conduct audits across all business lines and throughout our processes, including procurement, manufacturing, and marketing. The frequency is determined by project needs, ranging from annually to every three years. These audits include exit audits and special audits, with investigation results and handling recommendations reported to the CEO or the Board of Directors. In 2025, the Company conducted compliance questionnaire surveys targeting regional companies in South Africa, Pakistan, and the Middle East, covering business departments such as finance, IT, logistics, manufacturing, services/after-sales, and supply chain, with content encompassing anti-fraud and anti-corruption compliance. During the year, FPA

officially launched the "Procure to Pay" system, further ensuring compliant execution of procurement policies and authorization approval processes.

The Company requires employees in key positions to sign a quarterly *Integrity Commitment Statement* and signs *Integrity Agreements* with suppliers. We have established a conflict of interest declaration and management process, requiring employees to proactively declare the employment of relatives at the Company and its business partners to reduce or avoid potential corruption risks and conflicts of interest. Relevant declarations are reviewed and handled by the Company's management. We require all employees to sign a *Voluntary Conflict of Interest Declaration*, urging strict adherence to compliance standards. In 2025, we signed *Special Integrity Agreements* with suppliers, explicitly requiring them to refrain from seeking illegal gains through commercial fraud, bribery, or other improper means. For more information on anti-corruption in the supply chain, please refer to the "Collaborating to Build a Sustainable Supply Chain – Supplier Environmental and Social Risk Management and Audits" section.

In 2025, the Company and its employees filed a total of 3 corruption-related lawsuits, all of which have been concluded. The 4



individuals involved were each sentenced to prison terms for fraud, embezzlement, and bribery by non-government personnel. Following the incident, the company promptly issued a warning notice, optimized relevant internal policies and procedures, and conducted company-wide educational sessions to ensure that such incidents never occur again.

Anti-Corruption Training

The Company continues to employ a diversified anti-fraud and compliance training system combining "on-site training + online courses + electronic publications". Training encompasses professional training (internationally recognized or national professional qualifications) and business scenario-based training. We utilize a variety of approaches including specialized training, conflict of interest declarations, risk alerts, and public announcements to continuously enhance risk compliance awareness among all employees. We regularly organize all personnel (including full-time employees, part-time employees, and dispatched employees) to participate in educational activities such as compliance case study videos. We conduct anti-corruption training for directors and

management through newsletters, covering domestic and international anti-corruption trends, Haier Smart Home anti-corruption identification, and compliance building. We also train investigators to enhance their anti-fraud implementation capabilities.

During the year, Haier Smart Home conducted specialized anti-corruption training for overseas employees, covering laws and regulations, specific cases, enforcement trends, and details of daily business operations.

During the year, Haier Smart Home achieved 100% coverage in business ethics training for employees in the China region, with anti-corruption training no less than 0.5 hours per employee. The Company organized no fewer than 1,000 sessions of offline on-site training, each lasting at least 30 minutes, covering all Haier Smart Home employees in the China region.

business ethics training
for employees

100%

organized offline on-site
training no fewer than

1,000 sessions

Case Study: 2025 Haier Smart Home Global Legal Summit

At the 2025 Smart Home Global Legal Summit, participants discussed and shared insights on cutting-edge technology and legal topics such as artificial intelligence, data compliance and privacy protection, ESG, and anti-corruption, spanning jurisdictions including China, the United States, the EU, Australia, New Zealand, and India. The summit provided a systematic introduction to Haier's overseas anti-fraud system, scope of work and objectives, and shared anti-fraud best practices from major Chinese enterprises.

Anti-Unfair Competition

Combating monopolistic and unfair competition practices is a key focus in Haier Smart Home's commitment to business ethics. The Company upholds fair competition and strictly prohibits any improper competitive conduct, including monopolistic practices, collusion, price manipulation, insider trading, or the disclosure of non-public information to third parties. The Company strictly prohibits the use of material non-public information to trade company stocks or securities, so as to avoid unjust enrichment. We continue to comply with national laws and regulations and the internal *Antitrust Compliance Manual*, and have established a "Global Antitrust Compliance Team" to regularly review and optimize antitrust systems across our operating regions. We identify antitrust compliance risk points based on business practices, strengthen approval processes in risk scenarios, and mitigate potential monopoly risks. In 2025, in line with the revised *Anti-Unfair Competition Law* and tailored to our industry context, we organized specialized training on antitrust and anti-unfair competition topics, covering horizontal monopoly agreements, distributor management, and abuse of dominant market position. We also analyzed key issues arising from the revised *Anti-Unfair Competition Law*, including commercial confusion, commercial bribery, commercial defamation,

false advertising, and prize-linked promotions. Recent major penalty cases were shared as part of this training. For advertising activities, risk analysis was conducted from the dual perspectives of the Advertising Law and the Anti-Unfair Competition Law, and compliance management recommendations were provided. These efforts effectively enhanced employees' risk identification capabilities and compliance awareness.

In 2025, the Company received no litigation related to unfair competition practices.

Compliance Management System Certification

Haier Smart Home has passed the recertification audit for the ISO 37301:2021 Compliance Management System. This certification covers Haier Smart Home's domestic operations related to home appliance products and smart home solutions, confirming that our business practices meet compliance management system standards in areas including fraud prevention, personal data and privacy protection, antitrust, intellectual property, contract management,

anti-commercial bribery and anti-corruption, and employment practices.

Advertising Compliance

The Company strictly adheres to advertising-related laws and regulations in all regions where we operate globally, eliminating false advertising and resisting any improper behavior that restricts market competition. For advertising practices, we follow internal management protocols including the *Advertising Compliance Manual* and the *Guidelines for Online Review of Marketing Materials* and *Use of the Advertising Review Tool*. For advertising review, we use digital tools to screen advertising content, with manual re-examination of questionable material. We also continue to conduct compliance reviews of self-media promotional content. We organize specialized training on advertising and marketing compliance, providing in-depth analysis through both positive and negative case studies. Compliance risks in advertising are analyzed from the perspectives of both the Advertising Law and the *Anti-Unfair Competition Law*, with targeted recommendations provided.



Whistleblower Protection

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

tation of these reporting mechanisms.

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



Channels for reporting fraud-related leads and issues:



iHaier reporting portal: Fraud Reporting

Reporting email: jubao@haier.com

Reporting website: www.haierchina.ethicspoint.com

Channels for reporting compliance-related concerns and issues



Reporting email: Compliance@haier.com

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

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

Data Security and Customer Privacy Protection

Haier Smart Home places high importance on data security and the protection of users' personal information. We have established a comprehensive information security management system and organizational structure, continuously enhancing our information security technical capabilities to safeguard users' legitimate rights and interests throughout all processes and uphold security standards across all dimensions.

Strengthening Safeguard Mechanisms

Haier Smart Home strictly complies with information security-related laws and regulations applicable in all global operating locations. Leveraging its established information security management system, the Company continues to refine relevant policies and standards. In 2025, in response to emerging technology trends and ISO 27001 audit recommendations, Haier Smart Home completed the release and optimization of 15 policy documents, including the *Haier Smart Home Personal Information Protection Management Manual* and the *Haier Smart Home Artificial Intelligence Security Policy*, providing institutional safeguards for the Company's information security and data compliance management.

Haier Smart Home continues to optimize its three-tier global information security management organizational structure consisting of the Information Security Management Committee, Information Security Management Department, and information security liaison officers. In 2025, the Company further optimized its business unit organizations, enabling self-managed security

operations across specific business segments (R&D, marketing, services, etc.) within each business unit. The Information Security Management Committee comprises general managers from various Haier Smart Home businesses, GE Appliances, FPA, and Haier Europe, and is responsible for information security strategy review and resource allocation. Senior leadership periodically reports information security matters to the Audit Committee of the Board of Directors. The headquarters information security team and overseas regional information security liaison officers hold security meetings every two months to discuss topics including the global security situation and regional information security planning. Building upon the three-tier management structure, Haier Smart Home has established a virtual Chain Group operating mechanism for refined operations management in security domains such as AI security, data security, and privacy compliance. The Company also designates information security liaison officers for newly integrated organizations, and conducts annual security performance reviews and incentives for liaison officers, continuously strengthening global information security governance capabilities.

The Company has established diversified information security risk reporting channels. When employees discover security risks, they can promptly report them through the information security public mailbox, where dedicated information security personnel assess the risks and assign them for handling. Employees can also report risks through the security liaison officer in their respective business area, who then coordinates with security operations personnel for collaborative response. These two channels complement each other, forming an efficient, closed-loop security risk reporting and response mechanism.

Multi-layered Information Security Defense System

Haier Smart Home has built a comprehensive information security defense system that effectively identifies and controls information security risks. During the year, Haier Smart Home experienced no significant negative incidents related to information security. Haier Smart Home discloses information security risks associated with third-party vendors as required by applicable laws and in accordance with contractual agreements.

Multi-Cloud Security Situational Awareness

The Company has established a unified security operations platform that centrally manages multi-dimensional security data, including logs, alerts, events, and vulnerabilities, from both multi-cloud environments and on-premises data centers. The platform performs unified analysis and management, and is integrated with the work order system, enabling risk events to automatically trigger work orders and assign them to responsible personnel. Through this platform, the Company can effectively detect and block risk events such as hacker attacks and ransomware encryption, achieving an integrated and automated security operations loop. This enables rapid response to and handling of hacker penetration and cyberattacks, comprehensively enhancing the Company's overall security protection and emergency response capabilities. In 2025, we completed multi-cloud infrastructure security audits, with 100% remediation of identified issues and risks.

Development Security Management

Haier Smart Home places great importance on application development security, embedding security principles throughout the entire software development lifecycle and implementing security controls at key stages to achieve end-to-end management of application development. During the pre-development phase, product managers are strictly required to conduct requirements planning and technical solution design in accordance with security baselines, with information security teams participating in project initiation reviews to ensure security and compliance from the outset. During the development and implementation phase, process controls are continuously strengthened through unified management of build repositories, combined with component vulnerability scanning, component compliance scanning, and static code security scanning to promptly identify vulnerabilities and non-compliance items and continuously improve code security quality. Prior to launch, penetration testing and vulnerability scanning are conducted to ensure applications meet security and compliance requirements before going live. After launch, a routine security monitoring mechanism is established to capture abnormal behavior and security alerts in real time. Through regular reviews and continuous optimization, a closed-loop security operations process is formed across the full application lifecycle, effectively safeguarding application security.

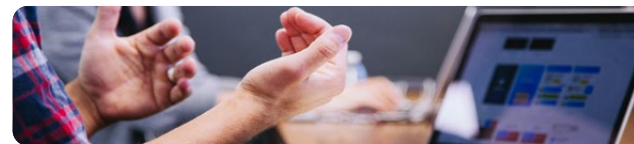
In 2025, we completed penetration testing and vulnerability scanning for over a hundred application systems, covering all Haier Smart Home key online applications and newly launched businesses. Through vulnerability remediation and security technical measures to mitigate risks, 100% of high-risk security vulnerabilities were addressed.

GE Appliances, FPA, Haier Europe, and other overseas subsidiaries continue to advance network and information security management. During the year, FPA collaborated with headquarters on data security, penetration testing, and personal information compliance, continuously expanding the scope of security monitoring and management. Haier Europe adopted an industry-leading zero-trust security management solution, enhancing endpoint security control and security incident management capabilities.

high-risk security vulnerabilities
have been addressed
100%

Emergency Response

Haier Smart Home has continuously improved its contingency plans and response mechanisms in accordance with the *Haier Smart Home Information Security Incident Emergency Response Process*. We conduct at least one information security incident emergency drill annually to continuously enhance our ability to handle emergencies. In the event of an information security incident, we immediately activate our emergency response, take remedial measures without delay, and follow up promptly. In 2025, Haier Smart Home participated in the "Data Security Shield" data security emergency drill organized by the Qingdao Bureau of Industry and Information Technology, conducting on-site exercises in accordance



with the *Industrial Data Security Incident Emergency Drill Operations Manual*.

Over the past three years, the Company has not experienced any major information security breach incidents.

Information Security Training

To strengthen employees' information security awareness, Haier Smart Home conducts diversified information security awareness training every year. Training covers a wide range of groups including all employees, new hires, management, and third-party personnel. Specialized learning maps are also developed for key functions such as R&D, IT, and manufacturing. To address emerging technology risks such as generative AI, the Company organizes dedicated learning programs and assessments to strengthen employees' understanding of and response to cutting-edge technology risks and compliance requirements. Additionally, the Company fosters a strong information security culture through internal media channels and visual reminders in the workplace. In 2025, the Company held an Information Security Week themed around AI security and privacy compliance, effectively raising employees' attention to information security and enhancing risk prevention awareness.

Haier Smart Home continuously organizes company-wide security awareness attack-and-defense drills, conducting phishing email exercises to test employees' ability to identify and defend against common cyberattacks and to continuously improve overall prevention awareness. In 2025, a total of 10 phishing email exercises were conducted, with targeted training and examinations promptly arranged for employees who fell for the phishing emails.

Information Security Certifications and Audits

The Company continuously improves its information security management system, establishing a comprehensive information security management framework and standardized processes. In July 2025, Haier Smart Home successfully completed the recertification audits for its Information Security Management System (ISO 27001), Privacy Information Management System (ISO 27701), and Public Cloud Privacy Management System (ISO 27019) standards, covering core applications including the Smart Home APP, and for the first time extended the certification scope to two overseas subsidiaries, Haier Singapore and Haier Vietnam.

At the beginning of each year, the Company develops an annual information security audit plan and conducts routine audits and assessments accordingly. In 2025, the Company conducted multiple rounds of specialized information security audits leveraging a combination of tool scanning, penetration testing, manual interviews, and evidence verification, covering areas including data security, application security, privacy compliance, and cloud security. All high-risk issues identified have been fully remediated through closed-loop corrective actions.



Respecting Privacy, Protecting Rights

Haier Smart Home places high importance on user privacy protection. We have established a Data Privacy and AI Chain Group, which convenes quarterly meetings to summarize and update key work priorities. In accordance with domestic and international personal information protection laws and regulations, the Company has optimized internal policies including the *Haier Smart Home Global Information Security Policy and Strategy*, *Haier Smart Home Information Security Organization Management Standards*, and *Haier Smart Home Personal Information Protection Management Manual*, and has driven updates to privacy policies and user agreements across all applications.

The Company fully respects and protects users' rights to information, choice, and control over their personal information. In collecting and processing user privacy information, we strictly adhere to the following three core principles:



Lawfulness, legitimacy, necessity, and good faith:

All personal information processing activities have a clear legal basis. We maintain legitimate purposes and good faith in our processing methods, and strictly prohibit the processing of users' personal information through fraud, misleading practices, or other illegal means.



Purpose specification and purpose limitation:

Before collecting users' personal information, we must clearly define and disclose the processing purposes to users. After collection, personal information may only be used for the stated purposes directly related to the original collection.



Data minimization:

The types, volume, and processing frequency of personal information collected are limited to the minimum necessary to achieve the specific processing purpose, resolutely preventing excessive collection of users' personal information.

The Company has built convenient and efficient channels for users to exercise their rights. Unified “Personal Information Center” or “Privacy Settings” entry points are provided in apps and websites, integrating functions such as inquiry, correction, deletion, account cancellation, and withdrawal of consent. All applications strictly follow the principle of minimized storage periods, with user personal information retention periods clearly specified in privacy policies.

The Company employs data access control, multi-factor authentication, data anonymization, and encrypted transmission to protect users’ personal information. We have established standardized internal response mechanisms with clearly defined full-process specifications and time requirements for customer service, legal, technology, and other departments in receiving, identity verification, review, execution, and feedback of user rights requests, effectively ensuring users’ ability to exercise their rights. In 2025, we officially launched a privacy compliance platform integrating core functions such as data inventory (DI) and privacy risk assessment, achieving digital management of privacy operations.

The Company has established a privacy compliance review mechanism, regularly conducting routine privacy and data security audits and assessments to promote comprehensive supervision of the Company’s information security and data protection. In 2025, the Company conducted routine privacy compliance testing on mobile apps and mini-programs to ensure daily operations comply with

privacy-related legal requirements. Quarterly internal audits on privacy and data security were also conducted across all business lines and platforms, with follow-through on the remediation of identified issues.

Haier Smart Home also places high importance on our partners’ privacy information management performance. Supplier information system security levels and compliance policies are included as criteria for supplier admission assessments. Depending on the scope of cooperation, we sign relevant data processing and confidentiality agreements with partners, including the *Haier Supplier Data Processing Commitment*, *Information System User Responsibility Commitment*, and *Haier Group Partner Personal Confidentiality Agreement*, to strictly protect user privacy information. For projects involving user data processing, in addition to strictly limiting supplier data usage and operational permissions through contracts, we also employ privacy-enhancing computation technologies to enable data processing without exposing the underlying data, maximizing user privacy protection. In 2025, we conducted data security training for over one thousand outsourced supplier personnel, effectively enhancing their data security awareness and standardized operational capabilities.

AI Safety Governance

As data cross-border transfer security receives increasing attention and

as the AI industry develops rapidly alongside evolving legal frameworks, Haier Smart Home has identified the laws and regulations applicable in each operating jurisdiction. These include, but are not limited to, the *Guidelines for Filing the Standard Contracts for Cross-Border Transfer of Personal Information*, the *Interim Measures for the Management of Generative AI Services*, and the *Guidelines for the Construction of a Comprehensive Standardization System for the National Artificial Intelligence Industry (2024 Edition)* in China, as well as the *EU Artificial Intelligence Act (AI Act)*. During the year, Haier Smart Home developed and implemented targeted AI compliance strategies in response to AI regulatory policies across major global regions, with a focus on building systematic protection around AI security and compliance. We conducted key compliance reviews of applications including the Haier knowledge platform and supply chain systems, to ensure that AI technology applications and platform data remain secure, compliant, and controllable. Meanwhile, we continued to refine our security standards framework covering the full lifecycle of artificial intelligence, and have cumulatively developed and issued 12 AI security management standards, achieving standardized security management across the entire process from AI development, deployment, and usage through to operations and maintenance.

On AI security compliance training, Haier Smart Home systematically developed three categories of security training materials around AI usage standards and security policies, covering multiple formats including written materials, assessment questions, and training videos, and providing comprehensive security usage guidelines for large language models across various application scenarios. Through diversified training approaches, we continue to strengthen AI security compliance awareness and practical skills across the workforce.

In 2025, the Company conducted nearly 40 training sessions and leveraged channels such as screensavers and elevator lobby displays for ongoing awareness campaigns. We also produced 18 adapted training materials for distribution to overseas operations. In addition, integrating Information Security Week activities with user survey feedback, we built a scenario-based information security knowledge platform and continued to strengthen our security knowledge management and long-term awareness system.



Chapter 2: Green Without Limits - Life-Cycle Management and Climate Resilience

Climate change is reshaping the way we live. In response, Haier Smart Home has made sustainability a core principle of its business operations, driving high-quality growth through a comprehensive green, low-carbon ecosystem spanning the entire value chain. We have developed an innovative “6-Green” full life-cycle green strategy, advanced our circular economy initiatives, proactively addressed the challenges of climate change, and worked alongside ecosystem partners to build a greener, more resilient, and mutually beneficial future.

◆ **HKEX ESG Indicators Addressed:** A1 Emissions; A2 Use of Resources; A3 The Environment and Natural Resources;; B6 Product Responsibility; D Climate-related Disclosures

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

◆ **UN SDGs Addressed:**



02

Our Targets

Short-Term Targets (2025-2027)

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

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

Build three core capabilities for end-of-life home appliance recycling, dismantling, and regeneration. On the recycling front, innovate the "five-network integration" recycling model and build the largest and most efficient recycling system in China. On the dismantling front, leverage the integrated closed-loop advantages of a manufacturing enterprise to achieve best-in-class dismantling efficiency, establish model factories, and replicate them nationwide. On the regeneration front, drawing on a well-established recycling and dismantling system, ensure a stable supply of high-quality, large-scale, and traceable recycled plastics from end-of-life home appliances, while continuing to explore high-value market applications in automotive, consumer goods, home furnishings, luggage, and office automation

Increase adoption of next-generation eco-friendly refrigerants, including CO₂ and R290

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

Promote energy-efficient products such as heat pumps

By 2025, Haier Smart Home aims to recover over 8 million end-of-life home appliances nationwide while continuing to improve the reuse rate of dismantled materials and the proportion of recycled plastics used

2025 Progress

Using 2024 as the baseline year, the energy consumption per RMB 10,000 of revenue in China decreased by 5.33% in 2025, and the target has been achieved. We set a new target: continue to advance the construction of a green manufacturing system, optimize the energy structure, continuously improve energy utilization efficiency, and reduce comprehensive energy consumption per unit of output value

Using 2024 as the baseline year, water consumption per RMB 10,000 of revenue in China decreased by 10.96% in 2025. We set a new target: continue to optimize water management, promote water-saving technologies and reclaimed water reuse systems, continuously improve water resource utilization efficiency, and reduce water consumption per unit of output value

In 2025, guided by three competitive pillars: "best recycling experience, best dismantling efficiency, and best regeneration quality", we led innovation in high-end circular utilization of recycled materials. On the recycling front, we continued to advance five-network integration, connecting the five networks into one trade-in recycling system, expanded recycling categories, and partnered with ecosystem participants to close the resource loop. On the dismantling front, we continued to strengthen the high-quality circular system at our green recycling interconnected factories and accelerated our nationwide footprint. On the regeneration front, we expanded beyond plastics recycling into metals and other recycled materials. We have broken through barriers to enter international premium markets, with applications spanning home appliances, automotive, office automation, and consumer goods

In 2025, Haier Smart Home advanced core R290 eco-friendly refrigerant technologies in response to the European F-Gas regulation and other compliance requirements. The Company overcame key technical challenges in R290 product safety design, high-efficiency heat exchange, and system compatibility, and launched multiple R290 heat pump water heating and space heating products meeting EU safety and energy efficiency standards, achieving mass production and market deployment of R290 products in Europe.

In 2025, recycled material usage reached exceeded 30,000 tonnes

In 2025, we enhanced our heat pump product portfolio, achieved large-scale deployment, expanded into overseas markets, and integrated circular economy principles, leveraging high-efficiency products to promote decarbonization and industry upgrading

In 2025, Haier Smart Home recovered over 8 million end-of-life home appliances nationwide, bringing the cumulative total to nearly 30 million units. The reuse rate of dismantled materials continued to improve



Full Life-Cycle Green Management

Haier Smart Home is committed to a full life-cycle green strategy that spans R&D, manufacturing, supply chain, and recycling, driving upgrades across the value chain toward decarbonization, circularity, and intelligence. We continue to make breakthroughs in green smart manufacturing, circular economy systems, and low-carbon technology R&D, and extend our green practices and solutions to partners along the value chain.

Green Design

Haier Smart Home embeds low-carbon thinking into product design. Through environmentally friendly material substitution, innovative design, modular design, and reduction-oriented design, we conserve resources, improve product energy efficiency, and reduce environmental impact.

Modular Commonality

Haier Smart Home uses "modular commonality" to drive green transformation, integrating "lean design" with "green manufacturing" across two dimensions: platform commonality and mold commonality. Platform commonality enables cross-business sharing of R&D resources, saving testing time and material consumption. Mold commonality streamlines component types, reducing resource waste at the source.

Platform commonality :



Smart Building:

Leveraging a global platform design, we achieved commonality across domestic and export models and between fluorine-based and water-based systems, significantly reducing redundant testing and resource inputs.



Refrigeration:

Centering on cabinet module and material commonality, we unified the design platform, shortening the development cycle.

Mold commonality :



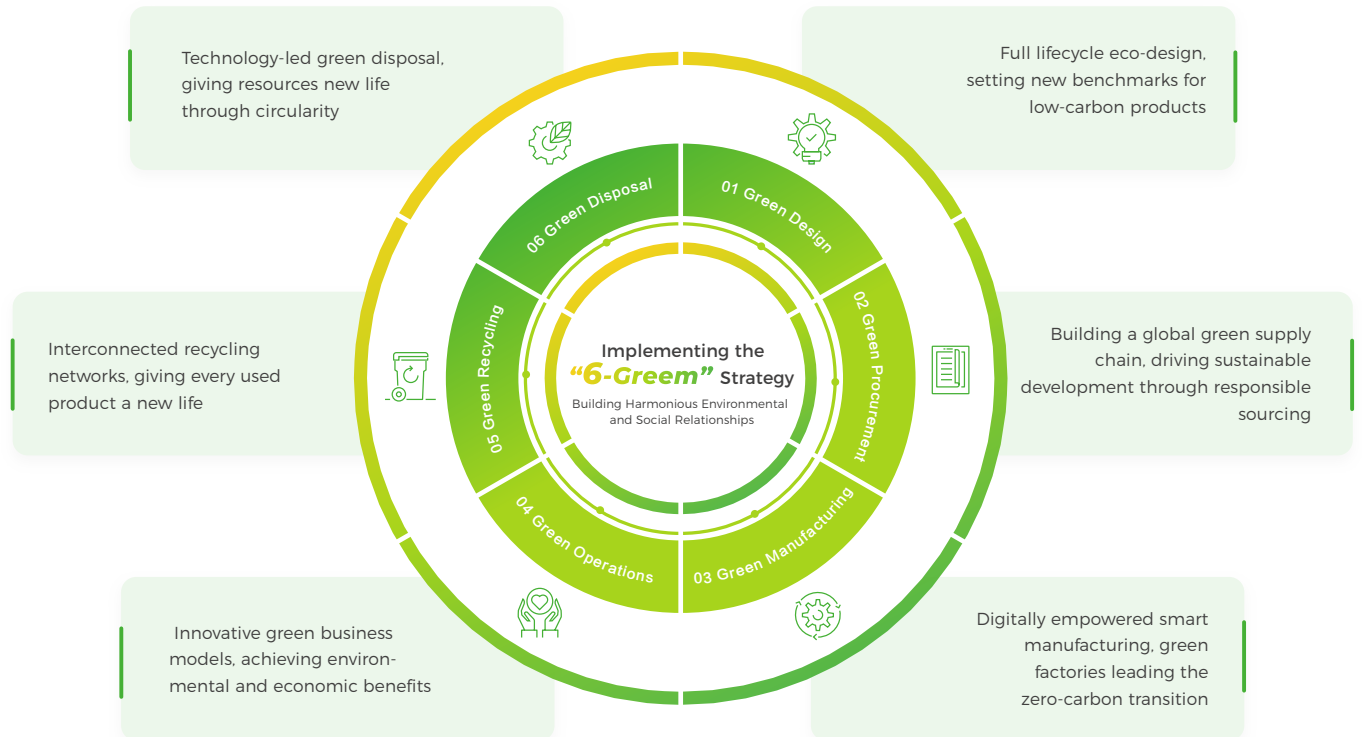
Washing machine:

By consolidating cabinet and door seal modules, we achieved mold commonality across washing machine products, increasing production capacity by 15%.



