

# 2025

## Gree Electric Appliances, Inc. of Zhuhai

Environmental, Social and Governance Report

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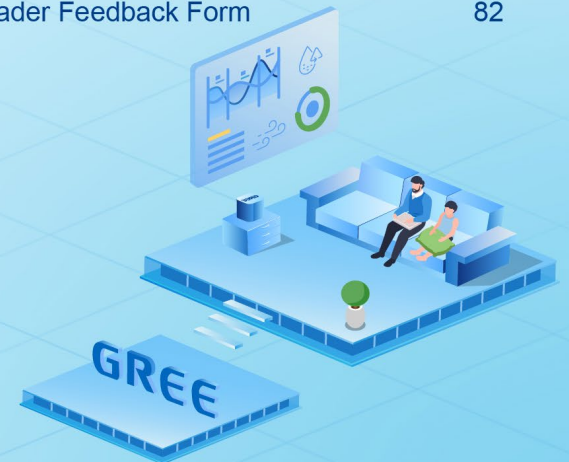
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# About This Report

This report is the third Environmental, Social and Governance (ESG) report released by Gree Electric Appliances, Inc. of Zhuhai. It focuses on the Company's proactive response to the opportunities and challenges of sustainable development, as well as its efforts to create integrated economic, social and environmental value for stakeholders.

## Scope of the Report

Unless otherwise stated, the organizational scope of this report covers Gree Electric Appliances, Inc. of Zhuhai and its subsidiaries and branches.

## Time Period

The report covers the period from January 1 to December 31, 2025. To enhance the comparability and completeness of the report, appropriate retrospective or extended disclosure is applied to certain information.

## Appellation Notes

For the convenience of presentation, "Gree Electric Appliances, Inc. of Zhuhai" is referred to as "Gree Electric Appliances", "GREE", "the Company" or "we" in this report.

## Preparation Basis

Prepared in accordance with the *Standards for Sustainability Reporting* (GRI Standards) of the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and the *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Compilation of Sustainability Report*, this report also addresses the key topics covered by MSCI ESG Ratings.

## Data Sources

The qualitative and quantitative information contained in this report is derived from the public disclosures, internal documents and relevant statistical data of Gree Electric Appliances. The disclosure scope is consistent with the scope of the consolidated financial statements. Any content that differs from this scope will be clearly explained in the report. Unless otherwise specified, all monetary amounts in the report are denominated in Renminbi (RMB).

## Access to the Report

The electronic version of this report is available on the Company's official website (<http://www.gree.com.cn/>), the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>) and CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn/)).

# Message from the Management

Against the backdrop of accelerated global green transition in 2025, guided by the vision of "Building a World-Class Enterprise and Making GREE a Century-Old Brand" and the mission of "For the Clearer Sky and Greener Earth", Gree Electric Appliances integrates the philosophy of sustainable development into its corporate culture and drives transformation through independent innovation. Over the past year, the Company has carried out extensive ESG practices and has achieved remarkable results, which would not have been possible without the diligent efforts of all employees, the long-term commitment of investors, the collaborative progress of partners, and the understanding and support from all sectors of society. We hereby extend our sincerest gratitude to all parties concerned.

## We improve corporate governance, respond to investors' concerns, and consolidate the foundation for the enterprise to achieve steady and sustainable long-term development.

The Company standardizes the operation of the Board of Directors to consolidate the foundation for compliant operation. During the reporting period, the Company has continuously optimized the operational mechanism of the Board of Directors, revised the Articles of Association and relevant internal management systems, strengthened compliance and risk management, and solidified its business foundation. Directors performed their duties diligently and faithfully with standardized and transparent decision-making procedures, and the attendance rate of Board meetings stood at 100%.

The Company strengthens investor communication to enhance corporate governance transparency. Gree Electric Appliances has maintained Grade A in the annual information disclosure assessment of the Shenzhen Stock Exchange for five consecutive years. Meanwhile, during the reporting period, the Company has responded to 522 inquiries on the SZSE Interactive Easy Platform, ranking first in the home appliance industry in terms of response volume. It has organized on-site investor visits to leading smart factories and other projects, transparently and intuitively showcasing the achievements of intelligent manufacturing and innovation in China. It effectively addresses investors' concerns to provide strong support for long-term value creation.

## We uphold the people-oriented principle, deepen industrial chain collaboration, and pool joint efforts for sustainable development.

The Company attaches importance to employee care and development to realize the common growth of employees and the enterprise. In terms of employee care, the Company provides staff dormitories with a comfortable environment and complete supporting facilities, and runs GREE School to resolve the schooling issue of employees' children. In terms of employee growth, the Company offers AI-enabled training to support the joint development of employees and the enterprise.

The Company promotes green collaboration across the industrial chain and actively fulfills corporate social responsibilities. During the reporting period, the Company has continuously advanced the coordinated improvement of sustainable development capabilities along the industrial chain, and has built a safe, resilient, green and sustainable industrial ecosystem. Meanwhile, the Company actively engages in social welfare undertakings. In response to emergencies such as the earthquake in Tingri County, Xigaze City, Xizang and the fire at Wang Fuk Court in Tai Po, Hong Kong, the Company made emergency donations of materials and funds and responded swiftly to post-disaster reconstruction work. It has grown into a trusted key force in society.

## We implement the dual-carbon strategy, further advance green transformation, and consolidate the foundation for ecological sustainable development.

Faced with the challenges of global climate change, the Company incorporates green and low-carbon development into its corporate strategy, builds a circular development model across the entire industrial chain, and undertakes ecological and environmental responsibilities with concrete actions. As of the end of the reporting period, the Company has operated 22 green factories (including 10 national-level green factories) and 6 national-level green supply chain enterprises.

In terms of product R&D, centering on energy conservation, emission reduction and green transformation, the Company continuously promotes the implementation of technologies in fields such as product energy efficiency improvement, system-level energy saving and low-GWP refrigerant replacement. The Company has successively overcome technical bottlenecks including "1Hz inverter" and "permanent-magnet synchronous inverter". It also integrates air conditioning technology with photovoltaic and energy storage technologies and launches zero-carbon source air conditioning technology. During the reporting period, leveraging the research achievements on "key technologies for wide-range, high-efficiency AI multi VRF systems", the Company's products realize real-time energy efficiency perception and dynamic regulation, and have won the Special Prize for Scientific and Technological Progress in Energy Conservation and Emission Reduction from the China Energy Conservation Association.

In terms of industrial chain layout, the Company earnestly implements the Extended Producer Responsibility (EPR) system and establishes a closed-loop system covering "R&D – Production – Sales – Recycling – Regeneration". As of the end of the reporting period, the Company has set up 6 renewable resource bases nationwide and has created an integrated service model of "delivering new products and recycling old ones". By virtue of the full-industry-chain closed-loop model, it drives the green and circular development of the home appliance industry. During the reporting period, the Company has been awarded the title of "2025 EPR Responsibility Fulfillment Innovation Pioneer Enterprise".

Looking ahead, Gree Electric Appliances will always adhere to the mission "Made in China, Loved by the World", uphold innovation-driven and green development, and continuously enhance its core competitiveness and sustainable development capabilities.

# About Gree Electric Appliances

Gree Electric Appliances, Inc. of Zhuhai is a diversified, technology-driven global industrial group. It owns brands including GREE, TOSOT, KINGHOME, Landa, Kaibang and Xinyuan, with an industrial layout covering both consumer and industrial sectors. At present, GREE products serve more than 190 countries and regions worldwide. The Company adheres to serving users with core technologies and high quality, continuously meeting people's aspirations for a better life.

**In terms of brand, the Company demonstrates its position as an industry benchmark.** The Company has successively received honors such as "China World Famous Brand", "Most Market-Competitive Brand", "National Quality Award", "Export Inspection Free Enterprise", "China Brand Innovation Award", "Top 100 Chinese Light Industry Enterprises in Science and Technology", and "Top 500 Chinese Enterprises in Credit". During the reporting period, the Company has once again been listed in the Forbes Global 2000, ranking 346th; it has been awarded the title of "2025 EPR Responsibility Fulfillment Innovation Pioneer Enterprise". According to the "2025 China Brand Value Evaluation" released by the China Council for Brand Development and China Appraisal Society, Gree Electric Appliances has achieved a brand value of RMB 202.14 billion, ranking second in the light industry group and first in the home appliance industry. Its comprehensive brand strength and leading industry position continue to be consolidated.

**In terms of R&D, the Company builds outstanding technological capabilities.** The Company adheres to independent R&D of core technologies, implements an "unlimited R&D investment as needed" policy, and has established a multi-level R&D system supported by national-level scientific research platforms. It has the world's largest air conditioning R&D center, comprising 1 academician workstation, 16 research institutes, 152 research institutions and 1,411 labs. It houses a National Engineering Technology

Research Center, a National Industrial Design Center, a National Enterprise Technology Center, and a Robotics Engineering Technology R&D Center. It serves as a research and evaluation base for refrigeration equipment by the National Notification and Enquiry Center, as well as a national standard verification point for energy-efficient refrigeration equipment. As of the end of the reporting period, the Company has filed a cumulative total of 138,935 patent applications, including 76,928 invention patent applications with 32,317 granted. It is the only home appliance enterprise that has ranked among China's top 10 in granted invention patents for ten consecutive years. It has obtained 50 "world-leading" technologies in total; it has won 2 National Technological Invention Awards, 2 National Science and Technology Progress Awards, 3 China Patent Gold Awards, 4 China Design Gold Awards, 16 Gold Medals of International Exhibition of Inventions of Geneva, and 13 Gold Awards of International Exhibition of Inventions Nuremberg.

**In terms of quality, the Company upholds a total quality excellence model.** Adhering to the quality policy of "Pursuing Best Quality, Establishing an International Brand, and Building a Century-Old Enterprise", the Company always prioritizes quality and deepens the implementation of the PQAM Perfect Quality Assurance Model, achieving strict quality control across design, procurement, production and service. It refines a GREE-specific "Perfect Quality" management system centered on the "Five-Step Quality Prevention Method" and "D-CTFP Quality Technology Innovation Cycle". In March 2021, the Company took the lead in launching a "10-Year Free Warranty" policy for residential air conditioners, setting the longest warranty commitment in China's household air conditioning industry and leading the upgrade of industry service standards. As of the end of the reporting period, the Company has consecutively received the dual highest honors of "Enterprise Market Quality Credit AAA Grade" and "User Satisfaction Benchmark Five-Star Enterprise" from the China Association

for Quality for seven consecutive years, and has topped the China National Institute of Standardization's customer satisfaction assessment for air conditioning products for sixteen consecutive years, securing dual recognition from the market and industry authorities.

**In terms of channels, the Company deepens an efficient and collaborative network.** The Company is committed to building a self-controlled, mutually beneficial, online-offline integrated channel system, continuously innovating its new retail marketing system, and developing a nationwide, highly efficient and collaborative three-dimensional sales and service network. For offline channels, the Company has formed a physical network covering 30 regional sales companies, over 20,000 sales stores and more than 30,000 professional service outlets, and has completed the upgrading or renovation of over 1,000 "Dong Mingzhu Healthy Home" offline stores. Through scenario-based experiences, data visualization and intelligent interaction, it comprehensively showcases whole-house healthy home appliances such as refrigerators, washing machines and water purifiers, providing consumers with one-stop healthy home solutions. For online channels, relying on self-built platforms, official flagship stores on third-party e-commerce platforms, and new media matrices such as WeChat and Douyin, the Company achieves multi-platform, wide-reaching digital marketing coverage.

GREE will continue to uphold its corporate vision of "Building a World-Class Enterprise and Making GREE a Century-Old Brand". Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will remain true to its original aspiration and keep its mission firmly in mind. It will stay rooted in the real economy, adhere to the path of independent innovation, and contribute to the progress of human society through innovation, responsibility, and green development. Ultimately, GREE aims to be a globally trusted brand, joining hands with the world to create a better future.



# Corporate Culture



## Corporate Vision

Build a world-class enterprise and make GREE a century-old brand



## Corporate Mission

Carry forward industrial spirit, pursue perfect quality, provide professional service. Made in China, loved by the world!



## Corporate Spirit

Loyal, Friendly, Diligent, Enterprising



## Core Values

Talk Less and Do More;  
Quality First for Customer Satisfaction;  
Loyal, Friendly, Diligent, and Enterprising;  
Honest Business for Win-win Situation;  
Legal Compliance and Integrity;  
Dedication and Innovation;  
be Solidaristic and Cooperative,  
be Open and Tolerant.