Home air conditioning:

We designed an integrated sheet-metal wall-mount bracket mold, doubling mass-production efficiency.



Green Materials

Haier Smart Home uses degradable and non-toxic eco-friendly materials to replace conventional materials with high environmental footprints. This approach reduces the carbon footprint across the full product life cycle, promotes waste-to-resource conversion, and supports a more resilient and sustainable industrial ecosystem. We strictly control hazardous substances in materials to ensure compliance with environmental standards in the regions where we operate.

High-efficiency materials

- Grille fans use carbon-reducing, noise-reducing materials that lower power consumption by approximately 20%, cutting energy use while maintaining fan performance.
- Refrigeration products use a new high-efficiency sealing material to reduce cooling loss during operation and improve cooling efficiency.

Eco-friendly blowing agents

- Freezer products have fully transitioned to a fluorine-free, eco-friendly foaming system, reducing fluorinated blowing agent usage by 400 tonnes per year and cutting emissions by 412,000 tCO₂e.
- Compared with conventional chemical feedstocks, bio-based blowing agents can reduce carbon emissions by 50%.

Lightweight materials

- Refrigerator products use high-melt-flow PP material, achieving a weight reduction of approximately 15 g per kilogram. This reduces raw material waste and lowers energy consumption in transportation and other stages.

Eco-friendly refrigerants

- We use R290, a green, naturally occurring refrigerant, to replace R32. R290 has an ODP (Ozone Depletion Potential) of 0 and a GWP of 3. Compared with R32 air conditioners, it delivers a 1-2 times of improvement in heating efficiency and a 10% improvement in cooling efficiency, with a per-unit emission reduction of approximately 0.4 tCO₂e.

Recycled and Post-Consumer Recycled (PCR) materials

- The water appliance business uses recycled plastics in multiple water heater components, including internal supports and electrical mounting plates.
- The refrigeration business uses PCR materials in non-food-contact components such as clips and compressor drip trays, promoting the recycling and reuse of end-of-life plastics.





Green Packaging

Haier Smart Home has established a dual-pillar strategy centered on "packaging reduction and material optimization". Following the principles of recyclability and easy disassembly, while ensuring the safety and integrity of products during transport, we reduce the environmental footprint of packaging through lightweighting, paper elimination, eco-friendly plastic substitution, and recycled material adoption. We prioritize packaging materials certified by FSC (Forest Stewardship Council) / PEFC (Programme for the Endorsement of Forest Certification) and those containing recycled content.

Lightweighting

- Packaging cartons have been switched from double-wall corrugated board to honeycomb board, reducing paper usage by 20%. In the China region, this solution has expanded from the refrigerator business to all product lines, achieving 100% product line coverage, with a 50% adoption rate across product lines. For a 300-liter refrigerator, this saves approximately 3,000 tonnes of paper per year.
- Traditional single-density foam base pads have been upgraded to dual-density foam base pads, reducing overall base pad weight by 10% and cutting annual carbon emissions by more than 500 tonnes.



Paper elimination

- Electronic user manuals replace traditional printed manuals, reducing packaging paper consumption. All home air conditioning and refrigeration models sold domestically now use electronic manuals, reducing annual carbon emissions by more than 800 tonnes.



Eco-friendly material substitution

- Packaging foam has been upgraded from non-degradable EPS (expanded polystyrene) to recyclable and easily degradable EPP (expanded polypropylene).
- Brand labeling on household chest freezer cabinets has been changed from ink printing to laser printing, an approach that eliminates both pollution and consumable waste while being more environmentally friendly.



Recycled material adoption

- Eco-friendly recycled pellets are blended with virgin materials in specific proportions to produce heat-shrink film, replacing traditional cartons and reducing corrugated board usage by 70%.



Green Product Highlights

- The Haier LangJing X11 washer-dryer set, the Casarte AI Dynamic Five-Constant Air System, and the Leader Ultra Energy-Saving Pro floor-standing and wall-mounted units won the Circular Design Award at the 2026 German Design Awards, one of the world's most prestigious design recognitions.
- The LangJing X11 series features an AI system that precisely calculates detergent dosage to minimize waste. Equipped with a high-efficiency direct-drive motor and dual-engine variable frequency technology, the unit's overall energy efficiency exceeds the new European A-class standard by 70%.
- The Haier Pearl R290 air conditioner uses R290 refrigerant, which has an extremely low GWP value. It significantly reduces climate impact while achieving optimized energy efficiency and operational safety.



Green Standards and Certifications

In 2025, Haier Smart Home participated in developing two national standards: *Greenhouse Gases - Quantification Methods and Requirements for Product Carbon Footprint - Electronic and Electrical Products* and *Greenhouse Gases - Quantification Methods and Requirements for Product Carbon Footprint - Room Air Conditioners*. The Company also took the lead in developing the national standard *Green Product Assessment - Water Purifiers*. These national standards set out the evaluation requirements for related green products. The China Quality Certification Centre (CQC) issued the industry's first "Green Product Certification" to a Haier gas water heater. The product outperforms industry standards across resource, energy, environmental, and quality metrics, demonstrating outstanding environmental performance. To date, multiple Haier products including refrigerators, washing machines, air conditioners, and gas water heaters have received "China Green Product Certification", delivering a new green and low-carbon experience for users.

In 2025, the Haier Italian-style two-door refrigerator received the "Super Energy-Saving Refrigerator" certification from the internationally renowned VDE, achieving 30% greater energy efficiency than the highest European A-grade standard. The Haier X11 series washing machine received VDE's European A-70% certification.



Green Procurement

Haier Smart Home follows procurement principles that balance economic and environmental benefits, prioritizing green products consistent with a full life-cycle approach and suppliers with strong environmental and carbon management performance. The Company has built a sustainable procurement system through three innovative practices:



At the supplier admission stage, we give preference to suppliers that use and provide low-carbon steel and recycled plastics, promoting the green, low-carbon transformation of the supply chain. In 2025, the Company added environmental management clauses to its procurement contracts, with a focus on evaluating supplier performance in carbon emissions management and low-carbon transition. As of the end of the reporting period, the Company had 12 national-level green supply chain enterprises.

We also engage in green collaboration with suppliers to jointly advance green supply chain development. In 2025, the Company issued a *Call for Proposals on Green Plastic-Reduction Packaging Solutions* to all suppliers, soliciting eco-friendly, biodegradable, and recyclable packaging alternatives and encouraging suppliers to propose innovative solutions based on their product characteristics. FPA entered into a strategic partnership with a premium low-carbon aluminum supplier to launch an "Aluminum Decarbonization Project", enabling the large-scale procurement and application of low-carbon aluminum, reducing carbon emissions by 7,911 tCO₂e annually.

In 2025, Haier Home Air Conditioning received the ISO 20400 Sustainable Procurement Conformity Statement from the internationally recognized institution BSI.



Strategic leadership and source-level control:

We have deeply embedded sustainability requirements into our business strategy and developed the innovative *First-Class Resource Introduction Process*, establishing 28 admission criteria including environmental performance. This builds a sustainability standards framework from the product design stage onward.



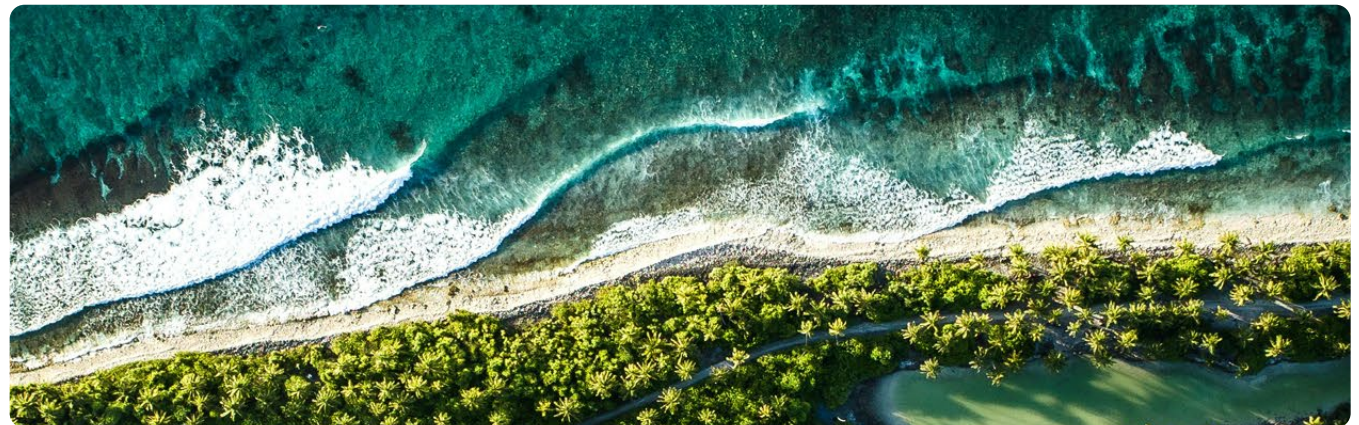
Closed-loop ecosystem and shared value creation:

We have built an industry-leading home appliance dismantling and recycling facility, established a supplier collaboration platform, and, through a tiered management system, have driven upgrades across the value chain, optimizing both procurement costs and environmental outcomes. For more information on circular economy management in the supply chain, please refer to the "Green Recycling" section in this chapter.



Digital enablement and full-chain transparency:

Through a digital platform, we achieve end-to-end transparent management of core suppliers, from rare earth mineral traceability to packaging material circularity, forming an industry-leading supply chain digital infrastructure. For more information on supply chain digitalization, please refer to the "Collaborating to Build a Sustainable Supply Chain" section in "Chapter 6: Building a Connected Ecosystem of Shared Responsibility".



Green Manufacturing

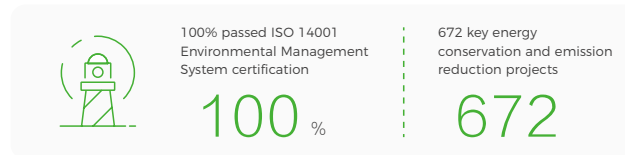
Haier Smart Home upholds the principle of “low-carbon operations, powered by digital intelligence for sustainable manufacturing”. Starting from production-stage decarbonization, we are building a green manufacturing system across our global operations, continuously optimizing our energy mix, improving resource efficiency, strengthening emissions management and disposal, and reducing carbon emissions from the production process.

Energy Management

We comply with the *Energy Conservation Law of the People’s Republic of China* and applicable laws and regulations in all jurisdictions where we operate. We have developed and implemented an *Energy Management Manual*, establishing a systematic and standardized energy management framework. Leveraging a digital platform, the Company has built a closed-loop energy management cycle of “monitoring, analysis, optimization, and verification”. Through energy-saving retrofits on production lines and smart network-level controls, we have established an industry-leading model for improving manufacturing energy efficiency. As of the end of the reporting period, all owned factories of Haier Smart Home in the China Operations Zone are 100% ISO 14001 certified for environmental management systems, with the certification rate exceeding 70% globally.

In 2025, the Company advanced 672 key energy conservation and emission reduction projects across seven dimensions, covering comprehensive improvements in process optimization, technology innovation, and equipment upgrades⁴. We also expanded our use of renewable energy, continuing to drive the transformation of our manufacturing systems toward low-carbon and intelligent operations.

⁴ The coverage ratio is calculated based on the proportion of production capacity in China.



Process improvements

- Optimized powder coating pretreatment processes by eliminating natural gas drying and curing furnaces and removing steam-heated degreasing and silanization pretreatment steps.

Green technologies

- Developed an advanced evacuation process technology for heat pump systems that shortens unit evacuation time by 50% while meeting higher vacuum retention requirements.

Green energy

- Expanded the use of renewable energy sources including solar PV. Annual green electricity consumption reached 216,802.05 MWh.



GE Appliances Advances Energy Conservation and Carbon Reduction

In 2025, GE Appliances established energy management teams at its manufacturing sites. The teams procured and deployed more advanced, higher-efficiency process equipment and HVAC systems, reducing energy demand in both production processes and facility operations. GE Appliances implemented dedicated energy monitoring systems to continuously identify energy-saving opportunities and introduced preventive maintenance programs that regularly inspect for and repair compressed air leaks, avoiding unnecessary energy losses.

Water Resource Management

Haier Smart Home places great importance on water conservation and extends this commitment across the value chain. The Company has implemented a series of measures to improve water use efficiency at its production sites and reduce wastewater discharge:

- ◆ Invested in the construction of water recycling stations at factories
- ◆ Implemented closed-loop water recycling in laboratories and gas assembly line monitoring systems
- ◆ Adopted recycled water processes for all cooling towers, reducing freshwater consumption
- ◆ Reused laboratory wastewater after cooling treatment in product pressure testing, reducing daily wastewater discharge by 50 m³
- ◆ Actively pursued external authoritative certifications including factory water-saving assessments and Alliance for Water Stewardship (AWS) sustainable water management certification



Resource consumption in the Company’s manufacturing operations during 2025 is presented below.

Indicator ⁵	2025 Data	2024 Data
• Total comprehensive energy consumption ⁶ (MWh)	2,594,788.03	2,201,271.45
• Direct energy consumption (MWh)	548,322.01	559,120.75
• Indirect energy consumption (MWh)	2,029,966.66	1,642,150.70
• Comprehensive energy consumption per RMB 10,000 of revenue (kWh/RMB 10,000)	85.82	84.53
• Renewable energy share (%)	8.36	7.40
• Total water consumption ⁷ (tonnes)	8,074,048.51	7,759,930.97
• Water consumption per RMB 10,000 of revenue (tonnes/RMB 10,000)	0.32	0.30
• Total packaging material consumption (tonnes) ⁸	536,590.84	347,120.86
• Packaging material consumption per RMB 10,000 of revenue (tonnes/RMB 10,000)	0.04	0.01

⁵ Data includes all Haier Smart Home factories globally that commenced production as of 2025.

⁶ Total comprehensive energy consumption includes purchased electricity, purchased steam, natural gas, liquefied petroleum gas, diesel, etc., calculated according to China’s national standard conversion factors in the General Rules for Calculation of Comprehensive Energy Consumption (GB/T2589-2020), and the conversion factors in the national electricity industry statistics published by the National Energy Administration.

⁷ The Company’s water consumption is primarily sourced from municipal water supplies. We do not have any issues in sourcing water.

⁸ The data covers all operational factories in China.

Emissions Management

Haier Smart Home strictly complies with *Environmental Protection Law of the People’s Republic of China, Law of the People’s Republic of China on Prevention and Control of Water Pollution, Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and applicable laws and regulations in all other jurisdictions where we operate. We continue to strengthen our environmental management system, advance waste-reduction technology retrofit projects, reduce pollutant emissions, and conduct regular supervisory inspections.

Wastewater management

We have established standardized discharge outlets. Wastewater is treated to meet compliance standards before discharge and is monitored in real time through automated online wastewater monitoring systems with 24-hour alerts.

Waste gas management

We have established online waste gas emission monitoring systems, installed waste gas treatment facilities, and commission third-party waste gas testing annually. Wind ducts are cleaned and inspected weekly to ensure that emission control equipment operates properly.

Hazardous waste management

We have established hazardous waste management procedures that govern the full process from generation to storage and transfer. Storage and transportation procedures are strictly regulated. A dedicated hazardous waste storage facility has been built at each industrial park, and all hazardous waste is transferred to qualified third-party companies for safe disposal.

Non-hazardous waste management

We use a fully traceable digital platform for management, reusing non-hazardous waste with residual value to increase the reuse rate. Other non-hazardous waste is transferred to municipal services or other qualified third-party companies for compliant disposal.



GE Appliances Explores Circular Landfill Diversion

In 2025, several GE Appliances manufacturing sites piloted a circular landfill diversion model, working with suppliers to recover packaging materials and defective products that could not be reused. GE Appliances launched a heat-shrink film and plastic film recovery program, compressing and baling plastic film with a baler for processing by recycling organizations, replacing traditional landfill disposal.

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

Emissions from the Company’s production operations during 2025 are presented below:

Indicator ⁹	2025 Data	2024 Data
• Total wastewater discharge ¹⁰ (tonnes)	1,761,649.43	2,225,906.69
• Total hazardous waste (tonnes)	2,214.41	2,371.08
• Hazardous waste per RMB 10,000 of revenue (kg/RMB 10,000)	0.09	0.09
• Total non-hazardous waste treated (tonnes)	229,523.86	215,587.38
• Non-hazardous waste per RMB 10,000 of revenue (kg/RMB 10,000)	9.06	8.28
• Total pollutant emissions (tonnes) ¹¹	11.63	/

⁹ The data covers all operational factories in China and key overseas factories representing approximately 85% of international revenue.

¹⁰ Wastewater primarily includes production wastewater and domestic sewage from various industrial parks.

¹¹ Data includes particulate matter (PM), nitrogen oxides (NOx), volatile organic compounds (VOCs), chemical oxygen demand (COD), etc., and only covers the China region. As a simplified management entity for pollutant discharge permits, the Company has no annual permitted emission limits specified in its pollutant discharge permit and implements management based on meeting emission concentration standards.

Green Factory Development

As of the end of the reporting period, Haier Smart Home owned 13 Lighthouse factories, including one Sustainable Lighthouse factory and one Talent Lighthouse factory. These cover five core businesses: refrigeration, home air conditioning, washing machine, Smart Building, and Water IoT, placing the Company at the global forefront of intelligent manufacturing and sustainable operations.

The Company has built 27 national-level green factories, 12 national-level green supply chain enterprises, 10 zero waste and zero waste to landfill factories, 5 zero-carbon factories, and multiple provincial and municipal green manufacturing demonstration units, demonstrating systematic planning and forward-looking practices in full-chain green transformation.



Zero Waste to Landfill – Turkey Operations

In 2025, Haier Europe’s manufacturing site in Eskişehir, Turkey, obtained the Zero Waste to Landfill certification issued by TÜV Rheinland, in accordance with the DIN SPEC 91436 standard. The certification confirms that more than 99% of waste generated at the site is diverted from landfill through prevention, segregation, recycling and recovery practices, supporting Haier Europe’s circular economy objectives across its manufacturing operations.



Green Operations

Green Logistics

Haier Smart Home actively explores new technologies and applications to improve efficiency and reduce carbon emissions across its logistics operations. In warehousing, the Company has built smart warehouses in Jimo, Huangdao, and Jiaozhou in China. These facilities optimize operational cycles and dynamic energy consumption management, achieving fully unmanned operations and significantly reducing energy intensity. In transportation, Haier Smart Home operates its own fleet through RRS Logistics and its smart logistics system, enabling self-optimizing delivery routes. The Company also actively deploys new-energy vehicles to reduce carbon emissions. Going forward, Haier Smart Home will continue to deepen its green logistics initiatives and explore innovative technologies and models.

Low-Carbon Office Practices

Haier Smart Home has integrated green, low-carbon principles into its organizational management and daily office activities. Through the promotion of digital collaboration, energy-efficient workspace retrofits, and green behavioral practices, the Company has systematically built a low-carbon office framework driven by full employee participation. We place great emphasis on cultivating sustainability awareness among employees, making low-carbon practices an integral part of our corporate culture, and collectively building a forward-looking green office culture.

- Promoting digitalized and paperless office operations, and installing centralized waste paper collection bins to reduce paper consumption.

- Encouraging the use of remote communication and online meetings for work, minimizing unnecessary business travel and thereby reducing energy consumption and emissions from transportation.
- Encouraging employees to adopt low-carbon commuting, such as using public transportation, to reduce transportation-related carbon emissions.
- Promoting the habit of turning off lights and air conditioning in office areas when not in use.
- Replacing traditional lighting with energy-efficient fixtures in office areas.
- Installing sensor-activated faucets in place of manual ones to prevent water waste.
- Establishing independent energy monitoring units for individual rooms. When real-time energy consumption exceeds the preset threshold, an automatic power-off protection mechanism is triggered to avoid unnecessary energy waste. This initiative saves approximately 2,059.88 MWh of electricity annually, equivalent to a reduction of 1,105.33 tCO₂e.
- Upgrading traditional lighting systems to digitally controlled systems, enabling centralized monitoring, smart adjustment, and remote maintenance of lighting equipment. This saves approximately 254.57 MWh of electricity annually, equivalent to a reduction of 136.60 tCO₂e.

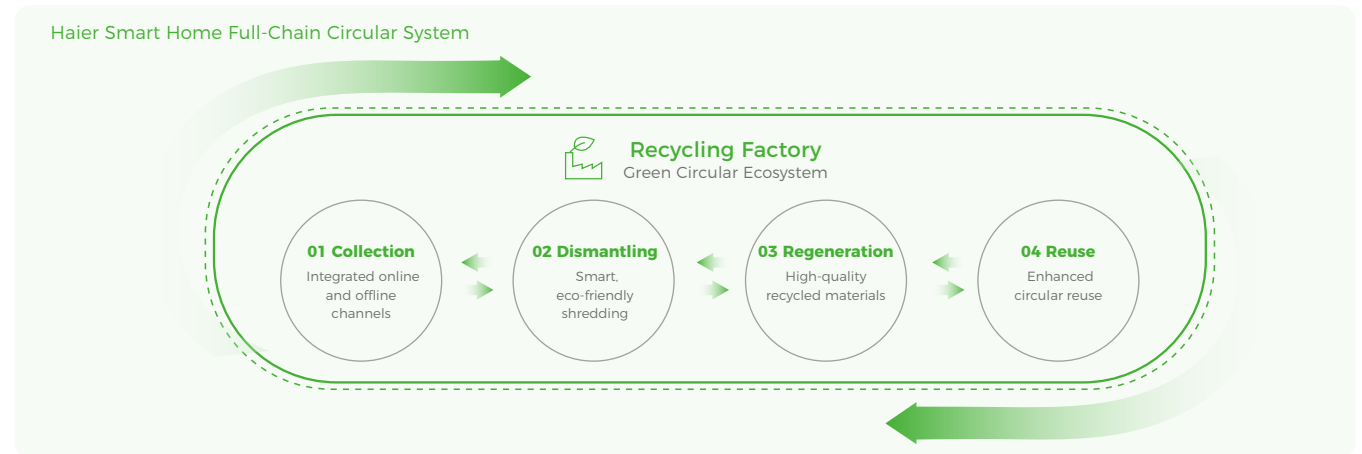
Green Recycling

The Company continues to expand its recycling business segment, scaling up its trade-in programs. Starting from the collection of end-of-life home appliances, it has established the industry's first complete closed-loop system spanning "collection, disassembly, recycling, and reuse". In 2025, Haier Smart Home drove transformation and upgrading across the entire circular economy value chain around three core dimensions: "leading recycling experience, top disassembly efficiency, and highest regeneration quality". The Company also continued to advance the measurability, certifiability, and *tradeability* of carbon reduction benefits from home appliance recycling.

Haier Smart Home has published an *Electronic Waste Disposal Policy* covering Haier Smart Home and its subsidiaries worldwide, as well as electronic waste disposal partners, contractors, and subcontractors. The policy explicitly endorses the requirements of the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, along with the objective of maximizing the utilization of electronic waste to reduce environmental pollution and resource waste. The Company commits that unless prior approval is obtained, it will not directly or indirectly through intermediaries export electronic waste from OECD or EU countries to non-OECD or non-EU countries, and will strengthen the management and oversight of electronic waste disposal.

Collection

Haier Smart Home actively implements the *Notice on Encouraging Household Appliance Manufacturers to Carry Out the Action of Recycling Target Responsibility System*, accelerating the development of a recycling ecosystem and expanding its recycling operations for end-of-life home appliances. In 2025, the Company further deepened and expanded the construction of its end-of-life

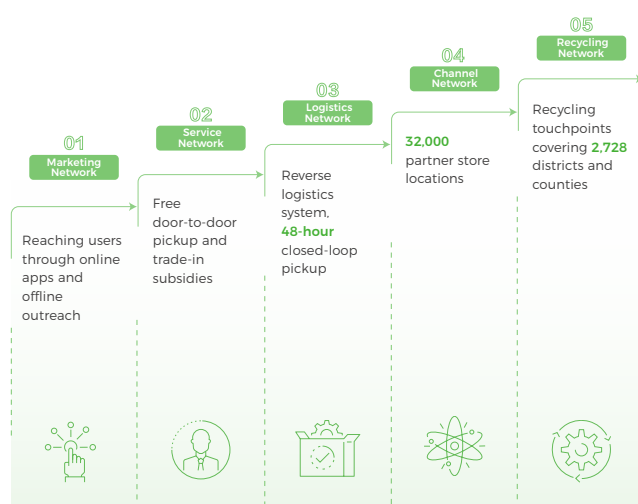


appliance collection and recycling system, and continued to advance its recycling business deployment. Through strengthened collaboration with third-party recycling service partners, the Company jointly provides users with full-chain electronic waste services covering collection, repair, and remanufacturing. Some of these third-party recyclers have obtained e-Stewards or R2 Certification.

In the Chinese market, Haier Smart Home has pioneered a "five-network integration" recycling model that unifies its marketing network, service network, logistics network, channel network, and recycling network. This has created one of the largest recycling networks in the country, offering a seamless one-stop trade-in service. Leveraging over 32,000 offline stores, more than 100,000 service personnel, over 100 logistics distribution centers, and a network of 3,000 recycling points, the Company's collection coverage spans 31 provinces, autonomous regions, and municipalities, 317 prefecture-level cities, and 2,728 districts and counties across China. The Company actively advances the "Internet + recycling" digital collection model and continues to upgrade its

digital circular service ecosystem centered on the Whale Green Recycling Platform. Users can submit recycling and trade-in requests through multiple channels including the Haier Smart Home app, the Whale Green Recycling mini-program, and the official WeChat account. The Whale Recycling Platform closely integrates with Haier Smart Home's established sales, logistics, and service infrastructure, driving mechanisms such as "trade old for new" and "trade old for smart". The platform's goal is to enable "universal low-carbon living and shared carbon credit trading". In 2025, the platform further strengthened smart scheduling and end-to-end visibility tracking, enhanced service coverage density and delivery reliability, and deepened its "trade old for new" mechanism. It now supports cross-category upgrades and scenario-based solution packages to provide users with more convenient home appliance upgrade pathways. In addition, the Company continues to refine its user benefits system and is rolling out a carbon points program that records users' green actions. When a traded-in appliance is disassembled, the user earns carbon points that can be redeemed for gifts in the Haier Rewards Store.

"Five-network integration" recycling model



The scope of Haier Smart Home's recycling operations covers all electronic waste generated within its nationwide operations and project scope, including but not limited to end-of-life company equipment, electronic waste from collection and return programs, waste from manufacturing, assembly, and repair processes, and products used by customers that have reached end-of-life. The Company actively upholds extended producer responsibility, ensuring that end-of-life appliances are disassembled with guaranteed quality and authenticity. In 2025, Haier Smart Home further expanded the scope of its "recycle everything possible" initiative. This goes beyond Haier Smart Home's own brands and traditional home appliance categories, now encompassing emerging categories such as small household appliances and 3C products. From 2023-2025, Haier Smart Home collected over 6.74 million, 7.69 million, and more than 8 million end-of-life home appliances (including air conditioners, refrigerators, washing machines, televisions, and all other categories) nationwide respectively,

bringing the cumulative total to nearly 30 million units. E-waste recovery volume has maintained an upward trend for three consecutive years, with the reuse rate of dismantled materials continuing to improve.