Quality First for Customer Satisfaction  
Honest Business for Win-win Situation



## GREE's "Fairness Principles and Code of Conduct"

### Fairness Principles



Be fair



Be open



Be dedicated

### Code of Conduct



Be truthful, work for real



Be principled, work for good



Be committed, work for success

## 2025 Performance Highlights

### Economic Performance



Total operating revenue RMB	Net profit attributable to the parent company RMB
<b>171.118</b> billion	<b>29.003</b> billion
Total cash dividends (tax included) RMB	Cash dividend per 10 shares (tax included) RMB
<b>16.755</b> billion	<b>30.00</b>

### Corporate Governance



Number of General Meetings of Shareholders held	Number of Board meetings held
<b>3</b>	<b>6</b>
Attendance rate of Board members	Proportion of independent directors on the Board
<b>100%</b>	<b>40%</b>

### Business Ethics



Anti-commercial bribery and anti-corruption training sessions
<b>33</b>
Coverage rate of directors and employees in anti-commercial bribery and anti-corruption training
<b>100%</b>
Number of Signed Integrity Commitment Letters
<b>10,364</b>

### Innovation and R&D



R&D investment RMB	R&D investment as a percentage of operating revenue	Proportion of R&D personnel among total employees
<b>6.444</b> billion	<b>3.78%</b>	<b>22.16%</b>
Cumulative number of authorized patents	Among which authorized invention patents	Cumulative China Patent Awards
<b>87,079</b>	<b>32,317</b>	<b>81</b>
Number of domestic and foreign standards led or participated in formulation and revision	Among which international and foreign standards	Cumulative number of "world-leading" technologies
<b>942</b>	<b>62</b>	<b>50</b>

### Safety and Quality of Products and Services



Major liability accidents	Product recall incidents
<b>0</b>	<b>0</b>
Complaint resolution rate	Customer satisfaction rate
<b>100%</b>	<b>99.97%</b>

### Employee Management



Coverage rate of employees under collective contracts

**100%**

Listed on the

**Forbes 2025 World's Best Employers**

### Employee Training



Total employee training hours over

**1.19** million hours

Average training hours per capita over

**50** hours

### Supply Chain Management



Number of suppliers surveyed on conflict minerals

**841**

Total traced smelters and refineries

**409**

Among which RMAP-certified proportion

**52%**

### Environmental Management



Cumulative number of green factories

**22**

Including national-level green factories

**10**

### Climate Change Tackling



Total greenhouse gas emissions

**2,200,430**

tons of CO<sub>2</sub> equivalent

Year-on-year reduction

**30.66%**

### Electronic Waste Management



Waste electrical and electronic products recycled and disposed

**8.55** million sets/units

Converted into recycled copper, iron, aluminum and plastic materials

**183,200** tons

### Energy Management



Newly built photovoltaic power capacity

**12** MW

Photovoltaic power generation

**115** million kWh

Total installed photovoltaic capacity of the Group

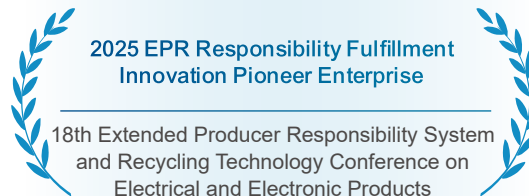
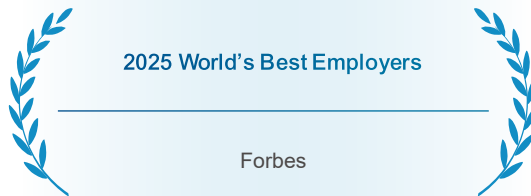
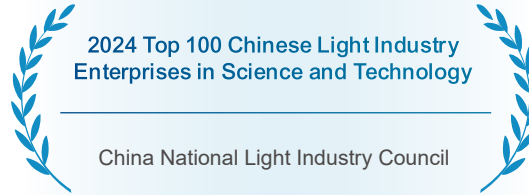
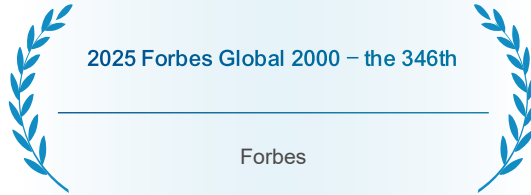
**126.3** MW

Carbon emission reduction achieved

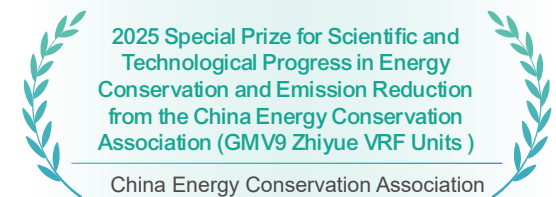
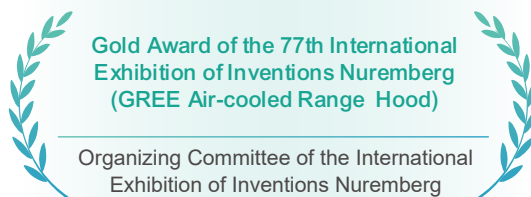
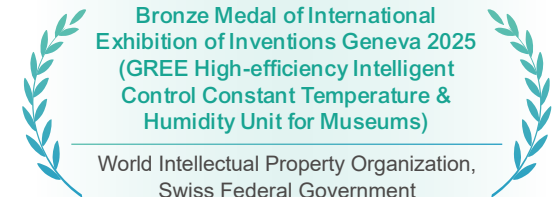
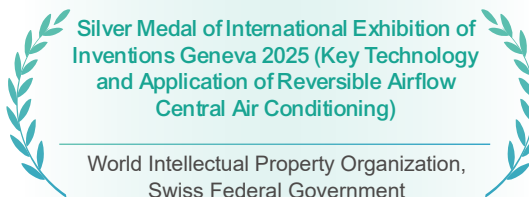
**61,681** tons of CO<sub>2</sub> equivalent

## 2025 Honors and Awards

### Brand Honors



### Product Honors



# ESG Management

## Stakeholder Identification and Communication

Gree Electric Appliances actively carries out communication with various stakeholders, collects the requirements and expectations of stakeholders through various channels, and realizes common development with them.



Major Stakeholders	Government Department and Regulatory Authority	Shareholder and Investor	Customer	Partner	Employee	Society and the Public
Concerned Topics	<ul style="list-style-type: none"> <li>• Law-abiding and compliant operation</li> <li>• Transparent disclosure</li> <li>• Improving corporate governance</li> <li>• Adherence to business ethics</li> <li>• Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Law-abiding and compliant operation</li> <li>• Intellectual property protection</li> <li>• Transparent disclosure</li> <li>• Risk management</li> <li>• Improving corporate governance</li> <li>• Adherence to business ethics</li> <li>• Technological innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Customer relation management</li> <li>• Product quality and safety</li> <li>• Product and service accessibility</li> <li>• Product maintenance and replacement</li> <li>• User feedback and suggestions</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to business ethics</li> <li>• Industry exchange and development</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Occupational training and development</li> <li>• Protection of employees' rights and interests</li> <li>• Employee communication and democratic management</li> <li>• Employee care</li> <li>• Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Responding to national strategies</li> <li>• Practicing social responsibility</li> </ul>
Communication Methods and Channels	<ul style="list-style-type: none"> <li>• Inspection by leaders and competent authorities</li> <li>• Compliance patrols and inspections</li> <li>• Regular meetings with local government representatives</li> <li>• Forums, conferences and seminars</li> <li>• Daily policy implementation</li> <li>• Carrying out carbon footprint verification, energy conservation and emission reduction</li> <li>• Developing clean energy</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Investor exchange meetings</li> <li>• Online performance briefing</li> <li>• Shenzhen stock exchange easy interaction Q&amp;A</li> <li>• Investor hotline</li> <li>• Company research</li> <li>• Telephone consultation</li> <li>• Email</li> <li>• Regular reports and information disclosure on official website</li> </ul>	<ul style="list-style-type: none"> <li>• Official hotline</li> <li>• Service mini-programs</li> <li>• Brand official accounts</li> <li>• E-commerce platform online</li> <li>• Customer email and correspondence</li> <li>• Customer satisfaction survey</li> <li>• Customer visit</li> </ul>	<ul style="list-style-type: none"> <li>• Selection assessment</li> <li>• Procurement process</li> <li>• Performance evaluation</li> <li>• Regular communication with business partners(e.g., emails, meetings)</li> </ul>	<ul style="list-style-type: none"> <li>• Training and induction training</li> <li>• Email and suggestion box</li> <li>• Regular meeting</li> <li>• Employee performance evaluation</li> <li>• Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>• Email</li> <li>• Telephone</li> <li>• Company announcement</li> <li>• Social network platform</li> <li>• Company website</li> <li>• Social media</li> <li>• Charitable donations and voluntary services</li> <li>• Community activities</li> </ul>

# Material Topics Analysis

During this reporting period, we orderly carried out the research on material topics based on the process of "stakeholder communication – topic identification – topic evaluation – materiality determination", so as to effectively respond to the expectations and demands of various stakeholders and continuously improve our ESG management practices.

**Stakeholder Communication**

We maintained regular communication with investors, customers, government agencies, and employees, among other stakeholders. We recorded the topics and specific content of different stakeholders' concerns and responded to their demands.



**Topic Identification**

Based on the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Compilation of Sustainability Report*, the United Nations' 17 Sustainable Development Goals (SDGs), "GRI Standards", mainstream ESG ratings, national policies, industry benchmarking, and the results of stakeholder communications, we identified 26 topics highly relevant to the Company.



**Topic Evaluation**

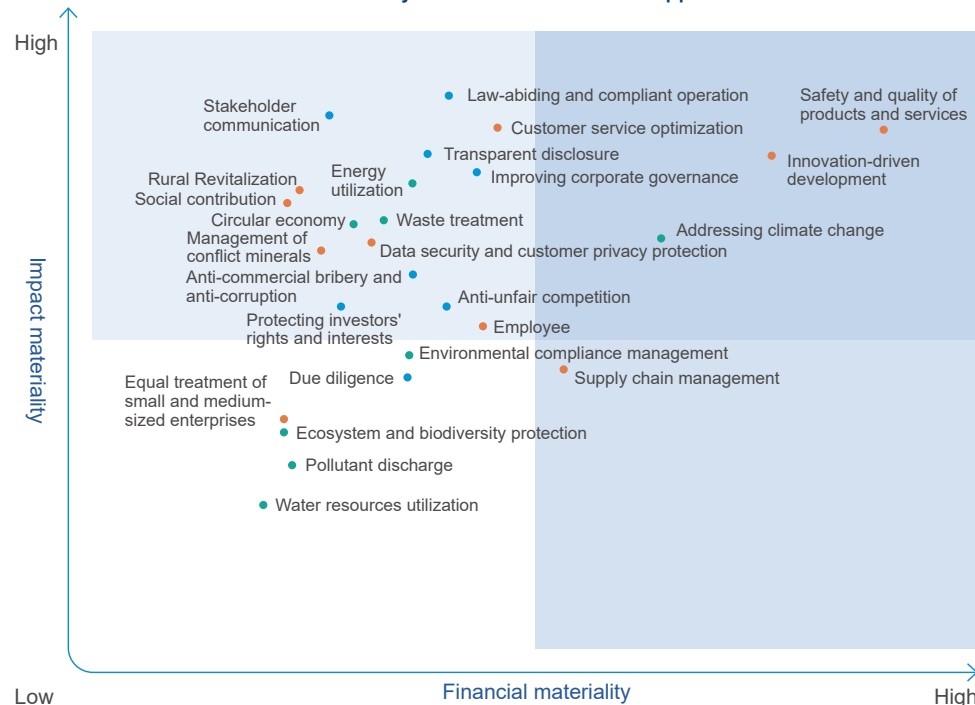
In 2025, the Company conducted research on environmental, social, and corporate governance topics among multiple internal departments, fully listening to their opinions and feedback on the topics.



**Materiality Determination**

Based on research findings from internal and external stakeholders, we conducted double materiality analysis from the two dimensions of impact materiality and financial materiality, and developed a double materiality matrix to define the key topics disclosed this year. Our management comprehensively evaluated and finalized the double materiality topics by integrating our development strategy, stakeholder interviews and communications, external inquiries and feedback, as well as industry development trends.