Haier Europe, GE Appliances, FPA, and other overseas subsidiaries also actively engage in end-of-life appliance collection to promote material recycling. Haier Europe is currently a member of Ecologic in France and ERION in Italy, both of which are part of the EU Waste Electrical and Electronic Equipment (WEEE) recycling alliance. GE Appliances, as a partner in the U.S. Environmental Protection Agency's (EPA) Responsible Appliance Disposal (RAD) program, helps reduce greenhouse gas emissions and the volume of waste sent to landfills through appliance collection. In 2025, GE Appliances collected a cumulative total of 55 tonnes of electronic waste, all of which was sent to certified professional recycling facilities in the U.S. for compliant disposal. FPA continues to expand its waste diversion efforts at its Australian distribution centers.



Green Disposal

Haier Smart Home, guided by the principle of “leading with circular technology to create regenerated value”, is pioneering a new model for green circular economy development across the industry, starting from the collection, disassembly, and reuse of end-of-life home appliances.

Recycling R&D System

The Company has built a “1+3+N” open innovation R&D ecosystem for recycled new materials. By integrating industry-leading resources, the Company has established one recycled new materials R&D center along with three platforms for material innovation, technology development, and application customization, building a continuously evolving R&D capability for recycled new materials. In parallel, the Company has set up a dedicated PCR (Post-Consumer Recycled) materials laboratory equipped with advanced testing instruments for mechanical performance, optical analysis, and material characterization, supporting recycled new material testing across applications in home appliances, automotive, home furnishings, consumer goods, and beyond.

Disassembly

The Company commits to ensuring that all collected end-of-life home appliances undergo proper disassembly or compliant disposal. In China, the Company currently holds disassembly qualifications covering all home appliance categories, with operations spanning refrigerators, washing machines, air conditioners, and other product lines. This enables the collection and disassembly of electronic waste of all brands and categories. Following precision disassembly at interconnected factories, recovered materials such as copper, iron, and aluminum are supplied end-to-end to downstream manufacturers. Disassembly processes and standards are continuously customized to meet downstream requirements, steadily enhancing the value of regenerated applications, achieving an overall reuse rate of 95%.

In July 2025, Haier Smart Home completed the construction of its first standardized home appliance recycling and sorting center in Qingdao. This facility integrates functions including all-category end-of-life

appliance sorting, processing and reuse, recycled resource trading, warehousing, distribution, and supporting services. Operating under an integrated model of “channel collection + regional sorting + coordinated logistics”, the center truly connects every link of the “collection, transport, disassembly, and reuse” chain, creating a complete closed loop from efficient collection to standardized disassembly and achieving green management across the full appliance lifecycle.

Regeneration

Addressing the industry challenge of high impurity content and low purity in plastics recovered from end-of-life appliances, Haier Smart Home operates an industry-leading high-quality production line. Through efficient processes such as smart polymer sorting and multiple precision washing stages, the Company effectively removes impurities and accurately separates materials to produce high-quality recycled new materials. The Company can also customize the recycled content ratio to meet client requirements and, with its mature modification technology, satisfy the performance requirements of different application scenarios. Currently, Haier recycled new materials are used

across multiple sectors including automotive, consumer goods, home furnishings, and home appliances.

In 2025, the national standard *Specification for the Use of Recycled Materials in Household Appliance Products* (GB/T46730-2025), led by Haier Smart Home, was officially released. It establishes requirements for the use of recycled materials in household appliance products, including minimum Post-Consumer Recycled material content ratios. This standard is expected to drive the substitution of virgin materials with recycled alternatives, providing critical standards-based support for the home appliance industry’s green and low-carbon transition and high-quality development of the circular economy.

Haier Smart Home actively pursues industry-academia-research collaboration and cross-sector partnerships, achieving continued breakthroughs in circular technology R&D and high-value applications. In 2025, Haier Smart Home and its partners jointly advanced plastics recycling for the home appliance and automotive sectors, co-developing high-quality PCR recycled plastic products to meet the growing demand for recycled plastics in the automotive industry and drive high-quality development of the plastics circular economy.

Haier Smart Home at the Appliance & Electronics World Expo (AWE)

In March 2025, Haier Smart Home exhibited at the Appliance & Electronics World Expo (AWE), where it debuted green and low-carbon solutions across five premium application scenarios: refrigerators, washing machines, air conditioners, water heaters, and kitchen appliances. The exhibition showcased the Company’s newly upgraded digital, intelligent, and green circular ecosystem.

Haier Smart Home unveiled the industry’s first closed-loop application system spanning “home appliance recycling” to “plastics recycling”. Leveraging the industry’s most advanced high-quality production line, the Company produces high-quality recycled new materials, aiming to achieve true PCR plastic circularity. In March 2025, Haier Smart Home’s latest portfolio of high-quality recycled new material products debuted, featuring purity levels up to 99.9% and near-zero property degradation. These materials can substitute virgin materials and have been adopted across home appliances, automotive, luggage, 3C electronics, and office automation applications.



Green Recycling Interconnected Factory

The Haier Qingdao Laixi Green Recycling Interconnected Factory, built on a national-level digital platform for the recycling industry, serves as an industry benchmark. It holds disassembly qualifications for all home appliance categories, covering core products such as refrigerators, washing machines, and air conditioners, as well as nine emerging product categories. The factory enables full-volume collection and standardized disassembly of electronic waste across all brands and categories, serving as a core anchor of Haier Smart Home's full-chain circular ecosystem. It is the world's first recycling interconnected factory in the home appliance industry that integrates collection, disassembly, and regeneration. Going forward, the factory will continue to deepen its circular industry footprint, gradually expanding from home appliance recycling into metals, plastics, batteries, and other areas, enriching the circular economy ecosystem and establishing a model for the recycling industry.

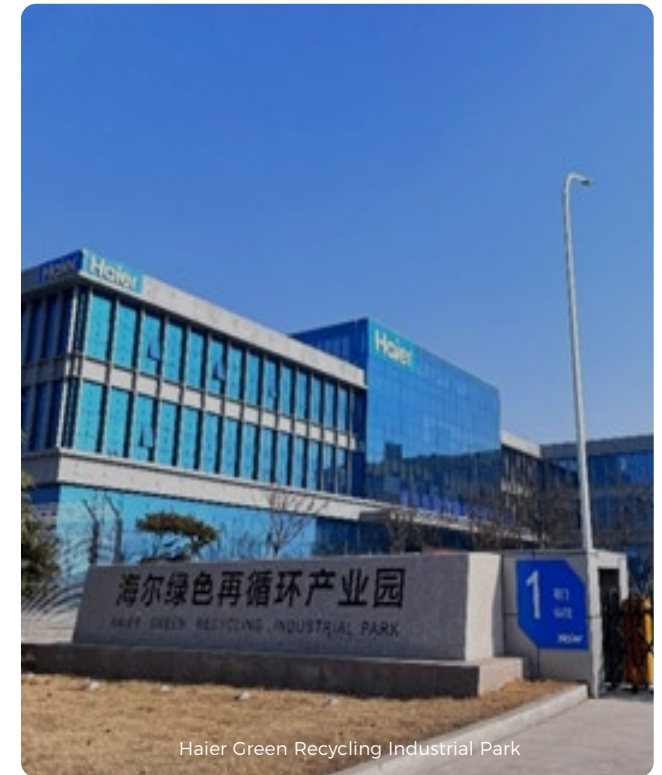


Haier Recycling Interconnected Factory

The Haier Green Recycling (Gong'an) Industrial Park is scheduled to commence operations in 2026. It represents another industry-lead-

ing recycling interconnected factory in Haier Smart Home's portfolio. The park has a planned annual disassembly capacity of 2 million end-of-life appliances and a planned annual regeneration capacity of 100,000 tonnes of recycled new materials. Its upstream operations connect to the end-of-life appliance collection business, while its downstream operations drive the recycling and reuse of disassembled materials. This facility will further support Haier Smart Home in building a nationwide end-of-life appliance circular network and accelerating its global industry deployment.

Currently, Haier Smart Home's recycling interconnected factories can disassemble 2 million end-of-life home appliances and regenerate 30,000 tonnes of recycled materials per year, with a waste material recycling rate exceeding 95%. By reducing dependence on virgin resources and improving overall resource utilization efficiency, these operations also effectively lower carbon emissions associated with primary production, achieving annual carbon emission reductions of approximately 17,000 tonnes. This delivers both ecological and economic benefits.



Haier Green Recycling Industrial Park

Responding to Climate Change

The year 2025 marks the 30th session of the UN Climate Change Conference (COP30), the 10th anniversary of the *Paris Agreement*, and the 5th year since China announced its “dual carbon” goals. Global climate action has entered a new implementation-oriented phase, placing heightened expectations on enterprises to move from commitments to systematic action. In 2025, Haier Smart Home formally issued its carbon neutrality commitment, demonstrating through concrete actions its firm dedication to the long-term objectives of the *Paris Agreement* and China’s “dual carbon” goals.

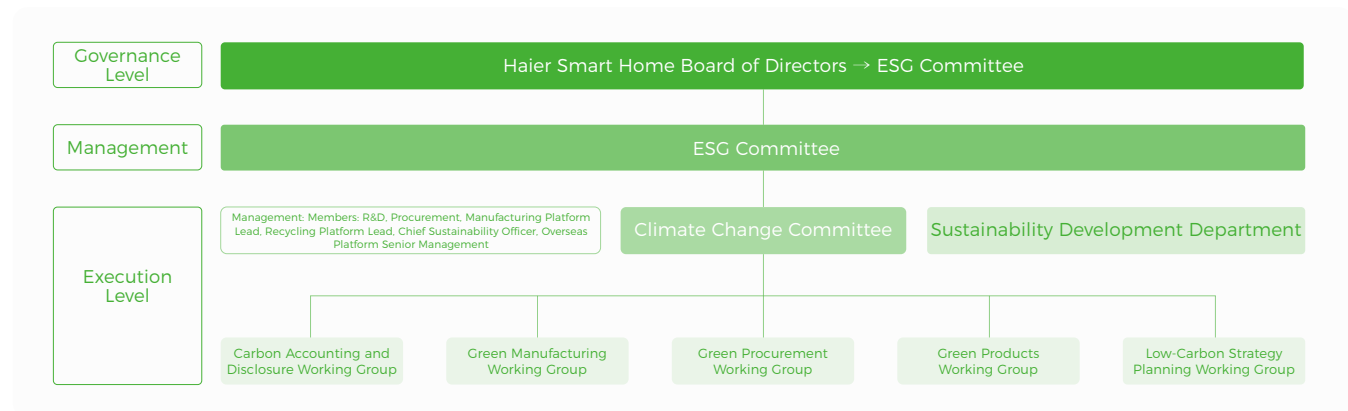
Governance

During the year, the Company established a climate change governance framework comprising governance, management, and execution tiers, with coverage extending to overseas operations. This framework deeply integrates climate change response and the “carbon neutrality” objective into corporate strategy and day-to-day operations, ensuring end-to-end alignment and efficient execution from top-level design to on-the-ground implementation.

◆ Governance Tier: Haier Smart Home Board of Directors and ESG Committee

The Board of Directors, as the Company’s highest governing body, bears ultimate responsibility for carbon neutrality. Its responsibilities include reviewing and approving the Company’s long-term carbon neutrality strategy, core targets, and key implementation pathways, as well as receiving reports from the ESG Committee on carbon management and progress toward carbon targets.

The ESG Committee, as a dedicated committee under the Board, serves as the core governance body for the Company’s ESG and carbon neutrality affairs. Its responsibilities include reviewing the Company’s medium- and long-term low-carbon strategy, annual targets, and major action plans, and overseeing their execution. It also reviews and approves major policies, fundamental rules, and risk



Haier Smart Home Climate Change Governance Framework

management frameworks related to carbon emission management. The Committee monitors the effectiveness of mechanisms for identifying, assessing, and responding to climate-related risks, and receives reports from management on carbon target performance and progress. It evaluates overall effectiveness, provides guidance, and reviews key carbon emission data and ESG reports to ensure the quality of information disclosure.

◆ Management Tier: Climate Change Committee and Sustainability Development Department

Under the guidance of the ESG Committee, the Climate Change Committee is the highest management body responsible for coordinating the Company’s carbon neutrality actions. Its responsibilities include formulating and cascading the Company’s overall carbon neutrality strategy, pathways, and targets, covering both operations and the full value chain. It also coordinates the development, implementation, and oversight of global carbon management systems. The Committee determines the prioritization of key carbon

management projects, coordinates internal and external resources to ensure effective execution, guides the work of subordinate task forces, and approves their major proposals.

The Sustainability Development Department supports the Climate Change Committee by carrying out specific management and coordination responsibilities. These include leading the development of the Company’s carbon neutrality action plans and annual work plans, and managing the unified accounting, analysis, and external disclosure of the Company’s carbon emission data. The Department also coordinates the day-to-day activities of task forces, platforms, and business units to track progress against targets, and conducts internal and external capacity building, policy research, and benchmarking analysis.

◆ Execution Tier: Specialized task forces (including the Carbon Accounting and Disclosure Working Group, Green Manufacturing Working Group, Green Procurement Working Group, Green Products Working Group, and Low-Carbon Strategy Planning Working Group)

and platforms/business units

Each specialized task force, under the leadership of the Climate Change Committee, is responsible for strategy formulation and cross-departmental coordination in its respective area. Platforms and business units serve as the ultimate implementers and responsible parties for "carbon neutrality" initiatives. They integrate targets into business processes in accordance with the Company's strategy and the directives of each task force, and ensure effective on-the-ground delivery.

During the year, Board members participated in climate-related seminars and training sessions conducted by third-party professional organizations to stay informed of the latest climate-related regulatory developments and emerging trends, and to deepen their understanding of climate-related expertise for more effective oversight and management of climate-related matters. In alignment with the nature of its business and climate targets, the Company links key ESG indicators such as energy conservation and emissions reduction to the remuneration of relevant management personnel, driving the achievement of ESG objectives.

Strategy

To address global climate change and drive the transition to a low-carbon economy, the Company has positioned sustainable development as a core strategic priority and designated "delivering leading climate solutions, particularly in the integrated HVAC sector" as one of its future core growth engines. The Company's climate strategy has been systematically embedded into business operations and translated into clear competitive advantages.

◆ Smart scenario-driven user value: Centered on "scenarios", the Company has extended its green coverage from smart homes to smart commercial and industrial applications. For residential scenarios, the Company has developed the UHome Smart Home

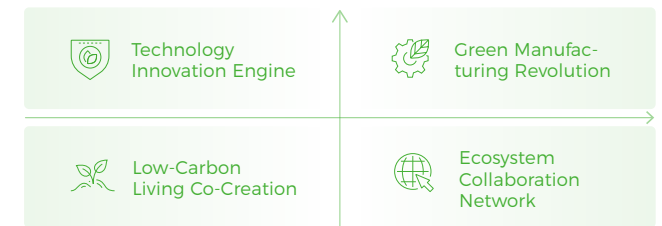
Large Model with "vertical domain expertise and cross-domain coordination", where the Smart Home Brain analyzes and decides how to adaptively adjust temperature, humidity, lighting, and energy consumption across living rooms, kitchens, bedrooms, and other spaces, thereby improving household energy efficiency and enhancing user experience. For industrial and commercial scenarios, leveraging its integrated smart HVAC solutions and Building Brain solutions, the Company provides users with end-to-end intelligent environmental management spanning home air conditioners, central air conditioning, commercial cold chains, and smart buildings, enabling autonomous energy distribution and optimization while significantly improving operational efficiency and energy performance.

◆ Technology innovation as a competitive moat: By deeply integrating AI and other smart technologies with green operations, the Company has successfully created benchmark energy efficiency projects. Through the acquisition of Carrier's commercial refrigeration business and the introduction of advanced technologies such as CO₂ eco-friendly refrigerants, the Company delivered projects such as the National Speed Skating Oval ("Ice Ribbon"), establishing a leading technological edge.

◆ Global network accelerating climate strategy deployment: Leveraging its global "three-in-one" localized framework, the Company rapidly replicates proven green solutions across its global operating regions, achieving global resource synergy and market leadership.

Haier Smart Home's climate strategy goes beyond addressing environmental challenges. Through green product innovation, smart scenario development, and globally sustainable operations, the Company is embedding the low-carbon transition deep into its development DNA and converting it into a core competitive advantage, thereby creating long-term sustainable value for shareholders and society.

Every Haier product is a practitioner of our carbon neutrality commitment



The Company references *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB) and the *Task Force on Climate-related Financial Disclosures* (TCFD) recommendations to identify climate change-related risks and opportunities and their impact on the Company's value chain, formulate response measures, and continuously improve information disclosure.

During the year, based on reasonable assumptions about the policy environment, economic conditions, natural factors, and technological developments, as well as its own operations, the Company assessed major uncertainties and policy assumptions, spanning environmental, policy, market, and technological factors. The Company referenced the Shared Socioeconomic Pathways (SSP) scenarios from the IPCC Sixth Assessment Report (AR6) and scenarios from the Network for Greening the Financial System (NGFS). Based on industry relevance, these were supplemented with the International Energy Agency's (IEA) Stated Policies Scenario (STEPS) and Net Zero Emissions by 2050 Scenario (NZE2050). Together, these scenarios were used to evaluate the resilience of the Company's strategy and business model against climate-related physical and transition risks over the short, medium, and long term. Although we have selected the most representative scenarios for our scenario analysis, a degree of uncertainty remains regarding the impact of climate change on the transition risks facing the Company.

Climate-Related Physical Risks

The Company’s climate-related physical risks primarily center on the impact of increasingly frequent extreme weather events caused by climate change on operational stability. Given that the Company has already implemented comprehensive prevention, mitigation, and response measures, the overall level of climate-related risk remains low. The table below sets out the key physical risks the Company faces and the corresponding mitigation measures.

Risk Category	Potential Impact on Business and Value Chain	Time Horizon ¹²	Risk Exposure under Different Scenario Assumptions						Current and Anticipated Financial Effects	Risk Mitigation Measures
			High-Emission Scenario Combination			Low-Emission Scenario Combination				
			2030	2050	2060	2030	2050	2060		
Acute physical risk	Extreme weather events such as heavy rainfall, flooding, and typhoons	Short-term, Medium-term, Long-term	Low	Medium	Medium	Low	Low	Low	<ul style="list-style-type: none"> Current financial effect: In 2025, the Company's expenditure on flood and waterlogging prevention supplies procurement and emergency drills had no material impact on the Company's financial position or performance. Anticipated financial effect: If extreme weather events become more frequent, the Company's related prevention and drill expenditures, equipment and facility investments, and asset losses may continue to increase, with corresponding insurance costs also rising. 	<ul style="list-style-type: none"> Develop emergency response plans for natural disasters and continuously improve the natural disaster emergency response mechanism; Reinforce and protect critical equipment by installing windproofing and waterproofing facilities; identify potential asset damage and procure necessary insurance coverage; adjust work schedules and locations based on weather conditions to ensure employee safety. Reduce reliance on any single supplier by developing multiple reliable suppliers; require suppliers to establish manufacturing facilities near the Company's industrial parks to shorten transportation distances.

Climate-Related Transition Risks

The Company’s climate-related transition risks are primarily concentrated in the impact of rising energy costs on its operations.

Risk Category	Potential Impact on Business and Value Chain	Time Horizon ¹¹	Risk Exposure under Different Scenario Assumptions						Current and Anticipated Financial Effects	Risk Mitigation Measures
			High-Emission Scenario Combination			Low-Emission Scenario Combination				
			2030	2050	2060	2030	2050	2060		
Energy Source	Rising Energy Costs	Medium-term, Long-term	Low	Medium	Medium	Low	Medium	Medium	<ul style="list-style-type: none"> Current financial effect: In 2025, the investment in the energy management platform construction had no material impact on the Company's financial position or performance. Anticipated financial effect: During the energy transition period, if the supply of renewable energy is unstable or supporting grid infrastructure lags behind, the Company may face temporary increases in energy procurement costs and additional expenditures on backup energy facilities. 	<ul style="list-style-type: none"> Promote resource conservation initiatives. Develop the Smart Energy Cloud Platform to enable price forecasting, energy consumption monitoring and analysis, and enhanced energy oversight capabilities.

¹² Taking into account our core business plans, the timelines of social low-carbon development goals, and relevant climate-related disclosure standards and management recommendations, we have defined our time horizons as follows: short term, covering the period within one year (inclusive) after the end of the reporting period; medium term, covering the period from one year to five years (inclusive) after the end of the reporting period; and long term, covering the period beyond five years after the end of the reporting period. This classification allows for a reasonable assessment of the impact of climate-related factors on the Company's business development across different time frames.

Climate-Related Opportunities

The accelerating low-carbon transition across society also presents climate-related opportunities for the Company, including rapid expansion of the low-carbon product market, policy support for green home appliances, and the rapid development of clean energy. In particular, by accelerating its deployment of green, low-carbon products, the Company can generate additional revenue over the short, medium, and long term while also mitigating the climate impact of its products. Products with cooling capabilities can further enhance consumer resilience to rising temperatures, delivering positive environmental and social outcomes.

Risk Category	Potential Impact on Business and Value Chain	Time Horizon ¹¹	Risk Exposure under Different Scenario Assumptions						Current and Anticipated Financial Effects	Risk Mitigation Measures	
			High-Emission Scenario Combination			Low-Emission Scenario Combination					
			2030	2050	2060	2030	2050	2060			
Products and Services	Green Technology and Products	<ul style="list-style-type: none"> R&D in green, low-carbon, energy-efficient products and eco-friendly refrigerants enables the Company to better meet regulatory and policy requirements, address consumer demand for energy-efficient products, and effectively enhance corporate reputation while expanding market reach. 	Short-term, Medium-term, Long-term	Low	Medium	Medium	Low	Medium	Medium	<ul style="list-style-type: none"> Current financial effect: In 2025, global revenue from the Smart HVAC business reached RMB 72.356 billion, as reported under the "Operating Revenue" line item in the 2025 Annual Report. Anticipated financial effect: With the rapid development of new energy and clean technologies, the Company's R&D and application expenditures for green, low-carbon products are expected to increase accordingly. 	<ul style="list-style-type: none"> The Company's home appliance energy efficiency is among the world's best. Going forward, the Company will continue to strengthen low-carbon technology R&D and increase the share of green, low-carbon and energy-efficient products. Continue to conduct research on refrigerant substitution to build technical readiness for potentially stricter future regulatory requirements.
Market	Policy Support for Green Home Appliances	<ul style="list-style-type: none"> The government has introduced policies such as "Measures to Promote Green Smart Home Appliance Consumption" to drive trade-in programs for green, smart home appliances, expanding the Company's green appliance market. 	Short-term, Medium-term, Long-term	Low	Low	Medium	Low	Medium	Medium	<ul style="list-style-type: none"> Current financial effect: Government subsidies and related activities currently have no material impact on the Company's financial position or performance. Anticipated financial effect: Proactively advancing the Company's own low-carbon transition will help secure additional economic benefits in the future. 	<ul style="list-style-type: none"> Pursue green home appliance certifications to better align with policy requirements. Conduct product LCA certification and carbon footprint certification to enhance product green credentials and better position for future market requirements.
	Sustainable Finance	<ul style="list-style-type: none"> As sustainable finance policies continue to mature, the Company's strong performance in low-carbon and energy-saving initiatives can provide access to a broader range of financing channels. 	Short-term, Medium-term, Long-term	Low	Low	Medium	Low	Low	Low	<ul style="list-style-type: none"> Current financial effect: In 2025, the Company issued two tranches of green technology innovation bonds under the "Two New" initiatives, with a planned issuance size of RMB 3.5 billion, to be used for green projects such as energy conservation, environmental protection, and recycling. This data is sourced from "Section VII Relevant Information of Corporate Bonds - (V) Debt Financing Instruments of non-financial enterprises in the interbank bond market" in the 2025 Annual Report. Anticipated financial effect: The Company's outstanding sustainability performance will attract greater investor attention and expand its financing channels. 	<ul style="list-style-type: none"> The Company became the first home appliance enterprise in the Asia-Pacific region to establish a hybrid sustainable finance framework and completed a sustainability-linked loan in 2024. Going forward, the Company will continue to expand its exploration and application of sustainable finance.
Resource Efficiency	Clean Energy Alternatives	<ul style="list-style-type: none"> Accelerating the adoption and deployment of renewable energy to replace conventional energy sources diversifies the Company's energy supply and effectively mitigates exposure to energy market price volatility. 	Medium-term, Long-term	Low	Medium	Medium	Low	Medium	Medium	<ul style="list-style-type: none"> Current financial effect: In 2025, renewable energy and other clean energy alternatives had no material impact on the Company's financial position or performance. Anticipated financial effect: The rapid advancement of more efficient equipment and low-carbon technologies will help improve energy efficiency and reduce energy costs. 	<ul style="list-style-type: none"> Promote the use of clean energy, such as the installation of solar PV systems across industrial parks, and accelerate the transition to clean energy sources.

We assess climate-related risks and opportunities that affect our financial position, financial performance and cash flows, systematically evaluating and analyzing the material financial impact of each risk and opportunity factor on Haier Smart Home. Based on current assessments, these factors are not expected to result in significant adjustments to the carrying amounts of assets and liabilities within the next reporting period. We will continue to monitor relevant risk conditions and prudently assess their potential impact on the Company' s long-term financial resilience.

The above content constitutes forward-looking statements and does not represent definitive guarantees, expectations or precise predictions of future conditions. In developing these assessments, the Company has given full consideration to a range of uncertainties, including the economic environment, laws and regulations, market dynamics, geopolitical developments, and climate change patterns. These factors are constrained by available data sources and the assessment methodologies employed, and may be affected by other unforeseen uncertainties and subjective judgments. Given these uncertainties, and taking into account the feasibility of separately identifying expected financial impacts, the practicality of integrating financial impact disclosures across risks, as well as the Company's current capabilities and resources, we have disclosed the expected financial impact of sustainability matters such as climate change on a qualitative basis for the time being.

Impact, Risk and Opportunity Management

The Company is progressively integrating climate risks into its existing risk management processes. Building on the Company' s

established risk management framework, we systematically identify, assess, and manage climate risks to ensure that identified climate risks remain within controllable bounds. We fully consider climate and environmental factors across business processes including supplier admission, due diligence and product line management, and actively collaborate with value chain partners to jointly address climate change.

For identified risks and opportunities, we prioritize them based on a comprehensive assessment that incorporates departmental feedback and considers both the likelihood of occurrence and the magnitude of financial and business impact. Targeted response measures are developed accordingly. We conduct regular monitoring of climate-related risks and progressively strengthen the Company' s resilience in addressing climate change.