Double Materiality Matrix of Gree Electric Appliances in 2025



Governance	Social	Environmental
1 Law-abiding and compliant operation	9 Employee	19 Energy utilization
2 Improving corporate governance	10 Innovation-driven development	20 Water resources utilization
3 Transparent disclosure	11 Customer service optimization	21 Waste treatment
4 Anti-unfair competition	12 Rural revitalization	22 Addressing climate change
5 Protecting investors' rights and interests	13 Management of conflict minerals	23 Environmental compliance management
6 Anti-commercial bribery and anti-corruption	14 Safety and quality of products and services	24 Circular economy
7 Due diligence	15 Data security and customer privacy protection	25 Pollutant discharge
8 Stakeholder communication	16 Supply chain management	26 Ecosystem and biodiversity protection
	17 Social contribution	
	18 Equal treatment of small and medium-sized enterprises	

# 01 Compliant Governance

## Improving Mechanisms to Safeguard Steady Operations

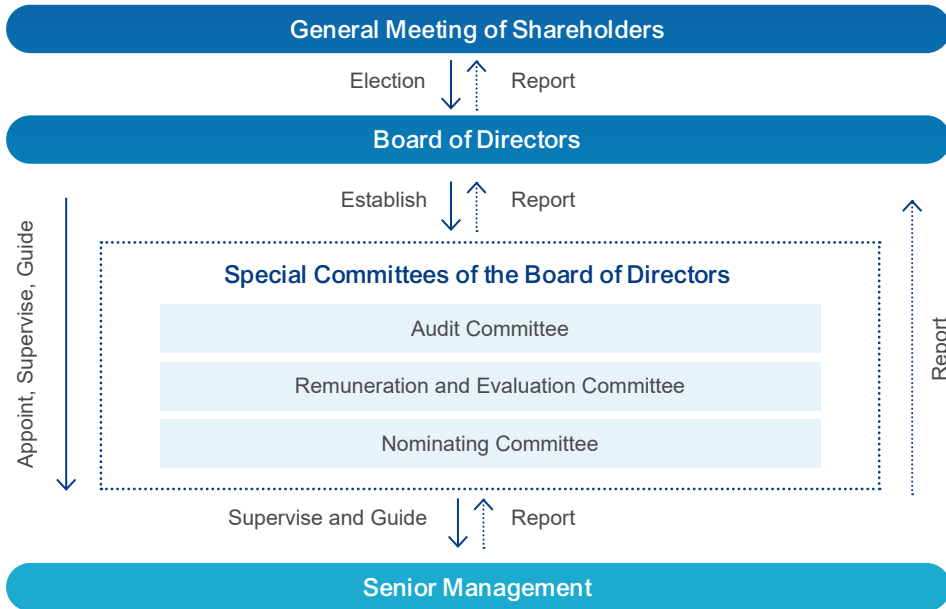
The Company always regards compliance governance as the cornerstone of high-quality development, takes institutional development as the starting point, and continuously improves its governance structure and management mechanism. Focusing on key areas including governance structure optimization, investor relations management, improvement of the compliance and risk control system, and business ethics development, the Company steadily consolidates the foundation of internal control, strengthens risk prevention and control, and enhances management standardization and operational transparency, providing solid support for the Company's stable operation and sustainable development.



# Corporate Governance

The Company strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other laws, regulations and regulatory requirements. It continuously improves the corporate governance system with the Board of Directors as the core, clarifies the responsibilities and boundaries of various governance bodies, and standardizes decision-making and supervision mechanisms.

Corporate Governance Structure Chart



# Standard Operation of the Board of Directors and Special Committees

The convening, holding and voting procedures of the Company's Board of Directors and Board of Supervisors strictly comply with the *Company Law of the People's Republic of China* and other laws and regulations, as well as the relevant provisions of the Company's *Articles of Association*, ensuring that corporate governance operates in accordance with laws and regulations in an orderly and efficient manner.

Directors and senior management of the Company continuously strengthen their compliance awareness and regularly participate in compliance training organized by regulatory authorities, the Shenzhen Stock Exchange and internal institutions, so as to continuously improve the standardization of duty performance and risk prevention capabilities. During the reporting period, the Company held 6 meetings of the Board of Directors and reviewed 31 proposals. All incumbent directors achieved a 100% attendance rate. All directors performed their duties diligently and responsibly, with standardized and transparent decision-making procedures.

During the reporting period, the Company

<p>Held</p> <p><b>6</b> Board of Directors meetings</p>	<p>reviewed</p> <p><b>31</b> proposals</p>	
<p>Held</p> <p><b>4</b> meetings of the Audit Committee of the Board of Directors</p>	<p>Held</p> <p><b>3</b> meetings of the Remuneration and Evaluation Committee of the Board of Directors</p>	<p>Held</p> <p><b>3</b> meetings of the Nominating Committee of the Board of Directors</p>

## Diversity of the Board of Directors

A diversified Board composition helps introduce different professional perspectives and enhance the scientificity and robustness of the Board's decision-making. In the selection and appointment of directors, the Company attaches importance to the rational combination of gender structure, professional background and work experience. The professional fields of the incumbent directors cover corporate governance, financial management, legal compliance, home appliance, among others. Many directors boast extensive experience in fields such as enterprise management and capital market practice. As of the end of the reporting period, the Company's Board of Directors consists of 10 directors, including 4 independent directors (40%); and 1 female director (10%).

Name	Independent Director or Not	Gender	Age	Education Background	Professional Background
Dong Mingzhu	Non-independent director	Female	71	Master's degree	Home appliance industry expert
Zhang Wei	Non-independent director	Male	49	Bachelor's degree	Home appliance industry expert
Zhang Jundu	Non-independent director	Male	65	Junior college	Home appliance industry expert
Shu Lizhi	Non-independent director	Male	56	Master's degree	Home appliance industry expert
Zhong Chengbao	Non-independent director	Male	40	Master's degree	Home appliance industry expert
Zhang Qiusheng	Independent director	Male	58	Doctor	Accounting expert
Cheng Ming	Independent director	Male	66	Doctor	/
Li Hongqi	Independent director	Male	63	Doctor	/
Weng Guomin	Independent director	Male	62	Doctor	Legal expert
Shao Liguo	Employee director	Male	47	Master's degree	/

## Remuneration Management for Directors and Senior Management

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 of Governance for Listed Companies* and the *Articles of Association of Gree Electric Appliances, Inc. of Zhuhai*, and in light of the Company's actual conditions, the Company has formulated the *Remuneration Management System for Directors and Senior Management*. By establishing a scientific and effective incentive and restraint mechanism, the system ensures that directors and senior management perform their duties in accordance with the law. The remuneration of directors and senior management consists of basic salary, performance-based salary and medium- to long-term incentive income. In principle, performance-based salary accounts for no less than 50% of the total amount of basic salary and performance-based salary. The Company links the remuneration of the management team to sustainable development performance, with assessment indicators covering quality management, work safety, compliance management and other dimensions. Through incentive and restraint mechanisms, the Company consolidates management responsibilities, strengthens risk prevention and implementation, and underpins the Company's high-quality and sustainable development.

In the event that directors or senior management breach their duties and cause losses to the Company, or are at fault for illegal or non-compliant acts such as financial fraud, misappropriation of funds, or irregular guarantees, the Company shall, depending on the severity of the circumstances, reduce or suspend the payment of unpaid performance-based salary and medium- to long-term incentive income, and recover in full or in part any performance-based salary and medium- to long-term incentive income already paid during the period in which the relevant acts occurred.



# Investor Communication

The Company conducts information disclosure and investor engagement activities to deepen communication with investors and improve corporate governance capabilities, while effectively safeguarding investors' rights and interests and further delivering corporate value to the market.

## Investor Relations Management

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Investor Relations Management of Listed Companies*, and the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standardized Operation of Listed Companies on the Main Board*, the Company has formulated the *Investor Relations Management System* to standardize investor relations management and promote the sound development of the securities market and the Company itself.

The Company responds promptly to investors' concerns through multiple channels including performance briefings, the SZSE Interactive Easy Platform, investor hotlines and dedicated email addresses. Meanwhile, it organizes investor communication activities and on-site corporate visits and research as appropriate, enabling investors to gain in-depth insight into the Company's operating conditions, business layout and development strategies, thus fostering long-term trust with investors.





# Shareholder Returns and Dividends

While advancing its steady development, the Company always prioritizes rewarding shareholders. Since its listing in 1996, the Company has raised a total of RMB 5.269 billion through equity financing, and distributed cumulative dividends exceeding RMB 188.7 billion (including the 2025 annual dividend), among which cumulative cash dividends exceeded RMB 158.7 billion, and the cumulative amount of share repurchases reached approximately RMB 30 billion. During the reporting period, the Company's total cash dividend distribution amounted to RMB 16.755 billion, including: (1) Interim cash dividend distribution for 2025 of RMB 5.585 billion (tax included); (2) Proposed annual cash dividend distribution for 2025 of RMB 11.170 billion (tax included, subject to review and approval by the Company's General Meeting of Shareholders).


## Information Disclosure

The Company strictly complies with the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standardized Operation of Companies Listed on the Main Board*, and the *Self-Regulatory Guidelines No. 5 for Companies Listed on Shenzhen Stock Exchange—Administration of Information Disclosure Affairs*. In accordance with internal rules such as the *Information Disclosure Management Measures*, the Company has established and improved its information disclosure mechanism to ensure disclosed information is true, accurate, complete and timely. It fulfills information disclosure obligations in accordance with the law, guarantees investors' fair access to corporate information, and upholds the openness, fairness and impartiality of market order. As of the end of the reporting period, the Company has been rated Grade A in the annual information disclosure assessment by the Shenzhen Stock Exchange for five consecutive years.

During the reporting period, the Company

 Held <b>3</b> General Meetings of Shareholders	 Held <b>1</b> performance briefing
 Answered <b>522</b> inquiries on the SZSE Interactive Easy Platform	 Received more than <b>980</b> investor hotline calls

During the reporting period, the Company

 Issued <b>4</b> periodic reports	 Issued <b>109</b> ad hoc reports
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# Risk Management

The Company continuously improves its compliance, internal control and risk management system. Risk prevention and control, compliant operation and internal control serve as an important foundation for ensuring the steady operation and high-quality development of the Company. Through a clear governance structure and institutionalized management mechanism, the Company promotes the effective implementation of risk management requirements in operation and management.

In compliance with the *Company Law of the People's Republic of China* and relevant laws and regulations, the Company has formulated and implemented institutional documents including the *Measures for Risk and Opportunity Management*, the *Internal Control System of Gree Electric Appliances, Inc. of Zhuhai*, and the *Internal Audit System of Gree Electric Appliances, Inc. of Zhuhai*. These documents clearly stipulate internal control objectives, management responsibilities, audit supervision and risk identification procedures, so as to safeguard the safety and integrity of corporate assets and improve operational efficiency.

In terms of governance structure, the Board of Directors has set up an Audit Committee to supervise and evaluate the Company's internal control. Meanwhile, the Company establishes an Audit Department to conduct supervision and inspection on business activities, risk management and the operation of internal control systems, forming an internal control and risk management mechanism with clear responsibilities and coordinated operation. The Company has obtained the ISO 22301 Business Continuity Management System Certification.



Business Continuity Management System Certification

## Risk and Opportunity Management Mechanism

To effectively supervise ESG-related risks<sup>1</sup> of the Company, the Company systematically carries out the identification, monitoring and review of risks and opportunities based on established and operational management systems covering quality, environment, occupational health and safety, information security, privacy protection, business continuity, supply chain security, anti-bribery and business ethics. It continuously pays attention to and responds to the expectations and requirements of stakeholders.

At the specific operational level, the Company formulates the *Risk Factor Prompt List* and the *Risk Assessment Standard* tailored to its development stage. All internal departments at the headquarters and holding subsidiaries shall conduct risk identification, assessment and prevention in accordance with unified requirements, quantify and prioritize risks with a consistent caliber, and formulate a *Risk Assessment Information Form*. The internal control working group regularly organizes all units to update risk assessment results, supervises and inspects the implementation of risk management, and promotes the continuous optimization and improvement of the risk management system.



## Internal Control Implementation and Audit Supervision

In accordance with the *Basic Specifications for Internal Control of Enterprises* and its supporting guidelines, the Company continuously advances internal control and compliance evaluation, clarifies the division of responsibilities among the Board of Directors, Audit Committee, Board of Supervisors and management in internal control, closely integrates internal control with daily operations, and realizes closed-loop operation of risk management.

In 2025, adhering to the principles of "risk-based, comprehensive coverage, and focus on key areas" and targeting "strengthening internal control, preventing risks and improving dual efficiency", the Company formulated its annual audit plan based on sufficient research and scientific risk assessment. It carried out special audits, economic responsibility audits and operation management audits, covering key businesses including procurement, production, sales, finance, capital construction and asset management, and conducted comprehensive audits of subsidiaries and branches on a regular basis to further deepen group-based management and control.

During the reporting period, the total assets of units included in the internal control evaluation scope accounted for over 90% of the total assets in the Company's consolidated financial statements, and operating revenue also accounted for over 90% of consolidated total revenue. In response to issues identified in audits, the Company has established a closed-loop rectification mechanism of "issue identification, responsibility assignment, corrective action supervision, and effectiveness verification". Through systematic audit supervision and internal control optimization, the Company continuously improves the quality of internal control operation and audit efficiency.

Meanwhile, the Company engages a third-party professional institution annually to conduct an independent assessment of the compliance and effectiveness of the internal control system. It dynamically improves the internal control system in light of changes in internal and external environments, organizational structure adjustments and updated management requirements, supporting the steady development of the enterprise with a more adaptive management and control mechanism.