Metrics and Targets

Haier Smart Home systematically measures and reports carbon emission data across its global operations in accordance with the Greenhouse Gas Protocol, using authoritative emission factors published by the IPCC and official Chinese and international agencies.

Key Performance Indicators	2025 Data	2024 Data ¹³
• Total greenhouse gas emissions (Scope 1 and Scope 2) (10,000 tonnes of CO ₂ equivalent)	161.84	130.17
• Scope 1 ¹⁴ greenhouse gas emissions (10,000 tonnes of CO ₂ equivalent)	57.75	43.63
• Scope 2 ¹⁵ greenhouse gas emissions (10,000 tonnes of CO ₂ equivalent)	104.09	86.54
• Greenhouse gas emissions per RMB 10,000 of revenue (Scope 1 and Scope 2) (kg of CO ₂ equivalent/RMB 10,000)	53.53	45.51
• Scope 3 Greenhouse Gas Emissions for China Operations (10,000 tonnes of CO ₂ equivalent)	18,086.29	16,501.42
- Category 1: Purchased Goods and Services ¹⁶	628.44	674.45
- Category 6: Business Travel ¹⁷	1.25	1.35
- Category 11: Use of Sold Products ¹⁸	17,456.60	15,825.62

¹³ Based on the Greenhouse Gas Protocol (GHG Protocol) standards and referencing authoritative emission factors published by the IPCC and official domestic and international sources, we systematically calculated and reported carbon emission data across global operations for 2024. The audit results have been verified by the internationally recognized certification body TÜV Rheinland, with the verification process complying with ISO 14064 and the GHG Protocol standards. For operations in China, Scope 3 greenhouse gas emissions were accounted for in the following categories: purchased goods and services, business travel, and use of sold products.

¹⁴ Direct emissions from operations owned or controlled by Haier Smart Home, including stationary combustion emissions, mobile source emissions, and fugitive emissions.

¹⁵ Indirect emissions from purchased or acquired electricity and steam consumed by Haier Smart Home.

¹⁶ The accounting scope for purchased goods and services includes steel and plastic products procured by Haier Smart Home in China.

¹⁷ The accounting scope for business travel covers business trips of Haier Smart Home employees in China.

¹⁸ The accounting scope for the use of sold products includes all products of the refrigeration, laundry care, residential air conditioning, smart building, water appliances, and kitchen appliance industries sold in China.

Haier Smart Home views emission reduction as a systematic endeavor spanning the entire product lifecycle. Guided by the strategic principle of “proactive emission reduction as the core approach, supplemented by carbon offsets”, the Company has systematically planned emission reduction pathways covering its own operations and the value chain. The Company is committed to achieving significant reductions in carbon emission intensity and effective control of absolute emissions while sustaining continued business growth.

In 2025, Haier Smart Home issued a total of RMB 3.5 billion in green bonds that meet the criteria of multiple national green bond financing standards, including *the Green Bond Endorsed Projects Catalogue (2021 Edition)*, *the Green Industry Guiding Catalogue (2019 Edition)*, and *the China Green Bond Principles (Green Bond Standard Committee [2022] No. 1)*. The proceeds are allocated to green projects such as energy conservation and environmental protection, pollution prevention and control, and resource conservation and recycling.

Project Name	Products	Energy Efficiency Rating
Qingdao Haier (Jiaozhou) Air Conditioner Co., Ltd. Expansion project for annual production of 3 million sets of home air conditioners	Wall-mounted air conditioners, floor-standing air conditioners	Level 1
Qingdao Haier Air Conditioning Electronics Co., Ltd. Expansion project for VRF air conditioners and water-cooled air conditioners	Home central air conditioners	Level 1
Qingdao Haier Refrigerator Co., Ltd. Technical renovation and capacity expansion project for energy-efficient and eco-friendly refrigerators	Refrigerators	Level 1
Qingdao Haier Refrigeration Appliance Co., Ltd. Haier Jiaozhou Refrigerator Smart Manufacturing (Phase I) project	Refrigerators	Level 1

Emission Reduction Roadmap:

- By 2030, achieve 15% renewable energy usage in own operations and reduce global Scope 1 and 2 emission intensity by 10%;
- By 2050, achieve 100% renewable energy usage globally and attain carbon neutrality across all global operations.

Haier Smart Home pledges to achieve carbon neutrality in its own operations no later than 2050¹⁹.

Progress toward 2025 targets:

- Renewable energy accounted for 8.36% of total energy consumption in our own operations; global Scope 1 and Scope 2 emission intensity reached 53.53 kg CO₂e per RMB 10,000 of revenue;

As a committed participant in global climate action, Haier Smart Home actively supports China’s “dual carbon” goals while rigorously aligning with the international standards set by the Paris Agreement. The Company has adopted the Science Based Targets initiative (SBTi) as the core framework for its emission reduction strategy, strictly following its target-setting protocols to systematically build emission reduction pathways covering both operations and the value chain. The Company is dedicated to translating the emission reduction ambitions required by the 1.5°C temperature goal into measurable, trackable actions. By embedding science-based carbon management deeply into corporate strategy and operations, the Company is driving a systematic shift of its green commitments from aspirational pledges to measurable, verifiable progress.

In China:

Qingdao Haier Special Freezer Co., Ltd., as the first Haier Smart Home subsidiary to receive SBTi validation, successfully obtained approval for both short-term and long-term net-zero targets aligned with the 1.5°C pathway, making it the first brand in China’s home appliance industry to pass dual-target validation.

Overseas:

Haier Europe has received SBTi validation, committing to short-term science-based carbon targets covering Scope 1, 2, and 3 emissions, demonstrating Haier Smart Home’s systematic commitment to upholding consistent low-carbon standards across its global operations.

Zero-Carbon Parks

In 2025, the Haier Jiaozhou SCO Industrial Park and the Haier Qingdao Sino-German Industrial Park represent two key examples of Haier Smart Home’s commitment to green manufacturing and Zero-Carbon Park development. Both parks received the inaugural “Zero-Carbon Park” certification issued by the China Quality Certification Centre (CQC) and the China Energy Conservation Association, becoming the first parks in China’s home appliance industry to earn this certification. The “Zero-Carbon Park” certification is based on the rigorous requirements of *the Technical Specification for Zero-Carbon Park Evaluation (T/CECA-G0344-2025)* published by the China Energy Conservation Association. The evaluation covers multiple dimensions including park compliance and management requirements, management systems and incentive mechanisms, and energy mix and efficiency levels. This provides a pathway reference for subsequent Zero-Carbon Park development.



¹⁹ The coverage scope includes entities within the global operational boundaries of Haier Smart Home.

Haier Qingdao Sino-German Industrial Park



Clean energy utilization:

The park has completed the installation of rooftop solar PV systems with a total capacity of 13.5 MW, generating over 15 million kWh of electricity annually. Solar-storage-charging carports have been installed to meet the EV charging needs of park employees and reduce CO₂ emissions. Solar-wind hybrid street lights have been deployed, harnessing both solar and wind energy for power generation.



Green production:

Energy-saving retrofits have been carried out on production equipment. For example, variable-frequency drives have been installed in water pump rooms to reduce pump operating time and extend pump lifecycle; waste heat from power generation and compressed air systems is recovered for heating and cooling, achieving cascaded energy utilization.



Digital integration:

A smart energy big data platform has been built to provide integrated energy supply and management services for factories. A cloud-based control system for compressed air stations has been designed to centrally manage the gas supply network across park facilities. Equipment is activated according to production intensity requirements, and high-precision detection modules and measurement instruments have been installed to maintain constant-pressure air supply and improve operational efficiency.

Haier Jiaozhou SCO Industrial Park



Clean energy utilization:

An integrated design combining "rooftop PV + carport PV + Building-Integrated Photovoltaic (BIPV) Curtain Wall" has been adopted. The total PV area exceeds 100,000 square meters, generating over 50 million kWh of electricity annually, accounting for more than 35% of the park's total electricity consumption.



Green production:

New-type injection molding machines and energy efficiency enhancement technologies have been adopted to reduce energy consumption per unit of product. Magnetic levitation chillers have been deployed to improve cooling efficiency while reducing power consumption. A smart energy management platform has been established to implement cascaded energy scheduling, with a waste heat recovery and utilization rate exceeding 45%. A reclaimed water reuse system has been built, with industrial wastewater undergoing advanced treatment for use in cooling and landscaping, achieving a reuse rate of over 90% of treated wastewater. A closed-loop solid waste management chain has been established, featuring professional sorting and recycling of metal and plastic scraps, resource-based production of new building materials from slag, safe disposal of hazardous waste, and a 100% comprehensive utilization rate for industrial solid waste.



Digital integration:

Leveraging the COSMOPlat Industrial Internet Platform, the park has achieved the "three-flow convergence" of energy flow, data flow and carbon traceability flow, enabling dynamic monitoring and refined digital management across all processes.

Chapter 3: Smart Living — Technology for a Better Life

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

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



03

Quality-Focused Excellence

Haier Smart Home takes a user-experience-oriented approach to building a global quality management system. Through end-to-end quality controls and digital transformation, the Company has systematically strengthened its quality governance capabilities and elevated its quality competitiveness to new heights.

Governance

Under Board oversight, the Company has established the User Experience Committee to drive continuous improvements in product quality based on user pain points. During the year, we upgraded our global quality management system and established a three-tier overseas quality control structure spanning “platform, industry division, and factory”, ensuring unified quality standards from headquarters to overseas factories. Across all operating regions worldwide, we strictly comply with applicable quality laws and standards, including *China's Product Quality Law and the Law on the Protection of Consumer Rights and Interests*, among others. We also adhere to international standards such as RoHS, REACH, POPs, and FCM to rigorously control the health and safety attributes of product materials.

Strategy

Embracing the “RenDanHeYi” philosophy and a commitment to “quality by everyone”, Haier Smart Home is dedicated to building an outstanding reputation in the home appliance ecosystem through rigorous quality control and continuous improvement of user experience. The Company has built a full-process product quality management system covering all global operating regions, leveraging digital technologies for full life-cycle monitoring and continuous optimization of product quality.



Impact, Risk and Opportunity Management

Quality Risk Management

Haier Smart Home has established a full-process quality management system, a hazardous substance management system, and an ESD electrostatic protection management system. Each year, we identify regulatory changes, review areas of weakness through internal and external audits, and address issues identified through user feedback to continuously upgrade our quality management systems. During the year, we strengthened two core capabilities: "new product defect prevention" and "quality improvement closed-loop management". We also upgraded our "end-to-end" quality management model, driving the transformation of quality management from reactive responses to proactive prevention.

In 2025, all mature operating factories globally passed ISO 9001 Quality Management System certification. 96% of mature operating factories in China achieved QC 080000 certification (International Electrotechnical Commission certification for electronics and electrical components and products free of harmful substances) covering various product lines. Fifteen mature operating factories in China passed ANSI/ESD S20.20 certification (electrostatic protection management system certification), with four factories obtaining this certification for the first time and achieving 100% certification coverage for premium EPA (Electrostatic Protected Area) zones.



Full-Process Quality Management

We have established a quality management system spanning the entire process from R&D, production, and logistics to sales, effectively reducing defect rates.



R&D stage

We conduct comprehensive user research and maintain a user scenario database, carrying out multiple rounds of iterative optimization to ensure the quality and safety of mass-produced products and improve user satisfaction. A product R&D review mechanism is in place, with professional reviewers identifying potential quality risks during the development stage to safeguard product quality. We have also built laboratories that simulate real-world user scenarios for testing and R&D on functionality, performance, reliability, and AI-enabled features, ensuring user experience from the quality dimension.



Production stage

We enforce strict system standards and quality control measures, subjecting every product to rigorous multi-dimensional inspections. A digitalized laboratory quality management platform has been established for precise and efficient testing. We have also developed a testing digital quality knowledge base to support product quality improvement. Through our new product quality plan, we monitor task progress online, automatically assess compliance outcomes, and synchronize R&D and quality information in real time, enhancing coordination between people and data to reduce product defect rates. We have implemented intelligent sampling plan generation, enabling online scheduling of inspection standards and handling of non-conforming products, further standardizing sampling inspections and improving inspection efficiency by 35%. Leveraging AI technologies, we are advancing smart inspection capabilities and have completed the transition from manual to machine-based inspection for 94 categories covering 437 inspection items.



Logistics stage

Through the Haier Smart Home digital logistics platform and a full-process product status traceability system, we utilize IoT and smart technologies to achieve visibility across transportation and warehousing, enabling assessment and management of logistics losses and strengthening logistics quality controls.



Sales stage

We prohibit exaggerated claims and misleading information. Third-party professional agencies are regularly engaged to evaluate user experience outcomes.

Digital Quality Management

The Company has built a digital management platform covering the full quality life cycle. The platform automates the integration of product testing data with certification systems and connects all quality management processes, routing non-conformance issues to R&D, manufacturing, procurement, and other relevant departments for proactive investigation and improved first-pass yield. The platform is structured around three main pillars: model quality, module quality, and the quality system, collectively forming a “prevention, in-process control, and post-event feedback cycle” management capability spanning the entire quality life cycle.

Quality Improvement and Recalls

During the year, the Company focused on high-frequency quality issues identified through user feedback and collaborated with external professional resources to achieve breakthroughs on persistent quality challenges. For example, we engaged technology partners specializing in electronic reliability to strengthen our PCB failure analysis capabilities and resolve longstanding component failure issues. The resulting improvement solutions were documented as standardized operating guidelines and a solutions repository, enabling knowledge reuse and continuous quality improvement. We also continued to promote effective ESD electrostatic protection measures across all business lines, reducing repeat issues through a prevention-first approach.

Haier Smart Home attaches great importance to product malfunction reports from users. For products that develop faults within the warranty period (“Three Guarantees” period), a local service provider conducts an assessment, after which the user is offered a return or replacement. Returned or replaced faulty products are sent to the



Model quality pillar

Targeting “100% business scenario coverage on the platform”, this pillar resolves offline management issues through platformization to enhance market competitiveness at the product model level.

In 2025, the Company built 11 business scenarios around the full quality life-cycle assurance system, including a new product quality prevention system and a quality improvement feedback cycle system. Large AI models were applied to enhance quality improvement outcomes, algorithms were deployed to boost experimental efficiency, and intelligent assistants were used to optimize end-to-end user experience, resulting in significant improvements in key metrics such as new product model target achievement rates and experimental testing efficiency.



Module quality pillar

The platform already covers the vast majority of scenarios. The focus is on driving capability iteration through data visualization, enabling real-time risk monitoring and efficiency gains.



Quality system pillar

Centered on quality objectives, mechanisms, reputation, and standards, this pillar coordinates with the other two pillars to build an enterprise-level digital quality framework.

factory quality team for root-cause analysis. Defective units are then processed by Haier Smart Home’s own recycling operations or handed over to qualified entities for compliant disposal. In 2025, Haier Smart Home achieved “zero recalls” across all products in domestic operating regions, with no products recalled due to safety or health concerns.

Supplier Quality Management

Haier Smart Home has established a comprehensive supplier quality control system tailored to different product lines. ISO 9001 Quality Management System certification is a mandatory requirement for supplier admission. Through quality system audits and process audits, we evaluate the completeness and implementation status of suppliers’ quality management systems, as well as the effectiveness of their control over product development and realization processes, ensuring rigorous quality oversight. The Company implements a tiered management approach based on supplier quality assessment

results, increasing order allocations for top-performing suppliers while providing targeted support and improvement recommendations to lower-rated suppliers to help elevate their quality management standards. In 2025, the Company shifted its quality control system from post-production inspection to pre-production inspection, engaging deeply in supplier in-process quality control to mitigate quality risks at the source. All of the Company’s suppliers hold ISO 9001 Quality Management System certification.

In terms of supplier digital capacity building, the Company focuses on areas such as production testing data connectivity and supplier production information traceability to achieve supply chain traceability. Concurrently, we are advancing innovative technology solutions including industrial IoT platforms, AI-powered visual quality inspection, and full life-cycle reliability assurance to systematically reduce total quality costs and co-build an efficient and reliable best-in-class supply chain. In 2025, we deeply integrated the “end-to-end” quality data IoT system across all domestic manufactur-

ing bases, enabling real-time verification and intelligent assessment of in-process inspection data from core home appliance component suppliers. This established a “zero-defect” admission barrier requiring 100% online inspection qualification before production, systematically driving a leap in automation, informatization, and intelligence capabilities across the entire supply chain.

To deepen supply chain quality collaboration, in 2025, we extended supplier quality management meetings to nine major manufacturing bases across China, including Qingdao, Hefei, and Chongqing. Approximately 700 regional quarterly business review meetings were held to systematically communicate more stringent supplier performance standards and forward-looking strategies, with a particular focus on promoting digital upgrade initiatives. The Company also established a performance comparison and sharing mechanism, inviting top-performing suppliers to share their practices and urging underperforming suppliers to implement corrective measures, comprehensively raising senior management’s awareness of quality strategy among suppliers.



Supplier Training

Product Quality Improvement

Haier Smart Home regularly organizes various employee quality training programs to deepen quality awareness and enhance professional competencies. In 2025, the Company integrated internal and external resources to strengthen its quality talent pipeline and systematically advanced digital quality learning

initiatives. During the year, the Company developed and optimized 70 courses spanning quality management systems and standardization, quality tool applications, supplier quality improvement, laboratory testing, quality improvement, and product certification. A total of 35 training sessions were held, educating 2,292 participants over 323 training hours, with a classroom test pass rate exceeding 95%. Furthermore, the Company collected over 60 quality culture case studies from various departments throughout the year and selected five quality culture role models each quarter, using incentive mechanisms to embed quality culture deeply across the organization. During the year, various product lines and departments conducted customized training targeting commonly identified quality issues:

④ Kitchen appliance product line



Metrology system capability-building activities were carried out covering four business units. Factories organized Quality Month activities to share quality highlights. Quarterly quality improvement innovation projects and “Best Craftsman in Kitchen Appliances” competitions were also held.

④ Refrigeration product line



Quality control training and skills competitions were organized to motivate employees to continuously improve their quality awareness and professional skills and apply them in their daily work. For newly established factories, “one-on-one” specialized support programs were conducted with dedicated professional teams providing training on quality, metrology, and ESD management systems, assessing weaknesses and risks in the full-process quality management systems of new factories, and driving optimization and upgrades of vulnerable areas to enhance the stability of process quality systems. In 2025, a newly established refrigeration factory achieved QC 080000 Hazardous Substance Management System certification for the first time.

④ Laundry product line



Specialized standards training sessions were held to enhance employees’ understanding and practical application of standards. In 2025, we conducted one ISO 9001 quality management training session and one QC 080000 hazardous substance management training session. Metrology system capability-building activities covered employees at 10 factories across four industrial parks. In addition, we assembled a team of internal trainers at the group and business-unit levels to systematically deliver training on quality systems, hazardous substance systems, and metrology systems, effectively strengthening employees’ professional capabilities in areas such as outgoing inspection, laboratory analysis, and new product controls.

④ Water IoT product line



A combination of online and offline training was delivered, cumulatively reaching 1,579 quality-related personnel across multiple dimensions including quality tools, laws and regulations, and testing standards.

Haier Global Metrology Day

For five consecutive years, the Company has held International Metrology Day events, also known as Haier Global Metrology Day, covering 90 factories domestically and internationally. In 2025, through activities such as metrology knowledge training and skills competitions on specialized metrology instrument inspection, we strengthened metrology management awareness across the workforce and fostered a quality culture that values, learns, and applies metrology.

Haier Smart Home released the upgraded *Haier Global Laboratory Quality Management Guidelines 2.0*, comprehensively enhancing global laboratory testing and quality management standards. Six of the Company's professional trainers were appointed as training instructors by the Electronic and Electrical Appliance Branch of the China Inspection and Testing Society, making Haier the first enterprise in the Chinese home appliance industry to receive such appointments.

◆ Testing technology: Specialized training on RoHS regulations and equipment operation was delivered to chemical laboratories across 43 facilities, training 138 chemical testing personnel. This deepened testers' understanding of regulatory requirements and effectively improved product compliance levels and practical operational capabilities.

◆ Testing fundamentals: Training was conducted on quality monitoring methods, measurement uncertainty evaluation, and calibration plan development to continuously improve testing quality control standards.

◆ Testing quality management systems: Specialized training on

CNAS system management requirements in the areas of chemical testing and electrical testing was provided to testing personnel across 59 facilities, training 314 participants.

Haier Smart Home actively participates in quality project competitions, technology innovation showcases, patent and standards activities, academic paper presentations, and related standards development, contributing to industry-wide quality management advancement and standardized development. In 2025, the Company participated in four industry academic exchange events covering core areas including smart home scenarios, AI voice technology, and smart home innovation. While absorbing advanced external concepts and practices, the Company shared its leading technology cases and distinctive management approaches, continuously promoting open innovation in testing and quality management. The Company published *Haier's Approach to Quality Management: From Zero Distance to Zero Boundaries*, offering a model and reference pathway for high-quality development by global enterprises in today's digital economy.

During the year, the Company received numerous quality manage-

ment awards, including 11 international awards such as four Gold Awards at the International Convention on Quality Control Circles (ICQCC). At the national and industry levels, 46 awards were received, including the National Quality Benchmark Award, AAA-level rating in market quality and credit evaluation, and Five-Star rating in customer satisfaction evaluation.

Metrics and Targets

We have set a "zero-defect" quality objective and use it as a guiding principle for the continuous improvement and upgrading of our quality management efforts.

Short-term target (2025-2027)	2025 progress
Improve product defect rate by 10%	Product defect rate improved by 8%



Delivering Worry-Free Services

Haier Smart Home builds a fully integrated smart service system grounded in strong governance and centered on the user, driving the transformation of services toward full life-cycle care and co-creating better living with professionalism and warmth.

Governance

To deliver end-to-end, fully integrated smart services, Haier Smart Home has established a user full life-cycle experience management platform and formed the Customer Reputation Committee. These structures support a user-oriented service mechanism that optimizes service scenarios, actively responds to user needs, and creates the best possible service experience.

Strategy

The Company consistently puts users at the center and co-creates better living together with them. Guided by the service philosophy of "sincerity forever", we continuously refine our service system standards to improve user experience. The Company has built a digital service platform to enhance service efficiency and take various measures to safeguard user privacy.

Impact, Risk and Opportunity Management

Service Model Upgrade

Haier Smart Home continues to upgrade its service model to enhance user experience across the full product life cycle, piloting service standards for integrated home appliances and home furnishings. In 2025, the Company partnered with the China Association for Quality Promotion to publish *the Specification for Special Installation Scenario Renovation of Home Appliances* as a national group standard for the first time. In 2025, the Company

pioneered the *Integrated Cabinet-Appliance Delivery Standard*, which enables integrated design and coordinated delivery of appliances and cabinetry, resolving user pain points such as asynchronous delivery timelines, inconsistent standards, and mismatched installations.

Digital Platform Optimization

Haier Smart Home is committed to building a transparent, efficient, and participatory end-to-end digital service system that enhances user service experience. Through the Haier Service WeChat Mini Program, users can independently access service policies and fee schedules, self-diagnose malfunctions using AI-recommended solutions, and interact with service technicians in real time via text, voice, or video. When a service request is submitted, the system uses intelligent algorithms to accurately identify the request and dispatch a technician within seconds, significantly reducing wait times and improving service response efficiency. After service completion, an itemized bill is automatically sent to ensure fee transparency. Users

can monitor the entire service process in real time and provide evaluations. Upon conclusion of the overall service, the Haier Service Mini Program automatically generates and delivers a service completion report to the users.

Concurrently, the Company has built a work platform for service providers and technicians that supports the digital operations of service providers and enables technicians to manage customer engagements, execute tasks, and pursue professional development on the platform. This lays a solid foundation for continuously improving user experience. In 2025, the Company developed an AI-powered intelligent agent for service providers and technicians²⁰, integrating multi-scenario data and algorithms to create a unified digital assistant covering daily work order processing, service solution recommendations, and training. This enabled instant access to over 45,000 knowledge base entries, improving work efficiency and supporting the goal of delivering services that are completed in one visit and done right the first time.



²⁰ "Service providers" refers to local service network operators; "technicians" refers to service personnel who provide users with services including design, delivery and installation, maintenance, and trade-in.

Diversified Training Programs

Haier Smart Home has established a categorized digital service training, practice and competition system covering all processes and business lines. The system continuously strengthens the professional capabilities of frontline service personnel, with training content spanning service skills competitions, service philosophy and awareness, service standards, and professional skills. During the year, the Company conducted new technician certifications, upgrade certifications, and Gold-level Service Technician certifications, combining online course learning with hands-on skills practice to improve training quality and effectiveness. The Company also cultivates specialized service talent through university-enterprise cooperation to ensure a high-quality service talent pipeline. In 2025, the Company established a university-enterprise partnership with Kaifeng Vocational College, building a hands-on training base of over 2,000 square meters that uses real-world scenario simulation to enhance the practical experience of service personnel.

During the year, the Company's existing top-tier service trainers team comprised 2,081 members. Over 40,000 training sessions were conducted throughout the year, certifying over 210,000 service personnel. More than 1,200 online new media training sessions and 26 regional and national skills competitions were also held.

Complaint Handling and Improvement

The Company continuously enhances its user complaint response

and management mechanisms. Users can submit issues through multiple channels including the 400 customer service hotline, Haier Service WeChat Mini Program and official account, the Haier website, and third-party sales platforms. In 2025, we introduced proactive user experience care capabilities, using algorithmic models to monitor key touchpoints that affect user experience, identifying potential experience risks and intervening preemptively. This represents a transformation from "passive reception" to "proactive care".

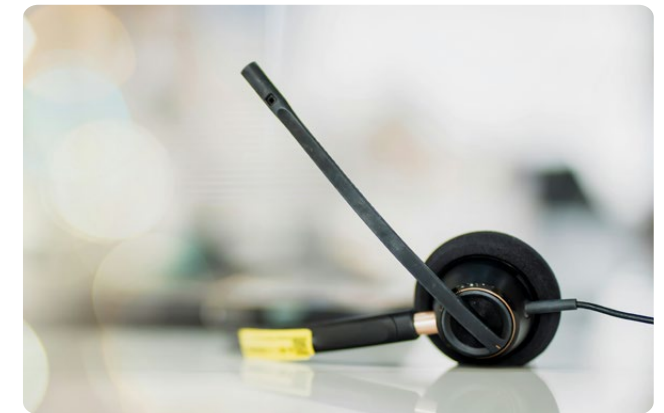
In terms of complaint handling, upon receiving a user complaint, the system automatically routes complaint information to the responsible personnel. Customer service responds to user concerns within one hour, and issues are resolved within 24 hours. Throughout the process, the full workflow of complaint handling is visible to users, and overdue cases are escalated to higher-level personnel. During the year, we established a User Relationship Manager Team to provide "one-on-one" communication and issue follow-up for users who file complaints during the service process.