<sup>1</sup>Specific major risks and ESG-related risks that have a material impact on the Company's financial condition will be further disclosed in the relevant subsequent sections of this report.

# Business Ethics

The Company adheres to the basic principles of integrity, law-abiding and honest operation. It takes business ethics, anti-commercial bribery, anti-corruption and anti-unfair competition as important components of the corporate governance system, and continuously improves institutional development, organizational support and supervision mechanisms to prevent operational risks and maintain a fair and transparent business environment. The Audit Committee of the Board of Directors serves as the top governing body for business ethics and anti-corruption, coordinating relevant management requirements and supervision arrangements.

## Code of Business Ethics and Conduct

The Company has formulated and implemented the *Code of Business Ethics and Conduct of Gree Electric Appliances*, which clarifies basic requirements on honest operation, integrity in practice, anti-commercial bribery, prevention of conflicts of interest and other aspects. This Code applies to all employees of the headquarters and all subordinate subsidiaries (branches). The Company also advocates that suppliers, contractors and other partners support, follow and implement relevant requirements during cooperation, and jointly abide by applicable laws and regulations as well as recognized environmental, social and governance standards.

### ◎ Anti-Unfair Competition

In market competition, the Company strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, applicable EU competition laws and other relevant laws and regulations, and conducts business activities in accordance with laws and regulations. Through internal institutional constraints and compliance management, the Company regulates market competition practices and prevents risks of unfair competition, monopoly and other acts that disrupt market order, so as to maintain a fair and orderly market environment. During the reporting period, the Company had no lawsuits or major administrative penalties arising from unfair competition practices.

### ◎ Responsible Marketing

The Company adheres to the principle of responsible marketing in market promotion and information disclosure. It strictly complies with the *Advertisement Law of the People's Republic of China* and other relevant laws and regulations as well as internal review systems, and implements standardized management of advertising, promotion activities and external communication content to ensure information is true, accurate and compliant. The Company has established unified management requirements and labeling procedures for product identification, and integrates identification standards into production and launch processes to ensure product and service information meets regulatory requirements and industry standards. During the reporting period, the Company had no major violations in product and service information disclosure, identification use, or market promotion (including advertising, sales promotion and sponsorship).

### ◎ Anti-Commercial Bribery and Anti-Corruption

The Company strictly abides by laws and regulations including the Interim Provisions on Prohibiting Commercial Bribery, and has formulated the Anti-Corruption and Anti-Bribery Policy of Gree Electric Appliances, Inc. of Zhuhai. It maintains a zero-tolerance stance toward commercial bribery and corruption, upholds the Fairness Principles and Code of Conduct, and achieves full coverage without forbidden zones, investigating every case and punishing all corruption. The Company has obtained the ISO 37001 Anti-Bribery Management System Certification.



Anti-Bribery Management System Certification

During the reporting period, the Company



Had **no** litigation or major administrative penalties arising from unfair competition practices



Recorded **no** major violations in product and service information disclosure, label application, and market promotion (including advertising, sales promotion and sponsorship)

## Business Ethics Audit and Supervision

The Company integrates business ethics development, anti-commercial bribery management into its internal control and audit supervision system, and conducts ongoing supervision over the implementation of relevant policies. In accordance with the *Code of Business Ethics and Conduct of Gree Electric Appliances* and the *Anti-Corruption and Anti-Bribery Policy of Gree Electric Appliances, Inc. of Zhuhai*, the Audit Department regularly audits the implementation of business ethics codes by all internal institutions at all levels, holding subsidiaries and relevant business activities across the full scope of operation.

Upholding compliant operation and embracing the core philosophy of integrity and self-discipline, the Company conducts regular evaluation on the implementation effect of relevant policies in light of the operational characteristics of different business sectors, combined with the operation of internal control, the authenticity and completeness of financial information, and integrity risks existing in key positions and critical business links. It identifies potential business ethics risks, regards links with concentrated risks as key audit priorities, and promotes problem rectification and institutional optimization. By integrating audit supervision with internal control improvement, the Company continuously enhances the effectiveness and standardization of business ethics governance.

### ◎ Whistleblower Protection

The Company establishes a Discipline Inspection and Supervision Office and formulates institutional documents including the *Measures for Management of Discipline Inspection and Supervision* and the *Measures for Management of Reporting*. These documents clearly define disciplinary responsibilities, workflow, and requirements for accepting, investigating and handling reports, providing institutional basis for standardized and orderly operation of relevant work. The Company offers multi-channel reporting avenues for employees and stakeholders to ensure smooth information submission.

To protect the legitimate rights and interests of whistleblowers, the Company specifies withdrawal and protection clauses in its systems, keeps the identity information and content of whistleblowers confidential, and strictly prevents retaliation, creating a sound environment for bold and law-based supervision.

### Reporting Channels

**President Mailboxes:** More than 30 President mailboxes are set up in various departments, canteens, gate posts and factories for employees to file complaints and reports in real time.

**Integrity Complaint Email:** [jiancha@cn.gree.com](mailto:jiancha@cn.gree.com)

**Complaint Hotline:** 0756-8669807



### ◎ Integrity Culture Construction

The Company clarifies the responsibilities and obligations of employees in integrity and compliance operation by signing the *Integrity Commitment Letter* to strengthen individual self-discipline and accountability. During the reporting period, the Company extended integrity commitment requirements to senior management, middle-level cadres and staff in key positions. Relevant personnel signed the *Integrity Commitment Letter* on an annual basis. They made clear commitments to abide by integrity standards and fulfill integrity management responsibilities. This institutional approach consolidates individual accountability and prevents violations and corruption risks at the source.

The Company continuously promotes integrity culture by combining discipline education with risk prevention and control. It organizes self-inspections and themed publicity activities on integrity practice around key festivals such as New Year's Day, Spring Festival, Mid-Autumn Festival and National Day. Through system promotion and case warnings, it strengthens employees' understanding of integrity requirements. During the reporting period, the Company issued a total of 30 issues of integrity briefings and 3 issues of discipline inspection and supervision briefings, continuously sending a clear signal of strict management.

For risk identification, the Company adopts an annual self-inspection and reporting mechanism for integrity practice. Self-inspections are conducted item by item against relevant integrity provisions to identify potential commercial bribery and corruption risk points. Based on the likelihood and impact of risks, the Company defines key focus areas, providing a basis for subsequent supervision and rectification.