In 2025, the Company completed a comprehensive digital upgrade of user complaint information and proactive care workflows. Through an internal digital workstation, the Company can promptly dispatch service personnel for rapid issue response and timely resolution, with handling progress and outcomes synchronized to relevant service nodes via data integration.

Metrics and Targets

The Company continuously refines its service system standards and takes concrete action to deliver "zero complaints, zero delays" for users. In 2025, in the China region, we collected user satisfaction survey results across all channels and, through comprehensive evaluation and analysis, achieved a user satisfaction rate of 99.88%. We have also set customer service targets of achieving 99.56% user satisfaction in 2026 and 100% user satisfaction in 2027.

In 2025, in the China region, we received 51,126 complaints related to products and services. The complaint resolution rate was 100%, and the complaint resolution satisfaction rate was 99.98%. During the year, we did not receive any material customer complaints.



Innovation-Driven Upgrades

Haier Smart Home makes innovation a core strategic priority, with deep focus on smart home, green and low-carbon technologies, and smart appliances. The Company leads industry upgrades and empowers better living through technological breakthroughs.

Governance

Haier Smart Home has built an innovation and R&D management structure that aligns with the development needs of each product line, with clearly defined hierarchies and responsibilities. This forms a management system of "group coordination, platform support, and product-line execution". The R&D platform provides technology and resource support, while each product line's R&D department executes targeted R&D tasks with well-defined responsibilities at each level, advancing technology and product innovation as well as the commercialization of research outcomes.

With a global perspective, Haier Smart Home has established the "10+N" Global Open Innovation System, encompassing ten major R&D centers and multiple innovation centers to localize R&D, production, and sales. The Company has built the HOPE Platform, bringing together global innovators to form an extensive R&D ecosystem network.

Strategy

Haier Smart Home views innovation as the core driver of product upgrades. With ten R&D centers deployed globally, the Company leverages its extensive ecosystem resource network to identify innovative technologies that match product requirements, and conducts R&D and innovation in key areas such as smart home and green, low-carbon technologies to lead industry development.



Impact, Risk and Opportunity Management

Leveraging its deep professional expertise, Haier Smart Home drives the R&D and application of multiple technologies, continuously upgrading and refining product processes. The Company provides customers with comprehensive health-oriented products across all scenarios and has launched a range of green, energy-efficient, and age-friendly products that create a smart and healthy home living experience in multiple dimensions.

Smart Products

Haier Smart Home deeply integrates artificial intelligence into the core architecture of its products, using intelligent algorithms to continuously optimize device operating logic and energy efficiency. While significantly improving energy and resource utilization, the Company systematically reduces the overall environmental impact of its products. This technology pathway is driving home appliance performance toward greater precision and adaptability, while also enabling users to enjoy a smarter, greener, and more sustainable home lifestyle.

• Power Scheduling

AI energy-saving algorithms proactively learn users' refrigerator usage habits and sense environmental changes. Combined with local electricity policies, these algorithms identify low-carbon power periods, automatically match operating modes, and dynamically adjust food storage conditions, achieving energy savings of over 15%. This technology has been rolled out globally and is fully deployed across all refrigerator product categories.

AI energy-saving algorithms adaptively respond to dynamic changes in external conditions such as room heat load and building characteristics. By constructing an objective function incorporating energy consumption, thermal discomfort, and soft constraints, and leveraging optimization computation modules to solve for optimal control parameters, these algorithms achieve the best possible energy-saving results while ensuring comfort.

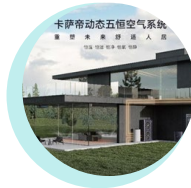
• Eco-Friendly Drying

The dishwasher uses AI recognition to automatically open its door at the end of the wash cycle, leveraging natural airflow to enhance drying efficiency and achieve a drying effect with zero additional energy consumption.



The Casarte Drawer-type Dishwasher

The drawer-type dishwasher features a world-first hydraulic suspension technology. Through the deep integration of variable-frequency motors and smart sensor technology, it has established a closed-loop AI control system covering "water volume monitoring, power adjustment, and cleaning assurance", improving the cleaning index by 12.5% and reducing water consumption by over 20%.



The Casarte AI Dynamic Five-Constant Air System

The Casarte AI Dynamic Five-Constant Air System adopts a system-level green design, optimizing the entire chain from source, terminal, to control. It delivers uniform heating and cooling throughout the home without forced airflow, significantly improving comfort while eliminating energy consumption from wind resistance. The system uses AI-based unified decision-making to optimize device operating logic, reducing equipment energy consumption by 20% to 30%.



Haier Washing Machines

Haier washing machines are building a full-process AI collaboration chain to deliver a smarter user experience. Equipped with "AI Eye" technology, the products can intelligently detect conditions such as jammed clothes, mixed colors, and empty drums, enabling perception-based "AI-watched washing". The products also feature direct drive motor AI Quick Clean technology, which saves 30% of washing time. An "electronic manual smart configuration management platform" has been developed to enable rapid user manual customization.



The Casarte Zhijing Series Range Hood and Cooktop Suite

The Casarte Zhijing Series range hood and cooktop suite features "AI Eye" full-scenario range-hood-cooktop linkage technology that enables fully automatic power on/off and automatic airflow adjustment, avoiding energy waste. It also offers intelligent anti-overflow and anti-dry-burn protection for a more worry-free and convenient kitchen experience. Deeply integrated with the Smart Home Brain HomeGPT AI voice interaction system, it delivers a smarter and more convenient kitchen lifestyle for users. The Casarte Zhijing Ultra oven features a built-in "AI Eye" that precisely identifies the shape and size of food, automatically adjusting cooking profiles in real time with precision-controlled steam to deliver fully automated doneness management. Its self-cleaning cycle achieves 90% oil fume purification, truly delivering "all the aroma, none of the fumes".



The Haier Smart Breeze Series 1.5HP Inverter Wall-mounted Air Conditioner

The Haier Smart Breeze Series 1.5HP inverter wall-mounted air conditioner features AI energy-saving technology. Through the synergy of "AI Smart Energy-Saving Algorithms" and "Cloud Adaptive Technology", it can predict and optimize energy-saving operating paths based on the rate of room temperature change, minimizing wasted energy consumption. By integrating multi-dimensional data on regional climate, seasonal characteristics, and user habits, the system achieves adaptive regulation. Compared with conventional air conditioners, this series can reduce energy consumption by over 40%.

Smart Elderly Care

Haier Smart Home has proactively positioned itself in the age-friendly industry, creating a "1+5+N Smart Elderly Care Full-Scenario Solution" and developing the 3,790 Smart Elderly Care System tailored to China's national conditions, bringing professional elderly care services into the home. In 2025, we officially launched the silver economy brand Haier Care, with the mission of "enabling parents everywhere to enjoy life with dignity". Focused on the needs of four user segments (active seniors, those requiring assisted living, those requiring nursing care, and those in rehabilitation) across dimensions including clothing, food, housing, mobility, entertainment, health, and companionship, Haier Care uses technology to safeguard the well-being of older adults.

At the product level, the Company has developed voice-controlled bathing systems for bathroom scenarios that support automatic water temperature adjustment to preset levels. Smart bathroom heaters are equipped with fall detection functionality, triggering voice alerts and family notifications when activated. Smart toilets

feature automatic sensing and seat temperature adjustment. Bed-wheelchair integrated nursing beds support electric adjustment for easy transfer of bedridden elderly to wheelchairs. The AI sleep-assist system coordinates with lighting, curtains, air conditioning, and televisions to create a comfortable sleep environment. Upper and lower limb exercise equipment and other rehabilitation products support both active and passive training modes via television, helping patients in recovery regain mobility.

In terms of business model, in response to challenges in China's current elderly care system such as inadequate in-home elderly care support and incomplete community elderly care functions, the Company has innovatively introduced a comprehensive elderly care community model. Centered on the concept of "aging in place", this model provides products, scenario-based renovations, digital platforms, services, and ecosystem products to bring "five-star elderly care" support services directly into the home.



Green Products

While ensuring products meet health and safety standards, Haier Smart Home actively embraces the green consumption trend by making low-carbon and eco-friendly principles a core direction of product R&D and innovation. In 2025, Haier Smart Home developed standout products and technologies across all product lines, continuously upgrading its portfolio of green and sustainable products. The "High-Efficiency Energy-Saving Refrigerator Multi-Scenario Green and Low-Carbon Technology Demonstration Project" of Qingdao Haier Refrigeration Electric Co., Ltd., a subsidiary of the company, has been successfully included in the "List of Advanced Green and Low-Carbon Technology Demonstration Projects (Second Batch)" by the National Development and Reform Commission.

For further details, please refer to the chapter "Special Topic 1: Digital Intelligence Powering a Smart Ecosystem" and the "Green Design" subsection under "Full Life-Cycle Green Management" in this report.

Patents and Intellectual Property Protection

Haier Smart Home upholds the principle that "protecting intellectual property is protecting innovation" and firmly implements a high-quality patent strategy centered on high-value patents. The Company has established a comprehensive patent management system and operating mechanism, pioneering a collaborative innovation model integrating "technology, patents, and standards". It actively promotes the creation, management, protection, and utilization of patents.

The Company strictly complies with applicable intellectual property laws and regulations in all jurisdictions where it operates, including

the *Patent Law*, the *Trademark Law*, and the *Copyright Law of the People's Republic of China*. A global management mechanism has been established, with policies such as the Patent Asset Evaluation and *Patent Maintenance/Abandonment Management Platform* and the *Patent Licensing and Transfer Management Process Platform* formulated and published, alongside the optimization of measures including the *Patent Quality Management Platform* and the *Patent Incentive Platform*. While protecting its own intellectual property, the Company respects the intellectual property rights of all third parties and is willing to engage in collaborative arrangements with rights holders under FRAND²¹ principles through cross-licensing, portfolio licensing, and other negotiated approaches, adhering to the principle of mutual industry benefit and promoting rational competition.

We have established a global intellectual property management system. Through the Global Intellectual Property and Standards Management Committee under the Haier Science and Technology Innovation Committee, we implement integrated management of intellectual property and standards, formulate a unified global IP strategy, and define the processes and rules governing global IP deployment, ownership determination, and usage management. We have developed a global intellectual property reward system, establishing awards such as the Best Patent Award and Patent Application Award to cultivate a culture of innovation across the entire organization and stimulate creative vitality.

To protect Haier Smart Home's intellectual property and patents, we have built a patent early-warning system and rapid rights-enforcement response mechanism. Using professional evaluation models, we assess patents from technical, market, and legal perspectives. Through scientific classification and tagging methods, we accurately identify and manage patents with high technical, market, and legal value. Based on this, we have constructed an enforceable patent database and patent early-warning system that records patent information and enforcement essentials in detail. A cross-departmental rapid rights-enforcement coordination mechanism has also been established. The marketing department reports infringement risks and needs, the R&D department provides technical support, the patent department manages overall coordination, and the legal department handles enforcement litigation. All departments work in close coordination to realize patent value and strengthen the market protection system.

In 2025, the Company did not experience any patent infringement incidents.

● Building a Global Digital Platform

We are actively advancing the development of a global intellectual property digital platform to enable real-time dynamic management and global sharing of intellectual property. The platform covers the full life cycle of intellectual property, from creation, utilization,

protection, and management to services, supporting more than 10,000 R&D personnel worldwide. In 2025, the Company had cumulatively filed more than 112,000 patent applications globally, including over 73,000 invention patents. Overseas invention patent applications exceeded 19,000, covering 36 countries. The Company has cumulatively won 12 China Patent Gold Awards, ranking first in the industry.

Metrics and Targets

Develop standards and design specifications for smart home product user experience, improving product experience by 30%; innovate in elderly-friendly product design and expand health and wellness categories.



²¹ The full name is the Fair, Reasonable, and Non-Discriminatory (FRAND) principle, which is designed to ensure fairness, reasonableness, and non-discrimination in the licensing process of standard-essential patents.

Chapter 4: RenDanHeYi – Unlocking Individual Growth Potential

Guided by our RenDanHeYi philosophy, we view every employee as a “Maker” driving the Company’s evolution toward a platform-based service ecosystem. We are committed to building a safe, inclusive, and digitally empowered growth platform that unleashes talent potential and elevates value creation from individual development to ecosystem synergy.

◆ **HKEX ESG Indicators Addressed:**

B1 Employment, B2 Health and Safety, B3 Development and Training

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

◆ **UN SDGs Addressed:**



04

Our Targets

Short-Term Targets (2025-2027)

Employee Rights

Establish flexible and diversified incentive mechanisms to empower rapid employee development

Deliver targeted employee care to enhance workplace satisfaction and fulfillment, and achieve a 100% employee complaint response rate across domestic operating regions

By 2027, launch 1,600 courses and certify 600 instructors on the Smart Home Learning platform, with diversified learning scenarios and intelligent resource recommendation

Achieve a 32% development rate for young, high-potential Makers to empower employees in maximizing their personal value

Attract external AI and high-tech talent while strengthening internal AI capabilities

Improve diversity and inclusion, with female employees in R&D roles reaching 25% across domestic operating regions

Employee Care

Establish comprehensive employee communication channels through both online and offline platforms, with a robust feedback and resolution mechanism

Diversified employee benefits: Provide all employees with holidays, high-temperature allowances, clothing allowances, birthday gifts, and other diversified benefits to enhance satisfaction and fulfillment

Holistic employee care: Prioritize physical and mental health by providing health coverage and psychological support, and creating a caring workplace culture through health checkups, medical assistance, children's school enrollment support, employee relief funds, and other comprehensive care services

Team-building activities: Organize sports, outdoor, and social activities based on employee preferences to promote physical and mental well-being

Health and Safety

Zero workplace safety accidents

2025 Progress

A diversified compensation incentive system combining labor income, profit sharing, and stock options has been established

The "Voice" Platform, a dedicated employee communication channel, has been launched across domestic operating regions. All employee concerns are addressed within 72 hours, achieving a 100% complaint response rate

An online learning platform, Smart Home Learning, has been established for employees, integrating a rich library of professional, general, and leadership courses. The platform generates multi-dimensional data visualizations to support employee capability building and career development

Newly appointed young executives increased by 9.6% year-on-year

The Company openly recruits industry-leading AI and high-tech professionals while conducting company-wide AI training for existing employees

Female employees in R&D roles across domestic operating regions reached 23%

The Company has established multi-channel employee communication and grievance mechanisms to listen to employees and provide prompt responses to their concerns

In the China operating region, in addition to providing all employees with diverse benefits such as holidays, high-temperature allowances, clothing allowances, and birthday benefits, the Company also offers a variety of leave types including New Campus Maker Leave, Spring Festival Leave, Exam Accompaniment Leave, Haier Annual Leave, Parental Leave, and Elderly Parent Care Leave. Additional annual leave is also granted to newly onboarded employees to help them achieve work-life balance

In the China operating region, the Company safeguards employees' physical and mental well-being by delivering 884 on-site one-on-one psychological counseling sessions, and offering comprehensive care services including employee health check-ups, medical assistance, children's school enrollment support, and employee relief funds

In 2025, the Company organized a wide range of team-building activities including sports, outdoor, and social events to promote employee well-being

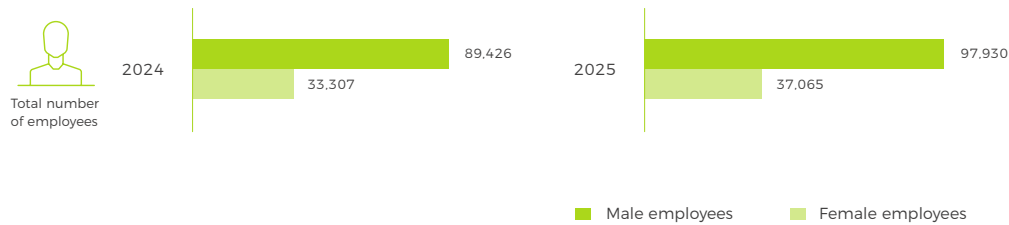
In 2025, zero workplace safety accidents were recorded



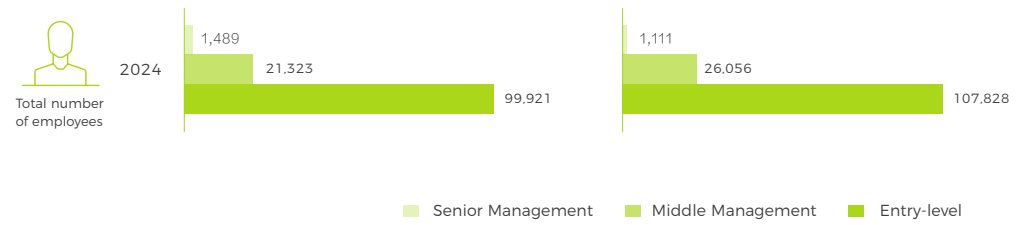
Deepening Diversity and Inclusion

Haier Smart Home continues to foster a diverse and inclusive environment that empowers employees to achieve personal growth through transformation. As of the end of the reporting period, the Company employed approximately 135,000 people worldwide from more than 50 countries and regions, including approximately 54,000 overseas employees.

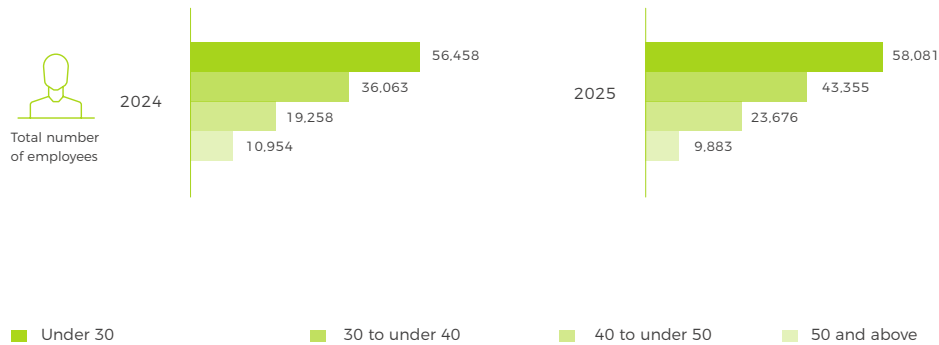
Total employees by gender (persons)



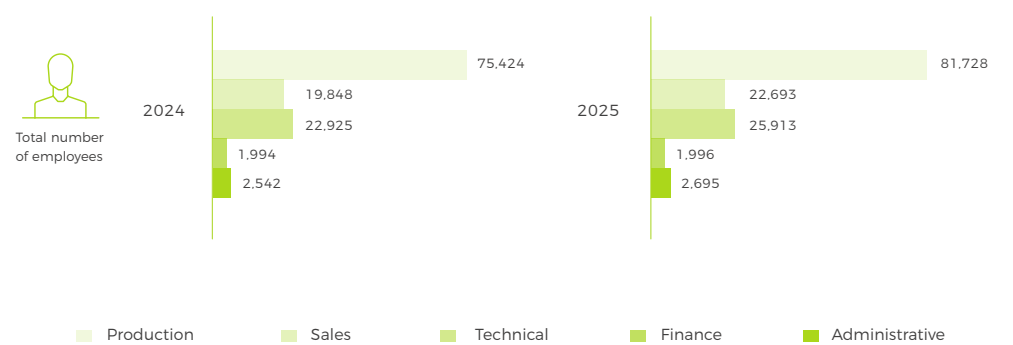
Total Employees by Level (persons)



Total Employees by Age (persons)



Total Employees by Category (persons)

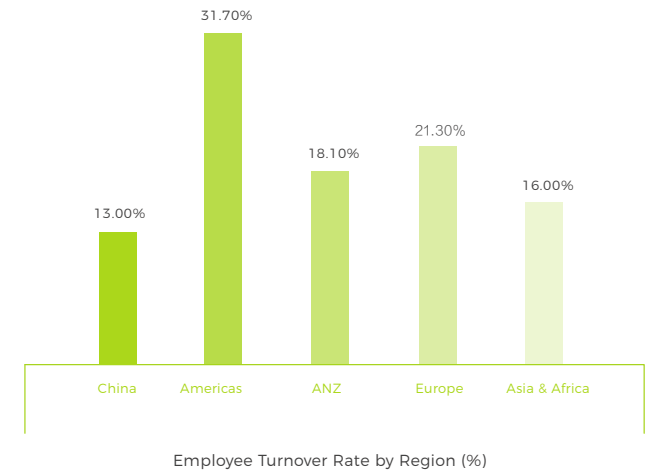
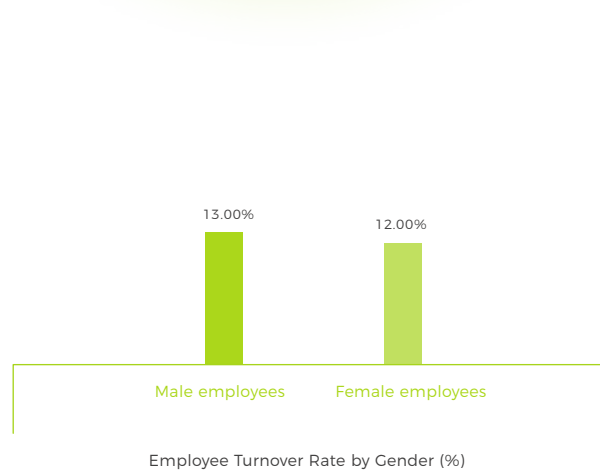
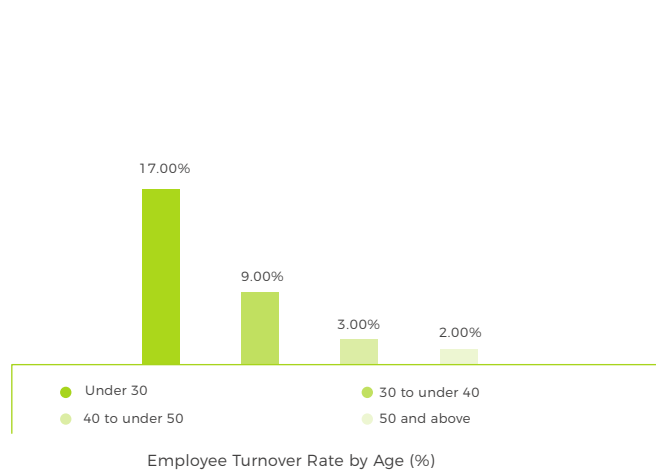


Total Employees by Region (persons)

- **China**
Number of employees in 2024: 78,783
Number of employees in 2025: 81,303
- **Europe**
Number of employees in 2024: 11,714
Number of employees in 2025: 5,722
- **Asia & Africa**
Number of employees in 2024: 14,246
Number of employees in 2025: 22,432



- **Americas**
Number of employees in 2024: 16,032
Number of employees in 2025: 21,098
- **Australia and New Zealand**
Number of employees in 2024: 1,958
Number of employees in 2025: 4,440



Building Global Inclusivity

Haier Smart Home upholds an open and inclusive approach, cultivating a diverse and harmonious workplace around the world that promotes mutual exchange and understanding among employees of different nationalities and cultural backgrounds.

GE Appliances is committed to fostering a culture of equality, respect, inclusion, and diversity, supporting employees from all backgrounds in building meaningful connections and a workplace where they feel they belong. GE Appliances employees have established voluntary "Affinity Networks" that provide a safe space for sharing interests, skills, and experiences, as well as opportunities to participate in key business initiatives. Reflecting the high level of employee recognition, GE Appliances was named a Best Place to Work in Manufacturing and Production for the fourth consecutive

year in 2025.

FPA has formulated a *Diversity, Equity, and Inclusion (DEI) Policy* applicable to all employees, contractors, board members, volunteers, and other personnel. Working alongside customers, suppliers, and communities, FPA strives to build a fair, inclusive workplace with a strong sense of belonging, raise awareness of unconscious bias, attract and retain diverse talent, and encourage employees to provide regular feedback on leadership, culture, and workplace experience. FPA also regularly updates its DEI communications and learning materials, and has incorporated DEI training into the core employee learning curriculum.

Haier Europe UK has established an Equality and Diversity Committee that meets regularly to advance related policies and initiatives. Haier Europe UK also conducts DEI assessments to understand workforce diversity distribution and collect employee feedback, with results guiding the Company's DEI strategy. Haier Europe UK partners with external DEI organizations to provide inclusive education and resources. For example, external consultants delivered presentations on neurodiversity, and a professional third party provided training on menopause (including "male menopause"). The human resources team regularly hosts group dialogues to ensure that policies remain inclusive and supportive.



GE Appliances Corporate Equality Index 100%



Female Employee Development

The thriving growth of Haier Smart Home owes much to the outstanding leadership, keen insights, and exceptional creativity of its female managers and employees. The Company actively promotes gender-equal workplace policies and environments across its global operations. We continuously refine the career development framework for female employees and have introduced career planning courses designed specifically for women, motivating them to unlock their full potential and realize their personal value. To address the challenges women may face in the workplace, we have adopted a range of supportive measures, including equal-pay-for-equal-work compensation structures, full implementation of marriage leave, maternity leave, breastfeeding leave, and International Women’s Day leave, with corresponding compensation paid in accordance with the law.

In the domestic operating region, the Company signs a Special Collective Contract for Female Workers with the labor union every three years, achieving a signing rate of 100% and providing effective protection of female employees’ lawful rights and interests. We also offer a variety of benefits for female employees, including dedicated gynecological health examinations, “Caring Mother” nursing rooms, and regular activities to support women’s holistic physical and mental well-being.

In the overseas operating regions, the Company also places a high priority on female employees’ rights and development. FPA has launched multiple internal and external career development programs for women, actively cultivating female leaders and providing career advancement opportunities. From senior management to the production line, the Empower Women Employee Resource Group (ERG) offers a strong peer-to-peer framework for all

women within the Company, designed to mentor, develop, and advance their careers. Members of this group also actively participate in and support community organizations dedicated to women and children. In 2025, female employees accounted for 27.5% of the total workforce, with women representing 15.1% of management in the global operating region.

Labor Union Organized Vibrant Activities for International Women’s Day



International Women’s Day Activities

For International Women’s Day 2025, the Haier Smart Home labor union organized various colorful celebratory activities including lucky knot braiding and Wagashi-style pastry making. These events showcased the pioneering spirit of female Makers who drive innovation and excellence in their roles, fully demonstrating the style and charm of the female Haier innovators in the new era.

proportion of female employees

27.5%

proportion of women in management

15.1%



Safeguarding Employee Rights

Haier Smart Home strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, and other applicable laws and regulations in its operating regions. With reference to international labor conventions²², the Company has formulated the Code of Conduct for Employees and continuously refines its management policies on recruitment, working hours, leave, and equal opportunity to ensure that employees' lawful rights are fully protected.

Employment Management

The Company is committed to providing equal opportunities for every employee. In recruitment, compensation and benefits, career development, and rewards and disciplinary actions, we rely on objective criteria and do not discriminate against or treat employees differently on the basis of gender, age, physical characteristics, or other such factors. We believe that differences in nationality, ethnicity, origin, and religious belief foster greater innovation. Social insurance contributions, including the five statutory insurances and the housing provident fund, are paid in full and on time for all employees, achieving universal coverage. The Company has established comprehensive policies governing employee onboarding, promotion, and separation. We rigorously verify the information of all incoming personnel, enter into labor contracts that fully comply with applicable laws and regulations, and process employee departures in accordance with the law to ensure fair and lawful employment practices. During the year, the Collective Contract signing rate reached 100%.

The Company prohibits forced labor and child labor, and is firmly committed to protecting workers' human rights. In the event of any such incident, we will take strict action in accordance with applicable laws, regulations, and internal policies, and properly address the situation for the affected individuals. In 2025, no incidents of illegal or non-compliant employment occurred.

The Company values the career development of persons with disabilities, offering them employment opportunities together with professional training and career development planning to help them realize their personal value. In 2025, the Company provided employment to 110 persons with disabilities, demonstrating its firm commitment to diversity and inclusion and ensuring that every employee is able to contribute to their full potential.

A Positive and Respectful Workplace

Haier Smart Home actively fosters a clean, professional workplace culture and is dedicated to creating a work environment built on mutual respect, positive engagement, and freedom from bias and harassment. The Company firmly opposes any form of sexual harassment or sexual assault in any interpersonal interaction, and extends these protections equally to male employees.

We create a positive and respectful workplace for our employees:

- ◆ We encourage a diverse workforce and provide a workplace free from discrimination, retaliation, harassment, and any form of abuse, with zero tolerance for any behavior that is humiliating, intimidating,

or hostile.

- ◆ We foster a work environment built on mutual respect, positive engagement, and freedom from bias and harassment, and firmly oppose any form of sexual harassment or sexual assault in any interpersonal interaction.
- ◆ We encourage employees to report inappropriate behavior or harmful practices in the workplace to the relevant departments, and the Company provides ongoing support and assistance.

The Company maintains zero tolerance for sexual harassment and sexual assault. Employees who experience or witness such behavior may report it through the independent compliance reporting hotline (www.haierchina.ethicspoint.com) or by email to the reporting mailbox (jubao@haier.com). Upon receiving a report, the relevant department immediately establishes an emergency task force to conduct an investigation. Confirmed cases are dealt with strictly, and in serious cases, the individuals involved, whether internal or external, are promptly referred to public security authorities for criminal prosecution. The Company has also established a standing protocol that requires all departments to conduct self-inspections to eliminate inappropriate workplace behaviors such as excessive drinking culture, vulgar jokes, and obscene remarks.

²² International Labour Conventions include the *Equal Remuneration Convention*, the *Minimum Age Convention*, the *Worst Forms of Child Labour Convention*, the *Discrimination (Employment and Occupation) Convention*, the *Forced Labour Convention*, the *Abolition of Forced Labour Convention*, the *Occupational Safety and Health Convention*, among others.

Working Hours Management

We continuously refine our working hours management policies and have established autonomous time management policies for Chain Groups and micro-enterprises²³. Chain Groups and micro-enterprises are empowered to determine their own work schedules and attendance arrangements based on international norms, industry characteristics, and business contexts, giving employees greater flexibility and enabling them to better balance work and personal life.

Autonomous Time Management Policies:

- ◆ Flexible working hours: A flextime system is in place, allowing employees to choose suitable working hours based on personal needs and the nature of their work, with options for early start/early finish and flexible office arrangements.
- ◆ Smart attendance system: An intelligent attendance system has

been deployed, supporting facial recognition auto-check-in and ihaier mobile sign-in, ensuring accuracy and real-time reporting of attendance data.

- ◆ Enhanced leave management: Employees can plan their annual leave at their own discretion, and unused annual leave may be carried over to the following year. In addition to statutory leave, the Company provides special corporate leave benefits such as "parent-teacher conference leave", "New Maker Leave", and "Maker Spring Festival Leave" to support employees in their daily lives. In 2025, several provinces and municipalities in China extended marriage leave entitlements and expanded the scope of eligibility. Haier Smart Home fully implemented these policies across all relevant operating regions.



²³Chain Groups and micro-enterprises are both names for internal organizational units within Haier Smart Home.

Empowering Talent Growth

Haier Smart Home upholds the principle that “every individual can develop, and every individual receives attention”. The Company has built a diversified global recruitment network and empowers employees through a comprehensive incentive framework, broad development platforms, an innovative culture, and rich training resources, enabling each person to maximize their personal value. Leveraging AI and data platforms, the Company provides personalized and precisely targeted growth resources for talent worldwide, enabling accurate identification, systematic cultivation, and efficient development of talent.

Strengthening the Talent Pipeline

The Company implements an open and inclusive approach, recruiting talent through campus recruitment, experienced-hire recruitment, and other channels to continuously optimize its talent structure.

Attracting Fresh Graduates

Haier Smart Home has intensified its efforts to attract top talent from campuses worldwide. During the year, the Company launched two recruitment programs for fresh graduates and developed a “1+4+N” specialized talent attraction system, attracting nearly 3,000 graduates. In 2025, 918 graduates from the Class of 2025 joined the Company, with 78% from “Double First-Class” universities and over 60% holding master’s or doctoral degrees. For the Class of 2026, 1,521 offers have been signed, with 91% from “Double First-Class” universities and over 81% holding master’s or doctoral degrees.

Attracting Experienced Professionals

In 2025, Haier Smart Home shifted from a “reactive hiring” approach to a “talent-on-demand” model, focusing on technology, AI, and international talent with forward-looking short-, medium-, and long-term workforce planning. By building internal and external talent pools and proactively carrying out a talent reserve, the Company attracted 1,830 key professionals in the China region throughout the year to support rapid business growth.

Talent Incentive Mechanisms

Haier Smart Home has established a performance-based compensation and incentive system covering all employees, combining base pay, profit-sharing above targets, and stock options to fully motivate every individual. Each employee’s evaluation focuses on results and key indicators, with monthly and quarterly assessments linked to bonus payouts. Employees who are evaluated as outstanding may participate in internal value-sharing programs and receive equity-based incentives.

During the year, the Company developed differentiated, diversified incentive mechanisms tailored to various stages of employee development, ensuring that all employees can grow alongside the enterprise.

We continue to implement a global “A+H Share” incentive program covering both domestic and overseas employees to attract, motivate,

and retain core talent. Since 2009, the Company has launched multiple rounds of equity incentive plans and employee stock ownership plans covering management and key employees. In 2025, the Company introduced an A-share Employee Stock Ownership Plan and an H-share Employee Stock Ownership Plan, with approximately 2,597 participants and a total incentive fund of RMB 820 million. The equity incentives target core employees who play a significant role in the Company’s overall performance and long-term development, encompassing mid-to-senior management as well as selected core technical and business personnel.

The Company has established diversified innovation incentive mechanisms to actively encourage employee innovation. We have formed innovation achievement promotion teams that recognize and reward employee innovations through R&D innovation bonuses and similar measures, fostering mutual innovation between employees and the Company and strengthening the drive for innovation.



Expanding Career Pathways

Haier Smart Home provides employees with diverse promotion opportunities and broad career development prospects, ensuring clear and open pathways for professional growth. Taking smart manufacturing as an example, three development tracks have been created:

- ◆ **Management track:** By managing oneself, others, teams, and business operations, employees accumulate industry experience, enhance lean management capabilities, and deepen cost optimization skills, realizing personal value and career growth.
- ◆ **Professional track:** By applying professional knowledge and skills, solving specialized problems, and delivering professional solutions, employees can pursue deep expertise in a single domain or develop as versatile, multi-disciplinary professionals.
- ◆ **Professional Iteration Championship:** By taking on strategic pilot projects or persistent technical challenges, employees compete through project-based competitions and earn corresponding honors.

In addition, we have defined clear “zigzag” development path standards for versatile talent in core positions, breaking away from “vertical-only” career trajectories. This approach guides employees in charting their own professional development, encouraging self-directed growth and reinforcing the cultivation of multi-skilled talent. The Company conducts regular career development assessments and performance reviews for all employees, providing targeted development pathways and training programs to support employee growth.

The Company has built talent development and competition mechanisms across various professional tracks, establishing honors such as the Science and Technology Innovation Award, the Chain Group Value-Added Enablement Award, Professional Skills Talent

Awards, and Young Track Special Honors. These mechanisms encourage sustained entrepreneurial innovation and excellence, complemented by coursework, specialized seminars, job rotations, and project-based learning to comprehensively support employee capability building.

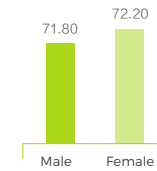
Enhancing the Training and Development System

Haier Smart Home has built a comprehensive, multi-tiered talent training system covering all employees, including those overseas. Through coursework, specialized seminars, job rotations, secondments, and mentorship programs, the Company offers a rich variety of learning resources to help employees enhance their overall capabilities. The Company emphasizes scenario-driven, hands-on development models that translate real-world business challenges into learning opportunities (“learn by doing, improve by practicing”).

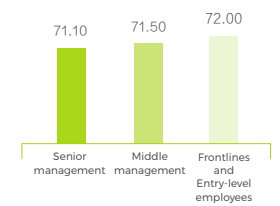
To meet employees’ learning and development needs, the Company has built the Smart Home Learning online platform, which supports on-demand, anytime, anywhere learning. The platform offers a rich library of professional, general, leadership, and AI-related courses. Learning progress is automatically tracked, and multi-dimensional data is integrated into visual dashboards to enable continuous personal development and career growth. Additionally, we conduct training program evaluations, gathering employee feedback on training content and delivery methods to drive targeted improvements in training effectiveness.

In 2025, 100% of Haier Smart Home’s domestic employees received training, with an average of 71.90 training hours per person.

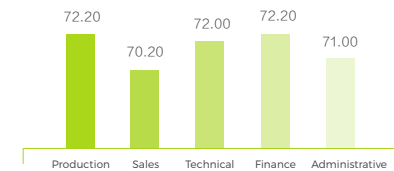
By Gender – Average Training Hours per Domestic Employee (hours)



By Job Level – Average Training Hours per Domestic Employee (hours)



By Category – Average Training Hours per Domestic Employee (hours)



Haier Smart Home Talent Training Programs



Green Lemon Program

A pre-boarding development program for prospective campus recruits. All students who have received an offer can access the Green Lemon Program online to learn about innovation and entrepreneurship and experience Haier's corporate culture before their first day.



MEDP (Manufacturing Engineering Development Plan)

An accelerated growth platform for emerging Makers, providing exposure to the world's most advanced manufacturing technologies, direct interaction with industry leaders, and collaboration with Haier's frontline smart manufacturing R&D engineers to develop manufacturing experts who can lead the future of smart manufacturing.



Smart Leadership Program

Selects and incubates a cohort of high-caliber, high-potential, versatile talent who embody Haier Smart Home's cultural values. Through direct mentorship by senior executives, rotational experience across core business domains, and full-cycle career development tracking, the program systematically cultivates future leaders in management, marketing, and technology.



MTC (Maker Training Camp)

Targeting newly onboarded employees, MTC adopts a blended online-and-offline progressive learning model. Through "Face-to-Face with Industry Leaders" sessions, creative team-building, mentorship, and rotational experiences across the full value chain, new employees gain comprehensive self-awareness and find their stage within the Company.



GEDP (Global Engineering Development Program)

Designed for outstanding engineers with a global perspective and the ability to lead global projects, the program provides cross-business rotations and fully English-language professional training in cutting-edge technologies. GEDP is currently active in China, the United States, and Mexico.



Smart Manufacturing "Stars"

A multi-track, differentiated development program for employees in core positions, encompassing three project series: Star Brilliance, Star Radiance, and Star Spark.



"Explorer, Climber, Trailblazer, Pathfinder" Talent Development Express

This series includes the "Global Supply Chain Operations Talent Succession Pipeline Program", which establishes shared talent standards and provides differentiated development programs to build a younger, more well-rounded talent ecosystem.



Diversified Vocational Skills Training and Versatile Career Development Pathways

The Company systematically develops employees' role-specific, multi-skill, and professional competencies, supporting them in obtaining vocational certifications and expanding their career prospects. In 2025, the Company issued 6,612 vocational skill-level certificates, with 181 individuals receiving national or provincial-level skills honors.



Leadership Program

For current and reserve leaders, the Company provides leadership training programs designed to develop their capabilities and strengthen communication, equipping them with the following competencies to enhance team resilience and effectiveness: (i) communication and coordination skills, enabling teams to overcome difficult situations and solve problems; (ii) task decomposition and delegation skills, enabling better assignment of tasks and projects to the most suitable team members; and (iii) agile thinking, enabling them to better understand and capture external demands to lead new and evolving projects. For the development of mid-to-senior managers, the Company has developed a series of development programs, delivered through blended online and offline learning initiatives. To facilitate self-directed learning, we have built online learning platforms for both domestic and overseas employees, supporting 24 languages to meet the linguistic needs of employees across all regions.

Meanwhile, the Company has established a systematic training needs identification mechanism. Training plans (including compliance training) are subject to regular systematic assessments, covering the effectiveness, impact, and applicability of training programs. The Company reviews progress toward objectives, plans training priorities for the following year, and where appropriate, updates training content in response to current and evolving legal, regulatory, and business developments to ensure that training plans remain compliant, effective, and well-designed.

Featured Talent Development Programs in 2025

Haier-Jilin University Maker Class

A joint initiative between Haier Smart Home and Jilin University, designed to identify and cultivate high-potential talent aligned with Haier's strategic direction through structured development programs and immersive business experiences, while enhancing students' overall employability.

Smart Home Digitalization 2025 AI Talent Development Program

Focused on transforming internal digital talent into versatile AI professionals, the program selected 120 product and development leaders from across business domains and divided them into an AI Product Manager Camp and a Large Model Development Camp. Over four months, participants engaged in online learning, offline workshops, and a 48-hour extreme innovation competition. The program produced the industry's first AI capability model for specialized roles, established a certification framework with supporting coursework, and delivered 10 AI agent solutions, advancing the deep integration of AI talent development with manufacturing scenarios.

AEP-I (Senior Engineer Talent Development Program for Smart Manufacturing Research)

Focused on enhancing manufacturing engineers' technological innovation capabilities, the program selected 215 young, high-potential engineers and matched each with a dedicated platform and industry expert mentor on a one-on-one basis. Development activities include action learning workshops, cross-functional innovation sessions, and personalized mentoring. To date, three rounds of action learning workshops and five innovation enablement sessions have been completed, generating 32 technology innovation case studies.

Caring for Employees, Listening to Their Voices

The Company has established multiple channels for employee communication and grievances, including town hall meetings, the iHaier Cultural Dialogue platform, and the "33 Mini-Micro Union". These channels enable the Company to listen to employees and respond promptly to their concerns. We fully leverage the democratic decision-making, management, and oversight functions of the Workers' Congress, organizing employee representatives to participate in the Congress, where employee proposals are discussed collectively and decisions are made. In addition, we have built the "Voice" Platform for factory employees, providing an open communication channel where employees can discuss topics such as work environment, organizational climate, and cultural development, with responsible personnel responding to all concerns within 72 hours.

During the year, the Company established the Employee Self-Governance Committee to collect employee feedback and continuously improve the work environment, driving ongoing improvements in employee satisfaction. In 2025, the Company achieved a 100% resolution rate for labor dispute mediation and employee complaints.

Prioritizing employee physical and mental health

The Company provides supplementary medical insurance for eligible employees and organizes regular health checkups. Psychological counseling services are offered alongside regular distribution of mental health educational materials and wellness publications, and

an EAP (Employee Assistance Program) psychological support platform is available to all employees. The Company advocates work-life balance, actively monitors employee needs, and provides timely support. In 2025, in the China operating region, the Company offered 884 sessions of psychological counseling services and hosted four on-site counseling events, effectively alleviating employees' mental health concerns. Strategic cooperation agreements were signed with Yinghai Hospital and Qilu Hospital of Shandong University to further enhance employee health checkup and medical care experiences.

Supporting employees' daily lives

In the China operating region, the Company provides a variety of leave types including Spring Festival Leave, exam accompaniment leave for parents, Haier annual leave, parental leave, and elderly parent care leave. Additional annual leave is also granted to newly onboarded employees to help them balance work and personal life.

- ◆ Discounted internal purchase programs for housing and home appliances
- ◆ Company anniversary celebrations with commemorative gifts for long-serving employees
- ◆ Pension payments and regular visits for retired employees
- ◆ High-temperature welfare benefits for frontline employees working in hot environments
- ◆ Haier School programs for employees' children

Number of employees entitled to parental leave²⁴, maternity leave, and paternity leave in the China operating region

	Total	Female	Male
Number of employees who took parental leave	6,648	2,392	4,256
Return-to-work rate ²⁵	93.4%	88.5%	95.6%



²⁴ Parental leave includes maternity leave, paternity leave, exam-accompanying leave, and the parental leave that China began implementing in November 2021. The return-to-work rate is based on maternity leave and paternity leave.

²⁵ Return-to-work rate refers to the percentage of employees who returned to work at Haier Smart Home after completing maternity/paternity leave.

Assisting employees in financial hardship

We continue to implement the *Haier Compassion Relief Fund policy* to provide timely support to employees facing difficulties. A monthly living allowance of RMB 500 is provided to each employee with a disability currently in active employment. In 2025, in the China operating region, assistance was provided to a cumulative total of 52 employees.

Organizing club activities

The Company encourages and supports employees in forming interest-based groups such as ball games, chess, dance, Tai Chi, and yoga clubs. We regularly host basketball, football, painting, and other competitions and events to deepen mutual understanding and friendship among colleagues and build a more harmonious and positive work environment.



“Auspicious New Year” Event



The Company hosted the “2025 Auspicious New Year Lucky Draw” and a Lantern Festival celebration featuring riddle-guessing, rice ball making, and a lucky draw. These events created a festive and welcoming atmosphere, allowing employees to feel the Company’s care and warmth while boosting enthusiasm and motivation.



International Women’s Day Event



In March 2025, the Company organized a handicraft weaving activity themed “Weaving Lucky Knots, Celebrating the Art of Intangible Heritage” for female employees. The event preserved and promoted outstanding traditional culture while enriching the personal lives of female employees, offering a sense of relaxation and fostering greater communication and collaboration.



Industrial Park Family Open Day



In August 2025, Haier Smart Home hosted the “Love at Haier, Growing Together: Industrial Park Family Open Day” in Qingdao, attended by 60 employees and their families. The event strengthened the emotional bond among employees, their families, and the Company. Going forward, Haier Smart Home will continue to build “zero-distance” family engagement platforms and develop the “Love at Haier” brand story.



14th Maker Fun Games



In October 2025, Haier Smart Home held the 14th Maker Fun Games under the theme “Smart Home Ecosystem, Active Living Alliance”. Through lighthearted sports activities, the event integrated the RenDanHeYi management philosophy with team collaboration, allowing employees to build deeper connections and friendships in a relaxed and enjoyable atmosphere.



Case Study: Autumn Wellness Walk



In November 2025, Haier Smart Home organized an autumn wellness walk at the Qingdao World Horticultural Expo Garden under the theme “Walk with Vitality, Stride Toward a Healthier Future”. A total of 536 employees and their families participated. The walk gave employees the opportunity to enjoy the outdoors while strengthening their fitness, deepening communication and friendship in a relaxed setting, and showcasing the positive, dynamic, and united spirit of Haier Smart Home employees.



Safeguarding Health and Safety

Haier Smart Home places employee health and safety at the forefront of its operations. Through a comprehensive management system, thorough hazard identification and safety inspection mechanisms, full-scale emergency response drills, and systematic safety training, the Company is committed to creating a safe and healthy work environment. During the year, the Company invested RMB 23.6 million in work injury insurance and production safety liability insurance, covering 100% of employees. From 2022 to 2025, there were zero work-related fatalities and the fatality rate remained at zero. During the year, 7,595 lost workdays were recorded due to work-related injuries.

Safety Management System

Haier Smart Home strictly complies with the *Work Safety Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China*, the *Law on Prevention and Control of Occupational Diseases*, and other applicable laws and regulations in its operating regions. The Company has formulated and implemented safety management policies covering occupational safety and hygiene, equipment safety, and other areas to ensure comprehensive safety management. In 2025, the Company continued to deepen its distinctive "139" Safety Management System, systematically advancing special rectification campaigns, quantified improvements in principal safety responsibility implementation, major hazard investigation and remediation, and incident reporting incentive programs. The Company completed its smart safety infrastructure, achieving zero serious or above work safety accidents. By the end of 2025, 58 factories had obtained work safety standardization certifications, 24 factories had passed dual-track acceptance reviews for risk classification and control systems and hazard identification systems, and 102 management policies were advanced to more reliably support work safety and employee health protection.

The Company has established a Safety Committee with coverage spanning both domestic and overseas operations. The President serves as Chairman, the Senior Vice President as Vice Chairman, the head of the Smart Safety Platform as Group Safety Director, and the Smart Safety HSE Director as the Committee Office Director. A grid-based safety responsibility management structure has been built with heads of each business segment, platform, Chain Group,

and business unit serving as members. The structure includes 8 business committees, 8 professional committees, 31 industry safety sub-committees, 14 regional sub-committees, and 89 safety management offices, forming a robust work safety assurance system.

During the year, Haier Smart Home and all its subsidiaries maintained ISO 45001 Occupational Health and Safety Management System certification. The Company's work safety model was awarded two Second-Class National Safety Science and Technology Awards in China.

Hazard Identification and Safety Inspections

Haier Smart Home proactively identifies safety hazards, establishing clear standards for the investigation and remediation of all types of safety risks. The Company implements a tiered inspection model comprising unit-level self-inspections, regional cross-inspections, and Safety Committee special inspections, ensuring that issues are identified and corrected promptly for broad coverage and enhanced effectiveness. A multi-tiered, multi-category production safety inspection system has been established, with continuously improved standardized workflows for hazard identification and remediation. Daily, weekly, and monthly inspections are conducted to ensure comprehensive coverage across all time periods and all personnel.

The Company fully leverages the oversight role of employees and the

public, accepting safety improvement suggestions or hazard reports through multiple channels including a work safety supervisory email address, reporting hotline, and suggestion box, and promptly organizing corrective actions.

We recognize the uncertainties that climate change poses to production safety. In accordance with our climate change risk assessment and inspection protocols, we carry out comprehensive climate risk mitigation efforts.

Climate Risk Identification and Remediation for Production Safety

1) Pre-flood-season hazard identification, with 100% remediation completed.

2) Inspection of all potential water accumulation points, with specific flood prevention emergency measures and routine flood prevention protocols defined for moderate, heavy, and torrential rainfall scenarios. Measures are implemented across all industrial park factories, including enhanced Climate Risk Identification and Remediation for Production Safety.

3) Identification of all key flood-prone locations with clearly assigned management responsibilities, advance hazard assessments, and defined protective measures. All responsible units are required to implement countermeasures in advance.

4) Inspection of all structurally vulnerable buildings, with specific locations, flood prevention measures, and evacuation points identified and assigned to responsible units and individuals. Strengthened emergency duty watch is maintained.

Emergency Management

The Company has formulated internal emergency management protocols and continuously optimizes its emergency response system. Regular fire safety and other emergency drills are organized to enhance employees' response capabilities and overall preparedness for sudden safety incidents. In 2025, the Company organized 635 park-level emergency mobilization drills with a cumulative 10,489 participants, 753 factory-level specialized emergency plan drills with a cumulative 35,217 participants, and 1,966 on-site emergency response procedure drills with a cumulative 49,281 participants.



Emergency Skills Competition



Safety Culture Development

Haier Smart Home actively integrates internal and external resources and regularly conducts safety training programs. During the year, safety training categories were expanded from 2 categories to 15, covering hazardous equipment operation, hazardous job types, special operations personnel, safety officers, unit heads and safety management personnel, internal auditors, supervisory personnel, "Double Hundred" training, occupational health, confined space operations, high-risk construction work, and holiday safety, among others. We also introduced a continuous safety broadcast model. Factories have added dedicated safety training halls and safety training corners to deliver training in multiple formats and across multiple dimensions. Additionally, we develop customized safety training courseware, expand the safety training question bank, and build a complete safety training curriculum to comprehensively enhance employees' safety awareness and emergency response capabilities. In 2025, we organized a total of 1,349 safety training sessions, reaching over 160,000 employee participation.

- ◆ For special and hazardous job types, we ensure that employees complete the required training before commencing work with the appropriate certifications.
- ◆ "Double Hundred" Safety Training: Internal trainers and external experts jointly deliver weekly large-scale safety training sessions, providing employees with regular reinforcement of safety knowledge through professional instruction and diverse teaching formats.
- ◆ Craftsman Training: The Hi-Craftsman training platform has been expanded with 50 safety scenario modules, additional customized courseware, and an expanded question bank to deliver more comprehensive safety training for employees.

Haier Smart Home Launched "Safety in Everything, Hazard Checks Everywhere" Themed Safety Campaign

In June 2025, the Company launched a Safety Production Month campaign under the theme "Safety in Everything, Hazard Checks Everywhere". The campaign spanned all business segments, regions, and factories, with a cumulative total of 928 events and over 90,000 participants.



Haier Smart Home Launched Fire Safety Month Campaign

In November 2025, the Company launched a campaign under the theme "Everyone a Firefighter, Everyone Prepared for Emergencies". The campaign spanned all business segments, regions, and factories, with a cumulative total of 1,076 events and over 80,000 participants. During Fire Safety Month, GOGNSI coordinated with fire brigades to conduct 30 fire drills, organized training covering 61,191 individuals across 138 sessions, held 92 skills competitions, completed training for 5,059 personnel in key positions, and carried out 49 external exchange and learning visits.



Third-Party Safety Management

We have formulated construction safety management policies that clearly define the responsibilities of construction contractors, factory interface departments, and safety departments, ensuring that all construction activities within Company premises are conducted safely and in an orderly manner. We also prioritize the health and safety of supply chain workers, rigorously implementing independent safety management for outsourced units and suppliers. Outsourced units and suppliers are required to sign an *Independent Safety Management Agreement*, achieving full-spectrum safety management coverage.

Occupational Health Management

The Company prioritizes employee occupational health management, continuously improving occupational hazard emergency rescue facilities, providing personal protective equipment for employees exposed to occupational disease risk factors, and regularly conducting occupational health training to ensure employees possess the necessary protective knowledge and skills. In 2025, we engaged third-party agencies to complete inspections of 2,935 occupational hazard monitoring points, with all results

meeting the requirements of applicable national regulations. The Company also issues *Occupational Hazard Notification Letters* to employees in hazardous positions and provides full-cycle occupational health examinations covering pre-employment and in-service monitoring. In 2025, the Company completed over 14,000 occupational health examinations for workers engaged in hazardous occupations and reassigned 146 employees who were found unsuitable for their current positions.



Chapter 5: Connected Ecosystem – Shared Responsibility in Action

Haier Smart Home has always regarded its supply chain as a partnership built on shared responsibility. The Company is committed to building a value chain ecosystem that balances risk management with mutual benefit. At the same time, we leverage our global operational resources to engage actively in key social areas such as health education, rural revitalization, and volunteer services, working alongside all stakeholders to foster a community of collaborative development and a sustainable future.

- ◆ **HKEX ESG indicators Addressed:** B5 Supply Chain Management; B8 Community Investment
- ◆ **A-share ESG topics Addressed:** Supply Chain Security; Rural Revitalization; Contributions to the Society
- ◆ **UN SDGs Addressed:**



05

Collaborating to Build a Sustainable Supply Chain

Haier Smart Home aims to build a sustainable supply chain ecosystem by embedding responsible procurement principles throughout the entire supply chain management process, driving collaborative transformation and upgrading across the value chain.

Governance

Haier Smart Home has established a global supplier management system led by the Global Procurement Committee, which oversees procurement operations and capability enhancement across all regions worldwide.

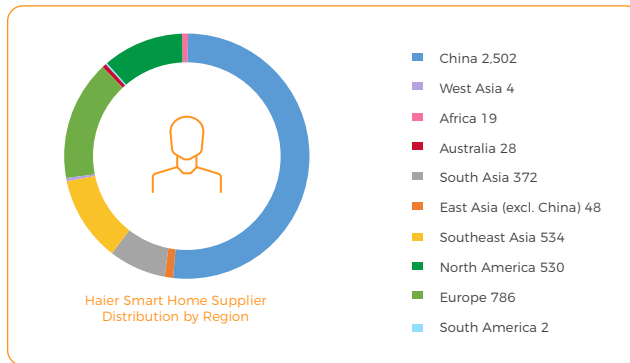
In accordance with the laws and regulations of each operating region, the Company implements end-to-end management of supplier admission, procurement, evaluation, and enablement, supplemented by targeted ESG risk management initiatives tailored to local conditions. Currently, Haier Smart Home has 4,825 suppliers globally.

system that upholds responsible procurement principles while meeting procurement needs. The Company sets ESG requirements and recommendations for suppliers and helps them enhance their sustainability capabilities through monitoring and managing environmental and social risks, steering the upstream and downstream supply chain toward green, low-carbon development. The Company has elevated supply chain management to a strategic priority, achieving self-sufficiency in critical segments to ensure supply chain stability and security. Through economies of scale and collaborative innovation, the Company continues to strengthen its market competitiveness and bolster global supply chain resilience.

supplier admission standards to proactively align with ESG principles and support environmental responsibility and sustainable development across the entire value chain.

Suppliers are classified into Tier 1, Tier 2, and Tier 3 based on their business relationship with Haier Smart Home, enabling lean management. Tier 1 suppliers provide modular products directly to Haier Smart Home. Tier 2 suppliers provide components or sub-modules for Tier 1 suppliers' modular products. Tier 3 suppliers provide raw materials or components to Tier 2 suppliers. The Company has launched the "Haier Mall" platform, through which Tier 1 suppliers procure materials from Tier 2 and Tier 3 suppliers to ensure material consistency and strengthen quality control.

Additionally, a registration process has been established for Tier 2 and Tier 3 suppliers to ensure upstream supplier qualifications remain verifiable and manageable. In 2025, the number of suppliers audited against Responsible Business Alliance (RBA) criteria (covering labor, health and safety, environmental management, and other areas) included 1,277 Tier 1 suppliers, 153 Tier 2 suppliers, and 97 Tier 3 suppliers.



Strategy

Haier Smart Home is focused on building a sustainable supply chain

Impact, Risk and Opportunity Management

Supplier Admission

Haier Smart Home conducts comprehensive assessments of supplier qualifications during the admission and selection process, in accordance with the *Module Supplier Self-Commitment Capability Management Standard*, the *Supplier On-Site Interconnection Management Standard*, and the *Supplier Credit Rating Evaluation*. The assessment covers quality system audits, labor management, waste emissions, conflict minerals procurement, and other ESG-related factors. In 2025, the Company comprehensively upgraded its





Self-commitment

We require suppliers to make commitments to uphold standards on labor practices, business ethics, environmental protection, and conflict minerals.



On-site audit

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



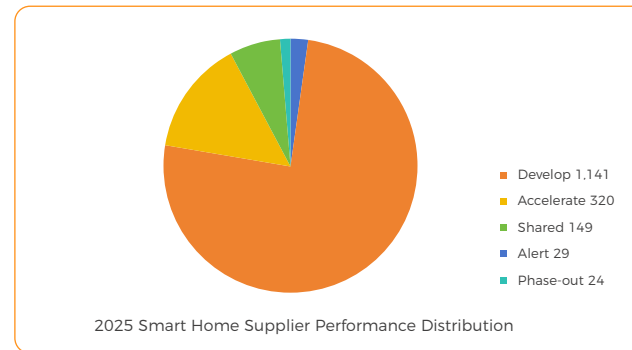
Credit rating evaluation

We evaluate suppliers on criteria including years of establishment, client portfolio, sub-suppliers, and financial indicators.

Supplier Performance Management

Haier Smart Home evaluates its registered suppliers on a routine basis through a performance scorecard system, scoring suppliers on their contract fulfillment to incentivize excellence. The Company conducts comprehensive, dynamic assessments across six dimensions: R&D, quality, responsiveness, delivery, cost, and social responsibility. Based on the analysis results, the Company formulates differentiated supplier strategies aligned with its strategic and user needs, classifying suppliers into five tiers: Shared, Growth, Acceleration, Alert, and Phase-out. For suppliers in the Shared tier, the Company offers preferential order allocation, contract extensions, dedicated inspection-free lines, and long-term strategic partnerships including local factory establishment, providing greater business cooperation opportunities. For suppliers in the Alert and Phase-out tiers, the Company reduces procurement volume or terminates the cooperation.

The Company has upgraded its supplier performance management strategy to encourage suppliers to continuously improve collaboration performance and competitiveness based on user feedback. To further guide and incentivize suppliers to comply with the Company's supplier management policies, a dual mechanism of positive incentives and corrective measures has been established. On one hand, the Company encourages high-performing partners to deepen collaboration through honors such as the "Strategic Supplier" designation, awards, and opportunities for joint development and technical exchanges. On the other hand, suppliers that fail to meet requirements are subject to measures ranging from cooperation suspension and financial recourse to phase-out, driving overall improvement in supplier performance.



Supplier Environmental and Social Risk Management and Audit

Haier Smart Home manages suppliers across their full lifecycle in accordance with the *Haier Code of Business Conduct*, the *Supplier*

Code of Conduct, and other management policies. The Company evaluates supplier performance on ESG issues including labor management standards, electronic waste disposal and management, and conflict minerals through tools such as the performance scorecard. In 2025, a total of 1,607 suppliers held ISO 9001 Quality Management System certification, 932 held ISO 14001 Environmental Management System certification, 329 held QC 080000 Hazardous Substance Process Management System certification, and 369 held TS 16949 Automotive Quality Management System certification.

• Environmental Management

Haier Smart Home actively works toward China's "dual carbon" goals and leads by example in guiding suppliers to prioritize eco-friendly products and embrace green development. In 2025, the Company issued a carbon reduction initiative to suppliers and conducted a "dual carbon" survey of all suppliers (both domestic and international) serving the China operating region. Survey topics included carbon reduction target-setting, green energy adoption plans, clean technology exchange, and future emission reduction targets, with 425 suppliers providing feedback. Additionally, the Company introduced a digital carbon management system to help suppliers strengthen their "dual carbon" competitiveness.

In overseas operating regions, FPA encourages suppliers to adopt clean energy, reduce waste, and lower energy and natural resource consumption. FPA has established a procurement carbon emissions baseline and set a target to reduce procurement-related carbon emissions by 50% by 2030.

For further details on green procurement, please refer to the "Green Procurement" subsection in the "Full Life-Cycle Green Management" chapter of this report.

● Labor Standards

Haier Smart Home places great importance on safeguarding labor rights and occupational health and safety across its supply chain. The use of child labor or forced labor by suppliers is strictly prohibited. The Company requires suppliers to adhere to the *United Nations Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises*, and the *International Labour Organization's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy*, ensuring an equitable, fair, healthy, and safe working environment for their employees. Suppliers are also required to eliminate discrimination and harassment, guarantee reasonable wages and benefits, ensure compliant working hours, and provide necessary training and education opportunities. They must respect workers' freedom of

association and right to collective bargaining, maintain open communication channels, and actively participate in labor rights initiatives championed by recognized organizations and other third parties, continuously raising labor standards. In 2025, the Company issued the *Notice on Strengthening Supplier Self-Managed Work Safety*, which requires suppliers to establish a comprehensive work safety management system, fulfill their primary responsibility for supply chain safety, and conduct regular self-inspections and hazard assessments to ensure that production environments, equipment, and personnel operations meet applicable standards and prevent safety incidents.

The Company maintains a zero-tolerance policy toward such

violations. If any violations are identified, the Company immediately terminates its partnership with the supplier in question. The Company conducts on-site audits to verify suppliers' compliance with local minimum wage requirements and the timeliness of wage payments, thereby safeguarding labor rights throughout the supply chain. In 2025, a cross-departmental team was established to audit suppliers against RBA criteria, covering labor practices, safety protection, occupational health, and freedom of association, urging suppliers to proactively improve working conditions and enhance sustainability across the supply chain. During the year, suppliers achieved green-flag compliance rates of 93% for labor practices, 87% for safety protection, 90% for occupational health, and 93% for freedom of association.



• **Business Ethics**

Haier Smart Home signs the *Module Supplier On-Site Interconnection Integrity Declaration* with suppliers, requiring them to uphold business ethics standards and comply with the *Special Integrity Agreement*, and formulate formal business ethics policies. Before major holidays each year, the Company issues the *Supplier Integrity Reminder Letter* and requires suppliers to acknowledge receipt by returning a signed copy. In 2025, all suppliers responded to the Supplier Integrity Reminder Letter.

We have published whistleblowing channels for business misconduct on multiple public platforms, and have ensured that members of our supply chain are informed of and can access these channels by means of announcements on our official website, postings on bulletin boards, declarations in supplier meetings, email notifications, etc. At the same time, we report violations of laws and regulations by suppliers and Haier internal personnel through the HaiDaYuan system. The HaiDaYuan system features a “Direct Line to the General Manager”, allowing suppliers to report collaboration issues directly to the Head of Procurement. In addition, the system issues an integrity survey every six months to proactively solicit integrity leads and complaints from suppliers. Details of reporting channels can be found in the “Whistleblower Protection” subsection of the “Chapter 2: Integrity-Based Resilient Global Operations” chapter.

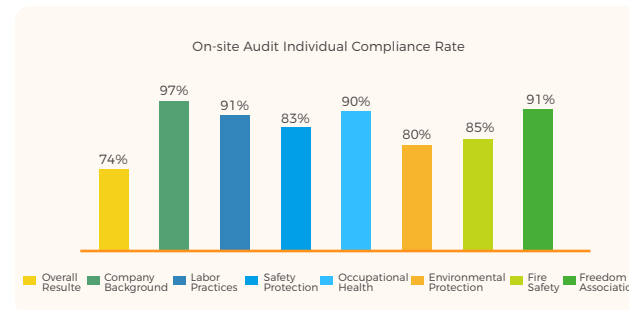
• **Social Responsibility Audits**

Haier Smart Home conducts regular social responsibility audits of its suppliers. From 2021 to 2025, the suppliers audited accounted for 95% of the Company’s total procurement spend. The Company has also conducted compliance audits on corporate backgrounds,

environmental protection, and fire safety with reference to RBA criteria. Suppliers are classified into green, yellow, and red zones, corresponding to those that fully meet ESG standards, those with minor non-conformities requiring rectification, and those with serious non-conformities that cannot be rectified or are subject to phase-out, respectively. During the year, existing registered suppliers were audited through self-assessment, and all 349 new suppliers underwent on-site audits covering Tier 1, Tier 2, and Tier 3 suppliers, including 42 Tier 2 suppliers and 31 Tier 3 suppliers, with no major non-conformities identified.

Year	Number of suppliers audited
2023	354
2024	245
2025	349

Number of suppliers undergoing social responsibility audits at Haier Smart Home



2025 supplier social responsibility audit results

Since 2019, Haier Europe has been a member of Sedex (Supplier Ethical Data Exchange) and requires its OEM partners and suppliers to undergo Sedex SMETA social responsibility audits. 95% of FPA’s active suppliers have signed the *Supplier Code of Conduct*, which covers labor standards, workplace safety, decarbonization and environmental impact, business ethics, and cybersecurity. Haier Europe has introduced Supplier Code of Conduct and conducts due diligence on suppliers covering more than 80% of its procurement spend.



Conflict Minerals Management

• Conflict Minerals Management Policy

Haier Smart Home attaches great importance to conflict minerals management for both the Company and its suppliers. The Company strictly adheres to the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, and the conflict minerals provisions of the *U.S. Dodd-Frank Act*. Through the HaiDaYuan platform, the Company has published a *Conflict Minerals Commitment*, explicitly pledging to avoid the use of controversial materials and to promote supplier measures that prevent and mitigate the risk that minerals contained in their products may fund or benefit parties in high-risk areas, thereby avoiding indirect support for serious human rights abuses, severe environmental harm, major health and safety risks, or serious corruption. Furthermore, Haier Smart Home requires suppliers to provide written declarations and establish raw material traceability policies to ensure that their procurement does not involve minerals of unknown or conflict-related origin. Haier Europe requires all suppliers to provide complete and accurate information on the minerals contained in their products and to conduct thorough due diligence on mineral sourcing. GE Appliances has also issued a formal *Conflict Minerals Statement*, procures minerals in accordance with the Responsible Minerals Initiative (RMI), and publishes regular conflict minerals reports.

• Conflict Minerals Risk Management

The Company also requires suppliers to share its commitment to neither procure nor use conflict minerals, provide written declarations, and establish raw material traceability policies. In 2025, Haier Smart Home conducted responsible minerals verification across its supply chain, carrying out extensive surveys covering tantalum, tin, tungsten, gold, and cobalt. The survey covered 1,607 suppliers, with 413 suppliers providing feedback. No use of conflict minerals was identified.

In overseas operating regions, the Company has also reported on supplier conflict minerals risks following the OECD five-step framework.

Step 1: Establish a Robust Conflict Minerals Management System

01



- Confirm the Haier conflict minerals policy that suppliers must comply with
- Set up a cross-functional working group covering business, engineering, supply chain, and legal to support due diligence
- Build a transparent control system to identify relevant smelters and refiners, and use the RMI database to identify high-risk suppliers
- Strengthen engagement with suppliers
- Establish a feedback and communication mechanism to prevent retaliation

Step 2: Identify and Assess Conflict Minerals Risks in the Supply Chain

02



- Identify key suppliers and trace smelters and refiners
- Define the scope of supplier risk assessments
- Send inquiries to key suppliers, requesting documentation for investigation
- Conduct joint on-site inspections where when necessary

Step 3: Respond to Identified Risks

03



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



Step 4: Independent Third-Party Due Diligence

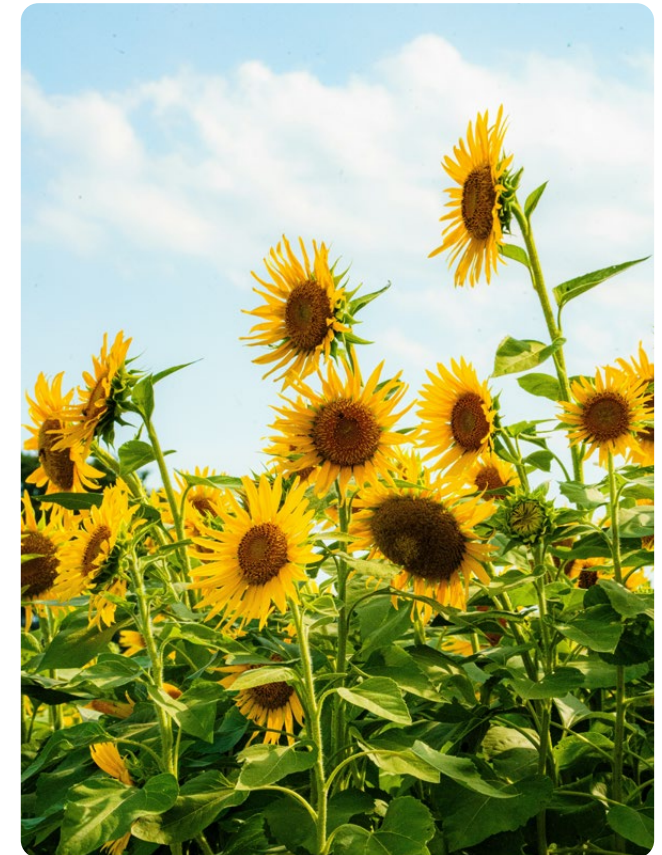
04



Step 5: Annual Reporting

05

Through these steps, the Company identified 1,200 key suppliers from among all suppliers, and used the RMI Conflict Minerals Reporting Template (CMRT) to request and review information on the sourcing of conflict minerals and cobalt, tracing back to smelters and refiners in the supply chain, of which over 60% have obtained RMAP certification refiners at the first level of the supply chain.



Hazardous Substance Management

Haier Smart Home strictly complies with applicable international and domestic laws and regulations, ensuring that procured raw materials and components conform to the *United Nations Stockholm Convention on Persistent Organic Pollutants*, the *EU Restriction of Hazardous Substances Directive (RoHS Directive)*, the *EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH Regulation)*, the *EU Directive on Batteries and Accumulators and Waste Batteries and Accumulators*, the *U.S. Toxic Substances Control Act (TSCA)*, and Chinese regulations including the *List of New Pollutants for Priority Control (2023 Edition)*, the *Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, and the *List of Controlled Ozone-Depleting Substances in China*. The Company closely monitors regulatory developments across all operating regions and promptly incorporates the latest requirements into internal policies such as the *Limits on Hazardous Substances in Components and Materials*, ensuring that all procured materials meet regulatory standards. The Company conducts hazardous substance management training to help employees stay informed of the latest legislative requirements and mitigate risks arising from regulatory changes.

To continuously improve the environmental performance and health standards of its products, in 2025 the Company issued a *Communication on Updates to the Haier Smart Home Hazardous Substance Control Standards*, providing a detailed interpretation of the latest hazardous substance control requirements. This communication sets out the testing items, limit standards, and sample testing procedures for restricted substances in various raw materials and components, requiring suppliers to fully understand and strictly comply with the new standards to ensure product compliance with domestic and international regulations and consumer health and safety needs.

Testing management is a critical component of hazardous substance management. Haier Smart Home requires suppliers to provide hazardous substance testing reports and continues to enhance laboratory testing capabilities to ensure the accuracy and reliability of test results. Currently, 48 factories in the China operating region have obtained QC 080000 certification.

Supply Chain Relationship Stability

To ensure supply chain security and stability, Haier Smart Home continues to deepen strategic cooperation with suppliers on long-term supply arrangements by entering into long-term cooperation agreements, while concurrently advancing a multi-supplier procurement strategy to enhance overall supply resilience. We have established a performance evaluation scorecard mechanism to continuously assess and manage suppliers, requiring them to regularly audit and update their factory facilities, and systematically conduct special due diligence on environmental and social responsibility to reduce and avoid supply chain risks. At the same time, we require Tier 1 suppliers to extend the requirements of the Haier Smart Home Supplier Code of Conduct to Tier 2 and further tiers of the supply chain, ensuring supply chain stability.

• Fair Pricing

We offer suppliers procurement prices that are in line with market levels to ensure fair pricing, and make payments to suppliers on time in strict accordance with contractual terms. We also regularly assess supplier production capacity, engage in discussions with suppliers on production planning, and provide specialized training for procurement personnel, to ensure that reasonable delivery timelines can be met.

Haier Smart Home upholds the principle of fair cooperation and is committed to the equal treatment of all partners, particularly small and medium-sized enterprises. While honoring our business commitments and settling payments on time, we also actively foster an ecosystem conducive to the growth of SMEs by providing targeted support. The Company is dedicated to promoting collaborative progress across the upstream and downstream industrial chain, achieving shared value and sustainable development. In 2025, the Company's accounts payable (including notes payable) balance can be found in the *2025 Annual Report*. There were no overdue payments attributable to the Company. At present, there is no need to disclose the information about overdue payments to SMEs on the National Enterprise Credit Information Publicity System.



Supplier Digital Management

In 2025, the Company continued to advance digital transformation in procurement, working to build a more efficient, transparent, and sustainable supply chain system. Through the "Excellent Supplier Fast Track" initiative, an open inquiry mechanism was implemented to help high-value suppliers gain rapid access. The Company also introduced an automatic quality certificate recognition system, leveraging Optical Character Recognition (OCR) and structured data technologies to accurately extract and dynamically verify certificate information, improving both efficiency and quality oversight. In overseas markets, core procurement processes have been migrated to a unified platform across six countries including Thailand and Indonesia, advancing global procurement integration.

At the same time, the Company is actively deploying AI-driven innovations to build an intelligent collaborative ecosystem. The Company launched a Supplier AI Assistant that integrates AI customer service, data querying, and contact-finding capabilities, enabling precise responses and efficient coordination throughout the procurement process, significantly improving decision-making. A supplier performance improvement model was adopted to proactively generate optimization recommendations based on historical data analysis, driving supplier capability enhancement. AI technology is also being applied in areas such as automated supplier commitment verification and intelligent supply chain risk identification.

Supplier Communication and Training

Haier Smart Home places great importance on communication with suppliers and empowers them through a variety of channels. The Company is committed to providing training programs for labor rights, occupational health and safety, and environmental compli-

ance management. The Company also operates quality ecosystem initiatives to enhance suppliers' quality management capabilities. In addition, Haier Smart Home regularly convenes supplier conferences to discuss topics including quality, delivery, and social responsibility, and hosts technical exchange sessions to share leading-edge technical solutions. In 2025, the Company organized 24 supplier training sessions of various types.

To further enhance supplier management and achieve win-win outcomes, the Company provides internal employees with supplier management training and a range of digital enablement tools. In 2025, 120 online courses were launched on the "Procurement Academy" digital platform, comprehensively covering social responsibility audits, supplier quality audits, supplier quality management, and related topics. In addition, 25 online specialized training sessions were conducted, covering supplier onboarding, demand-based bidding, performance evaluation, and supplier delivery. The Company also launched the "Spark Plan" specifically for its procurement department, organizing five external training sessions that reached over 100 procurement employees and covered topics such as product quality, supplier management, and procure-

ment processes.

Metrics and Targets

Target(2025-2027)	2025 Target completion status
Social responsibility audit compliance management covering 95% of suppliers	Social responsibility audit compliance management covering 95% of suppliers
Issue carbon reduction initiatives to all suppliers and collect and disclose supplier carbon emissions data	Issued carbon reduction initiatives to all suppliers and collected and disclosed supplier carbon emissions data through the carbon management system
Conduct conflict minerals due diligence on all suppliers to ensure no conflict minerals are used	Conducted conflict minerals due diligence on all suppliers. No use of conflict minerals was identified in 2025



Building Better Communities

Haier Smart Home upholds the philosophy of “Global Presence, Global Impact” across all operating regions. Leveraging its product and innovation strengths, the Company actively engages in youth education, rural revitalization, support for vulnerable groups, disaster relief and volunteer services, and environmental protection. The Company is committed to creating social value, fulfilling its social responsibilities, and fostering collaborative development and shared prosperity between the Company and its communities. In 2025, the Company’s domestic and overseas operations donated goods and cash to charitable organizations and community initiatives across multiple regions, with a combined value around RMB 8,488,700. Of this, approximately RMB 7,881,800 was allocated to external donations, while approximately RMB 607,000 was directed to rural revitalization initiatives.

Enriching Lives

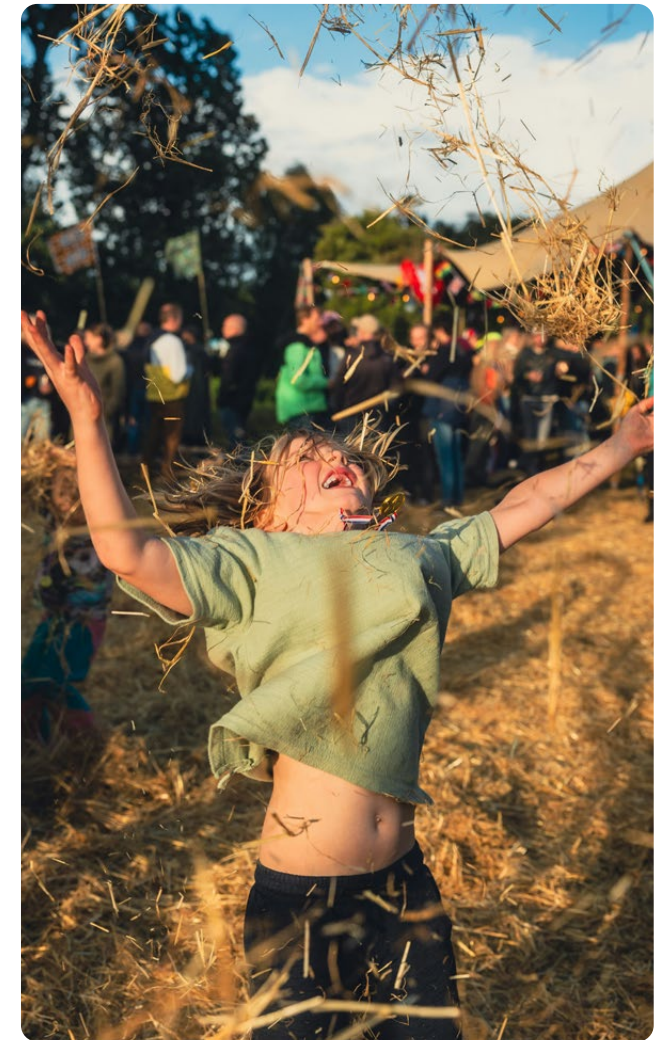
While pursuing its own growth, Haier Smart Home remains attentive to people’s aspirations for a better life and supports communities through a variety of initiatives across its domestic and overseas operating regions.

In China, the Company’s Haier Franchise Stores carry out nationwide initiatives such as “Across a Hundred Cities and a Thousand Counties” and technology-assisted agriculture programs. Through channels including the Haier Education Foundation, the Company provides material support and other forms of assistance for Project Hope, contributing to the construction and upgrading of Hope Primary Schools. As of 2025, Haier Smart Home has cumulatively supported the construction of 405 Hope Primary Schools and 1 Hope Middle School through Project Hope. The Company hopes that Haier Hope Schools will benefit children and young people in rural and remote areas by improving basic education conditions, providing better learning environments and educational resources, and helping more children access educational opportunities, while also contributing to the cause of rural revitalization. Overseas, the Company conducts charitable activities including donations of educational materials, provides internship and employment opportunities for university students, and organizes sports events to support the healthy development of young people.



Inaugural Science and Technology Festival and First Science Lab at Haier Hope Primary School

In May 2025, the inaugural Science and Technology Festival and the opening ceremony of the nation's first "Haier Young Scientist" Science and Technology Lab were held at Puti Township Central Primary School in Luochuan County, Yan'an City, Shaanxi Province. As a key component of the "Haier Young Scientist Program", this event marked a milestone in Haier's transition from "hardware-focused aid" to "technology-driven empowerment" in its philanthropic practices. By integrating cutting-edge technology with educational settings, the initiative brings new energy to rural public education. This science and technology lab, the first of its kind sponsored by Haier Smart Home nationwide, helps students develop scientific thinking and hands-on skills through immersive learning experiences.



"Plant Green, Breathe Healthy" Tree Planting Charity Event

In March 2025, Haier Smart Home's Guizhou Branch, together with the Haier Anshun Hualong Franchise Store, visited Dazhi Primary School in Songqi Township, Anshun, to carry out the "Plant Green, Breathe Healthy" tree planting charity event, combining tree planting and charitable donations to bring new greenery to a rural campus.



"Sharing Love, Building Dreams" Book Donation Campaign

In May 2025, the Company organized employees to participate in the "Sharing Love, Building Dreams" book donation campaign for students at the Laixi Malianzhuang Haier Hope Primary School. The initiative reflected the Company's commitment to corporate social responsibility, fostered employees' sense of social responsibility and spirit of giving, reinforced Haier Smart Home's positive corporate image, and strengthened employees' sense of pride and belonging.



Embracing Communities

Haier Smart Home is dedicated to building strong relationships with the communities in which it operates, integrating into local communities through a wide range of charitable activities. When extreme weather events or natural disasters occur, Haier Smart Home responds swiftly by actively participating in rescue and relief efforts, helping affected residents restore normalcy and demonstrating the Company's sense of responsibility through concrete action.

Relief Efforts for the Shigatse Earthquake in Tibet

In 2025, a 6.8-magnitude earthquake struck Tingri County, Shigatse City, Tibet Autonomous Region. Haier's Household Water Solutions division responded immediately with a relief plan. In partnership with the Tibet Kezong Technology Haier Franchise Store, the Company provided disaster relief by donating 100 electric water heaters to the Shigatse Red Cross Society to help residents with damaged homes rebuild. Essential supplies including milk, weatherproof jackets, and thermal clothing were also prepared to provide relief to affected residents.



Haier Household Water Solutions supporting post-earthquake reconstruction in Shigatse, Tibet

Supporting the Construction of a Smart Living Module at a Research Station

In 2025, Haier Smart Home entered into a strategic partnership with the China Association for Scientific Expedition. The Company supplied seven categories of home appliances, including refrigerators, washing machines, and air conditioners, to create a novel smart living support solution for research personnel, addressing the everyday challenges that station-based researchers have long faced.



Strategic partnership signing ceremony between Haier Smart Home and the China Association for Scientific Expedition

Haier HVAC "Understanding Warmth and Cold, A Journey Across China" Donation at Heizhen Middle School in Qianshan, Anhui

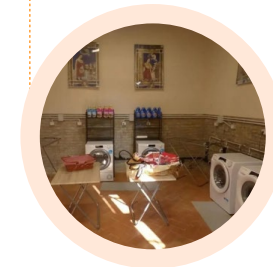
Haier Smart Home cares deeply about the development of education. In 2025, the Haier HVAC "Understanding Warmth and Cold, A Journey Across China" donation campaign visited Heizhen Middle School in Qianshan City, Anhui Province, providing heating and cooling equipment and other materials to improve the learning and working environment for teachers and students, supporting local education development.



Haier HVAC "Understanding Warmth and Cold, A Journey Across China" donation

Haier Europe Opens a Charitable Laundry Facility in Italy

In November 2025, Haier Europe partnered with Procter & Gamble and the Italian charity Caritas to launch a charitable laundry facility in Parma. The facility was equipped with professional washing machines and dryers provided by Haier Europe, while Procter & Gamble donated a full range of cleaning products, offering free laundry and blanket washing services to homeless individuals, low-income families, and other vulnerable groups.



Charitable laundry facility

Across its domestic and overseas operating regions, Haier's people are dedicated to volunteer service with sincerity, contributing their professional skills and passion to public causes. In Italy, the Company has participated in the Milan Relay Marathon for three consecutive years to support the "Women's Space" project, which works to prevent gender-based violence and provide support for vulnerable women. In Thailand, the Company organized a city running event, donating all registration fees to the Thai Paralympic Committee Foundation to support athletes with disabilities. In the Philippines, the Company hosted a health run promoting active lifestyles while advancing children's education philanthropy.

From sports empowerment to humanitarian relief, Haier Smart Home has built a multi-dimensional, systematic philanthropic framework tailored to the needs of different regions and communities worldwide.

Haier Europe Sponsors the "Creators Cup" Football Tournament in Portugal

In November 2025, Haier Europe participated as a sponsor of the "Creators Cup" charity football tournament in Portugal. The tournament was organized by Liga Portugal, with all proceeds donated to the nonprofit organization Just a Change, which helps low-income families renovate their homes and improve living conditions. This initiative promoted sports culture while harnessing the unifying power and influence of sports to advance charitable causes.



Supporting a charity football tournament in Portugal



Appendix

Appendix I: HKEX ESG Reporting Code Index

Area	Aspect	Disclosure Requirement	Index
Governance Structure	-	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	P3
Reporting Principles	-	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	P1
Reporting Boundary	-	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	P1
Environmental	A1 Emissions	<p>General Disclosure: Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	P47-48
		A1.1 The types of emissions and respective emissions data.	P47-48
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P47-48
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P47-48
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	P40, 47-48
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P40, 44-45

Area	Aspect	Disclosure Requirement	Index	
Environmental	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	P46-47	
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P46-47	
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P46-47	
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P40,46-47	
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P46-47	
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P47	
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	P47-48	
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P47-48	
	Social	B1 Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P77-79,84-85
			B1.1 Total workforce by gender, employment type (e.g. full- or part-time), age group and geographical region.	P75-76
B1.2 Employee turnover rate by gender, age group and geographical region.			P76	
B2 Health and Safety		General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P86-88	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P86	
		B2.2 Lost days due to work injury.	P86	
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P86-88	
B3 Development and Training		General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P81-83	
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P82	
	B3.2 The average training hours completed per employee by gender and employee category.	P82		

Area	Aspect	Disclosure Requirement	Index
Social	B4 Labor Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P79-80
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	P79-80
		B4.2 Description of steps taken to eliminate such practices when discovered.	P79-80
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	P90-94
		B5.1 Number of suppliers by geographical region.	P90
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P90-94
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P91-94
	B6 Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P37-39,62-71
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P64
		B6.2 Number of products and service related complaints received and how they are dealt with.	P68
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	P71-72
		B6.4 Description of quality assurance process and recall procedures.	P61-66
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P37-38
	B7 Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P31-34
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P31
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P31-34
		B7.3 Description of anti-corruption training provided to directors and staff.	P31
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	p97
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).		P97-100	
B8.2 Resources contributed (e.g. money or time) to the focus area.		P97	

Part D: Climate-Related Disclosure Index

Disclosure Requirement		Index	
Governance	Governance	<p>19. An issuer shall disclose information about:</p> <p>a. the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities;</p> <p>b. management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	P55
	Climate-related risks and opportunities	<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons - short, medium or long term - the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p> <p>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	P56-57
Strategy	Business model and value chain	<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	P55-58
	Strategy and decision-making	<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation;</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	P55-58
		<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	P57-58
	Financial position, financial performance and cash flows	<p>Current financial effects.</p> <p>24. An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p> <p>Anticipated financial effects.</p> <p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>P57-58</p> <p>Climate Strategy. Upon assessment, the Company has not identified any material impact of the above climate-related risks and opportunities on its financial position, operating results, or cash flows for the next fiscal year.</p> <p>As the existing skills, capabilities and resources are not yet sufficiently developed, the anticipated financial effects have not yet been quantified at this stage.</p> <p>Qualitative information regarding these financial effects has been provided in the Climate Strategy section.</p>

Disclosure Requirement		Index	
Strategy	Climate resilience	<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date;</p> <p>(b) how and when the climate-related scenario analysis was carried out.</p>	P55-58
Risk Management	Risk Management	<p>27. An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	P58
		<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions;</p> <p>(b) Scope 2 greenhouse gas emissions; and</p> <p>(c) Scope 3 greenhouse gas emissions.</p>	P58
Metrics and Targets	Greenhouse gas emissions	<p>29. An issuer shall:</p> <p>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p> <p>(b) disclose the approach it uses to measure its greenhouse gas emissions;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	P58

Disclosure Requirement		Index
Climate-related transition risks	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Due to the lack of reasonable and supportable information, the amount and percentage of this metric have not yet been determined.
Climate-related physical risks	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Due to the lack of reasonable and supportable information, the amount and percentage of this metric have not yet been determined.
Climate-related opportunities	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Due to the lack of reasonable and supportable information, the amount and percentage of this metric have not yet been determined.
Capital deployment	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Company has procured energy-efficient equipment, but has not established separate tags or accounts in the financial system for tracking and aggregation. The Company is progressively establishing an identification and compilation mechanism for the relevant information, and will advance comprehensive disclosure once the system is optimized.
Internal carbon prices	34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Company does not currently apply carbon pricing in decision-making.
Remuneration	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	P55
Industry-based metrics	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	The Company does not currently have specific industry-based metrics.
Climate-related targets	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	P59

Metrics and Targets

Disclosure Requirement		Index	
Metrics and Targets	Climate-related targets	<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the issuer's processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	P59
		<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	P59
		<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <p>(a) which greenhouse gases are covered by the target;</p> <p>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</p> <p>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</p> <p>(d) whether the target was derived using a sectoral decarbonisation approach; and</p> <p>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.</p>	<p>P59</p> <p>The Company has not derived its greenhouse gas emissions targets using a sectoral decarbonization approach, and does not currently plan to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.</p>
	Applicability of cross-industry metrics and industry-based metrics	<p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics and industry-based metrics.</p>	The Company does not currently have applicable cross-industry metrics.

Appendix II: Shanghai Stock Exchange ESG Guidelines Topic Index

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter I General Provisions		Article 1	/
		Article 2	/
		Article 3	/
		Article 4	/
		Article 5	/
		Article 6	/
		Article 7	/
		Article 8	/
		Article 9	/
		Article 10	/
Chapter II Disclosure Framework for Sustainability Information		Article 11	/
		Article 12	/
		Article 13	/
		Article 14	/
		Article 15	/
		Article 16	/
		Article 17	/
		Article 18	/
		Article 19	/
Chapter III Environmental Disclosure	Section 1 Climate Response		
		Article 20	P19-21,41-53
	Climate Change Tackli	Article 21	P55-59
		Article 22	P56

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter III Environmental Disclosure	Climate Change Tackli	Article 23	P56-58
		Article 24	P58
		Article 25	P58
		Article 26	P58
		Article 27	P59-60
		Article 28	P19-21,41-44,59-60
	Section 2 Pollution Control and Ecosystem Protection		
		Article 29	P41-53
	Pollutant Discharge	Article 30	P47-48
	Waste Disposal	Article 31	P47-48
	Ecosystem and Biodiversity Protection	Article 32	Upon assessment, this topic has neither financial materiality nor impact materiality
	Environmental Compliance Management	Article 33	P47-48
	Section 3 Resource Utilization and Circular Economy		
		Article 34	P41-47
	Energy Usage	Article 35	P46-47,49
	Usage of Water Resources	Article 36	P47
	Circular Economy	Article 37	P41-46,49-53
Chapter IV Social Disclosure	Section 1 Rural Revitalization and Social Contributions		
		Article 38	P97-100
	Rural Revitalization	Article 39	P97-98
	Contributions to the Society	Article 40	P97-100
	Section 2 Innovation-Driven Development and Ethics of Science and Technology		
		Article 41	P69
	Innovation-Driven	Article 42	P69-72
	Ethics of Science and Technology	Article 43	Upon assessment, this topic has neither financial materiality nor impact materiality

Guideline Chapter	Topic/Disclosure Requirement	Guideline Clause	Corresponding Report Section
Chapter IV Social Disclosure	Section 3 Suppliers and Clients		
		Article 44	P62-68
	Supply Chain Security	Article 45	P90-95
	Equal Treatment to Small and Medium-Sized Enterprises	Article 46	P95
	Safety and Quality of Products and Services	Article 47	P62-68
	Data Security and Customer Privacy Protection	Article 48	P37-38
	Section 4 Employees		
		Article 49	P79-88
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure	Section 1 Sustainability-Related Governance Mechanisms		
		Article 51	P7-9
	Due Diligence	Article 52	P9
	Communications with Stakeholders	Article 53	P10-13
	Section 2 Commercial Behaviors		
		Article 54	P31-34
	Anti-Commercial Bribery and Anti-Corruption	Article 55	P31
	Anti-Unfair Competition	Article 56	P32
Chapter VI Supplementary Provisions and Interpretation		Article 57	/
		Article 58	/
		Article 59	/
		Article 60	/
		Article 61	/
		Article 62	/
		Article 63	/

Appendix III: GRI Content Index

Statement of use	Haier Smart Home Co., Ltd. and its subsidiaries have reported the information cited in this GRI content index for the period from January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Location and Explanation
GRI 2: General Disclosures 2021			
1. Organization and Its Reporting Practices	2-1	Organizational details	P6
	2-2	Entities included in the organization's sustainability reporting	P1
	2-3	Reporting period, frequency and contact point	P1
	2-4	Restatements of information	No restatements were made by the organization during the reporting period
2. Activities and Workers	2-6	Activities, value chain and other business relationships	P6
	2-7	Employees	P75
	2-8	Workers who are not employees	No workers other than employees
3. Governance	2-9	Governance structure and composition	P28
	2-10	Nomination and selection of the highest governance body	Refer to the 2025 Annual Report
	2-11	Chair of the highest governance body	Li Huagang
	2-12	Role of the highest governance body in overseeing the management of impacts	P28
	2-13	Delegation of responsibility for managing impacts	P28
	2-14	Role of the highest governance body in sustainability reporting	P28
	2-15	Conflicts of interest	P31
	2-16	Chair of the highest governance body	P10-13
	2-17	Communication of critical concerns	P9,28
4. Strategy, Policies and Practices	2-18	Evaluation of the performance of the highest governance body	P9
	2-22	Statement on sustainable development strategy	P7
	2-23	Policy commitments	P3,7,31-32,37-38,46-47,62,67,71,78-80,90-91
	2-24	Embedding policy commitments	P3,7
	2-26	Mechanisms for seeking advice and raising concerns	P10,34,84
5. Stakeholder Engagement	2-27	Compliance with laws and regulations	No significant violations of laws and regulations occurred during this year
	2-29	Approach to stakeholder engagement	P10-12
	2-30	Collective bargaining agreements	P79-80

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P10-13
3-2	List of material topics	P12
3-3	Management of material topics	Please refer to the management approach corresponding to specific topics in the table below

Disclosure Content	Index	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	For operations-related financial information, please refer to the 2025 Annual Report; other information is subject to confidentiality requirements and is not reported
	201-2 Financial implications and other risks and opportunities due to climate change	P56-57
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P90
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P31
	205-2 Communication and training about anti-corruption policies and procedures	P31
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P31
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P47
	301-2 Recycled input materials used	P51
	301-3 Reclaimed products and their packaging materials	P50-53
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P47
	302-2 Energy consumption outside of the organization	P47
	302-3 Energy intensity	P47
	302-5 Reductions in energy requirements of products and services	P46-47
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P47
	303-2 Management of water discharge-related impacts	P47
	303-3 Water withdrawal	P47
	303-4 Water discharge	P47
	303-5 Water consumption	P47
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P58
	305-2 Energy indirect (Scope 2) GHG emissions	P58
	305-4 GHG emissions intensity	P58
	305-5 Reduction of GHG emissions	P58

Disclosure Content		Index
GRI 306: Effluents and Waste 2016	306-3 Significant spills	In 2025, no significant spills occurred in the organization
	306-1 Waste generation and significant waste-related impacts	P48
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	P48
	306-3 Waste generated	P48
	306-4 Waste diverted from disposal	P47
	306-5 Waste directed to disposal	P47
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	In 2025, no significant non-compliance with environmental laws and regulations occurred in the organization
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P91
	308-2 Negative environmental impacts in the supply chain and actions taken	P45,91
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P75-76
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P84-85
	401-3 Parental leave	P84
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P86
	403-2 Hazard identification, risk assessment, and incident investigation	P86
	403-3 Occupational health services	P86,88
	403-4 Worker participation, consultation, and communication on occupational health and safety	P88
	403-5 Worker training on occupational health and safety	P87
	403-6 Promotion of worker health	P86-87
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P86-87
	403-8 Workers covered by an occupational health and safety management system	P86
	403-9 Work-related injuries	P86
	403-10 Work-related ill health	P86-87
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P82
	404-2 Programs for upgrading employee skills and transition assistance programs	P81-83
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P77-78
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P79-80
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P97-100
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P91-94
	414-2 Negative social impacts in the supply chain and actions taken	P90-94
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P63-66
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2025, no significant incidents of non-compliance concerning the health and safety impacts of products and services occurred in the organization
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P33
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2025, no significant incidents of non-compliance concerning product and service information and labeling occurred in the organization
	417-3 Incidents of non-compliance concerning marketing communications	In 2025, no significant incidents of non-compliance concerning marketing communications occurred in the organization
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2025, no significant substantiated complaints concerning breaches of customer privacy and losses of customer data occurred in the organization

Appendix IV: SASB Content Index

Table 1: Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of Measure	Index
Product Safety	Number of recalls and total units recalled	Quantitative	Number	P64
	Discussion of process to identify and manage safety risks associated with the use of its products	Discussion and Analysis	N/A	P63-66
	Total amount of monetary losses because of legal proceedings associated with product safety	Quantitative	Presentation currency	NA
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to the ENERGY STAR	Quantitative	Percentage (%) by revenue	NA
	Percentage of eligible products by revenue certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Quantitative	Percentage (%) by revenue	NA
	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	N/A	P50-53

Table 2: Activity Metrics

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

Appendix V: ESG Awards

Social Responsibility/ESG Recognition

Haier Smart Home Won JRJ.com "Outstanding ESG Practice Case Award": Haier Smart Home received the "Outstanding ESG Practice Case Award" at the 13th Navigating China "Golden Wisdom Awards" hosted by JRJ.com, in recognition of the Company's practices in green and low-carbon development and social responsibility.

Haier Smart Home Listed in China ESG Impact Ranking: Fortune (Chinese edition) released its 2025 China ESG Impact Ranking, with Haier Smart Home appearing again and ranking first in the industry for the 4th consecutive year.

Haier Smart Home Selected for ESG "Golden Antelope Award" Rankings, Named "2025 ESG Model Enterprise": The "ESG and High-Quality Development Innovation Forum", hosted by Guangdong Times Media Group and organized by Times Weekly, released the ESG "Golden Antelope Award" rankings. Haier Smart Home was

named "2025 ESG Model Enterprise" for its end-to-end green development model and social value practices.

Haier Smart Home Selected for Forbes 2025 China ESG Top 50: Forbes China released its 2025 China ESG Top 50 list, with Haier Smart Home on the list.

Haier Smart Home Won ESG Golden Bull Award Again: Haier Smart Home received the "ESG Golden Bull Top 100" at the 2025 Golden Bull Corporate Sustainability Forum and the Third Guoxin Cup ESG Golden Bull Awards organized by China Securities Journal. Haier Smart Home has been selected for this list for 3 consecutive years.

Haier Smart Home Selected for CCTV "China ESG Listed Company Pioneer 100" List: China Media Group (CMG) jointly released the 2025 Annual ESG Action Report with multiple government departments. Haier Smart Home was listed on the "China ESG Listed

Company Pioneer 100" list, ranking first in the industry.

Haier Smart Home Won 2025 Forbes "Circular Economy Practice Pioneer Award": With its well-established home appliance recycling system, Haier Smart Home has set a sustainability benchmark for the industry. The Company received the 2025 Forbes "Circular Economy Practice Pioneer Award", becoming the only enterprise in the home appliance industry to receive this honor.

Haier Smart Home Received 2025 "ESG Pioneer 60" Annual Corporate ESG Practice Award: Haier Smart Home was honored with the 2025 "ESG Pioneer 60" Annual Corporate ESG Practice Award by Jiemian News.

Haier Smart Home Received 2025 "ESG Pioneer 60" Annual Environmental Responsibility Excellence Award: Haier Smart Home was honored with the 2025 "ESG Pioneer 60" Annual Environmental

Responsibility Excellence Award by Jiemian News.

Haier Smart Home Won ESG "Zhiyuan Award": Haier Smart Home's ESG practices were recognized with the 2025 Caillian Press Zhiyuan Award "Environmentally Friendly Pioneer Enterprise Award", affirming the Company's continued leadership in ESG.

Haier Smart Home Won 2025 "Golden Responsibility Award" Best Environmental (E) Responsibility Award: Sina Finance launched the 2025 China Corporate ESG "Golden Responsibility Award" in November 2025. Haier Smart Home received the "Golden Responsibility Award" for Best Environmental (E) Responsibility.

Haier Smart Home Listed in 2025 China Corporate ESG Top 100: Sina Finance released its "2025 China Corporate ESG Top 100" list. Haier Smart Home was listed, ranking first in the home appliance industry.

Haier Smart Home Named "Most Respected ESG Leading Enterprise": The Economic Observer hosted the "2024-2025 Most Respected Enterprises Annual Conference" and released the "Most Respected Enterprises" list. Haier Smart Home was honored as "Most Respected ESG Leading Enterprise".

Haier ESG Achievements Selected as "2025 ESG Practice Excellent Case": Haier Smart Home was selected for the "Quality Selection Cases" list released at the 2025 China Times ESG Management System Conference, jointly hosted by China Times and other authoritative institutions.

COSMOPlat Industrial Internet Ecosystem Park and Haier Qingdao Sino-German Industrial Park Received China's First Zero-Carbon Park Evaluation Certificates: In 2025, the China Quality Certification Center (CQC) issued the first batch of zero-carbon park evaluation certificates in China to COSMOPlat Industrial Internet Ecosystem Park and Haier Qingdao Sino-German Industrial Park, effectively advancing Haier Smart Home's sustainability achievements.

Haier Smart Home Received "2025 Best Practice Award for Listed Company Boards": The China Association for Public Companies (CAPCO) released the results of the "2025 Best Practice for Listed Company Boards" initiative. Haier Smart Home received the "2025 Best Practice Award for Listed Company Boards".

Brand Recognition

Haier Smart Home Listed in Fortune Global 500: Fortune released its 2025 Global 500 list, with Haier Smart Home Co., Ltd. appearing again, rising 17 places from the previous year to rank 390th.

Haier Ranked First in Global Major Home Appliance Brand Retail Volume Again: Data from Euromonitor International showed that Haier topped the global major home appliance brand retail volume in 2024, marking its 16th consecutive year in first place.

Haier Listed in "World's 500 Most Influential Brands" for 22 Consecutive Years: World Brand Lab released the 2025 (22nd edition) World's 500 Most Influential Brands list. Haier has been listed for 22 consecutive years, ranking 33rd globally and remaining among the top three Chinese brands.

Haier Kitchen Appliances Won China Brand Annual Award and Kitchen Scenario Renovation Pioneer Award: As the only brand selected in the kitchen appliance industry, Haier Smart Home won both the "China Brand Annual Award Kitchen Appliances No. 1" and the "Kitchen Scenario Professional Renovation Pioneer Award", filling the gap for kitchen appliances on the list.

Appendix VI: ESG Ratings

Rating Type	Performance	
MSCI ESG Rating	AA	In 2025, Haier Smart Home was again rated AA, the highest rating in China's home appliance industry.
Hang Seng Index	/	Haier Smart Home was selected as a constituent stock of the HSI ESG Enhanced Index, HSI ESG Enhanced Select Index, and HSCEI ESG Enhanced Index.
Wind ESG Rating	AA	In 2025, Haier Smart Home received an AA rating from Wind ESG.
CSI ESG Rating	AA	In 2025, China Securities Index (CSI) released its ESG ratings for A-share listed companies, with Haier Smart Home rated AA.
Huazheng Index ESG Rating	AA	In 2025, Haier Smart Home received an AA rating from the Huazheng Index ESG assessment.

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

2025 was a pivotal year of navigating uncertainty and embracing transformation. Facing the formidable challenges of volatile global geopolitics, escalating trade barriers, and intensifying domestic competition, Haier Smart Home remained committed to seeking progress while maintaining stability. Through the resilience of its global presence and the deepening of its premiumization strategy, the Company has set a new benchmark for the high-quality development of China's home appliance industry amid an uncertain environment.

As a leader in the globalization of Chinese brands, Haier Smart Home has not only ranked first in global major home appliance brand retail volume for 16 consecutive years, but also accelerated its evolution into an "AI-native organization" in 2025. Leveraging national-level innovation platforms, the Company has built and deployed the Uhome Smart Home Large Model, deeply integrating AI technology across the entire chain of product development, manufacturing, and services. By aligning proprietary technologies with user needs, Haier Smart Home has driven deep convergence between technological and industrial innovation.

Over the past year, Haier Smart Home actively responded to and implemented the national "Two New" policies, becoming a driving force in the home appliance trade-in program. In the domestic market, capitalizing on policy incentives and the release of premium demand, the Company launched a series of smart products and smart home scenario-based solutions through omni-channel coordination, effectively boosting consumer confidence and delivering steady revenue growth. As the first enterprise in China's home appliance industry to commit to achieving carbon neutrality across global operations by no later than 2050, the Company has established a "6-Green" full lifecycle green strategy spanning procurement, design, manufacturing, operations, recycling, and disposal. By embedding green and low-carbon principles throughout its operations, the Company has played a leading role in driving the industry's green transformation.

This report focuses on core industry topics including low-carbon smart products, AI-driven green manufacturing, and high-standard quality assurance, fully demonstrating the growth strategy and sense of responsibility behind Haier Smart Home's counter-trend growth in

2025. It represents a vivid reflection of the high-end, smart, and green transformation of China's home appliance industry, showcasing the core competitiveness of Chinese smart manufacturing on the global stage.

Looking ahead to 2026, we hope Haier Smart Home will continue to seize global development opportunities, focusing on three strategic priorities: ecosystem collaboration, user engagement, and global expansion. We look forward to seeing the Company further unlock product carbon reduction potential, deepen AI applications across scenarios, actively fulfill its social responsibilities, and work with upstream and downstream partners to build a thriving ecosystem, contributing greater "Haier power" to advancing new quality productive forces and building a strong manufacturing and brand nation!

Executive Director
China Household Electrical Appliances Association