The Company provides training on business ethics and anti-commercial bribery for all employees (the Company has no part-time employees) and contractors, and incorporates integrity requirements for professional conduct into regular training and disciplinary education programs. The training covers codes of business ethics, integrity risk alerts, and interpretation of typical cases, aiming to continuously enhance employees' compliance awareness and risk prevention capabilities.

#### During the reporting period, the Company



Conducted

**33** sessions of anti-commercial bribery and anti-corruption training



Achieved a

**100%** coverage rate of directors and employees in anti-commercial bribery and anti-corruption training

# 02

## Refining R&D and Improving Quality

### Innovation-Driven Efforts to Build a Quality Benchmark

Gree Electric Appliances has always adhered to the development concepts of "Innovation is the primary productive force" and "Pursuing perfect quality". It takes technological innovation and quality management as important sources of core competitiveness. Focusing on key directions such as strengthening innovation through intensive R&D, forging excellence through refined quality, revitalizing development through digital and intelligent transformation, and safeguarding data to build security, the Company continuously increases R&D investment, improves the quality management system, promotes digital and intelligent upgrading, constantly consolidates technological strength and product reliability, and strives to build an industry-leading quality benchmark, ultimately injecting endogenous motivation into the long-term sustainable development of the enterprise.



67%



# Strengthening Innovation through Intensive R&D

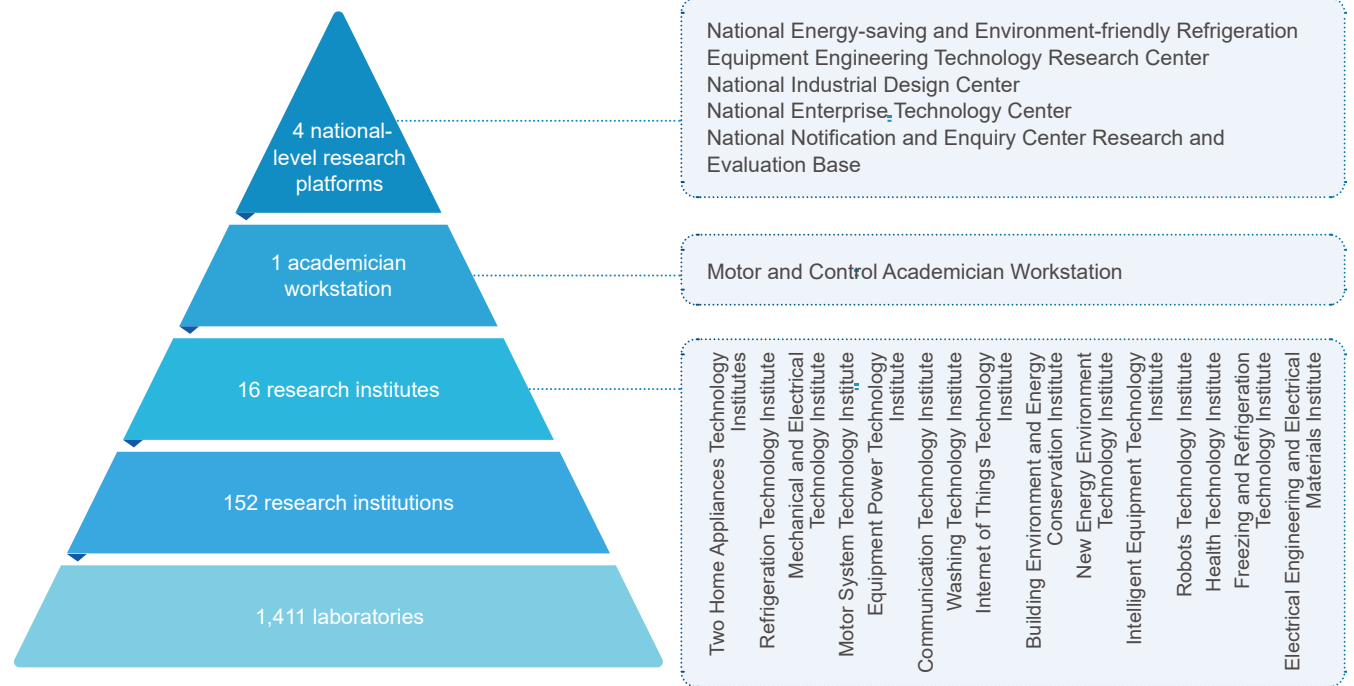
Gree Electric Appliances adheres to the development strategy of "independent R&D of core technologies" and has established a scientific research management mechanism of "investment on demand with no upper limit", providing institutional guarantee for the continuous technological innovation. The Company promotes R&D and achievement transformation around strategic directions, and simultaneously incorporates intellectual property protection into the innovation management system. Through institutional construction, organizational allocation and practical implementation, it supports the standardized management and value realization of technological achievements. Efforts on this have been gradually integrated into product planning, R&D management and business operation processes, becoming an important foundation for the Company's long-term development.

## Governance

The Company's R&D and innovation work is overall coordinated and managed by the management, with dedicated departments including research institutes and labs undertaking relevant tasks. In addition, the Company has set up an R&D innovation management department to realize the efficient allocation of R&D resources and give play to the synergistic effect of R&D achievements. The Company has formulated and implemented systems such as the *Project Operation Management Measures* and the *Product Development Management Measures*, which systematically standardize key links including project initiation, development procedures and achievement transformation. Institutional requirements are embedded throughout the whole process of innovation activities to improve the standardization and enforceability of innovation management. Through the coordinated operation of organizational structure and institutional systems, the Company continuously strengthens the overall planning capability and implementation efficiency of R&D and innovation, accelerates the transformation and application of innovation achievements, and continuously fuels the development of business operations.



Pyramid System of Scientific Research Platforms



# Strategy

Through materiality identification of topics, this topic is identified as financially material to the Company. To strengthen the management of this topic, the Company analyzes potential risks and opportunities it may face in this regard and formulates corresponding response measures.

## List of R&D Innovation Risks and Opportunities

Risk Name	Specific Description	Impact Period <sup>2</sup>	Response Measures
<p>Technology Iteration Risk</p>	The industry is experiencing an accelerated rate of technological upgrading. If some technological routes or products are replaced, it may lead to an extension of the return cycle of existing R&D investment, phased increase in R&D costs and impact on project investment recovery.	Medium Term	Strengthen the research and judgment of cutting-edge technologies, lay out multiple technological routes in parallel, improve the prudence of R&D decisions, and reduce the investment risk of a single route.
<p>Core Technology Competition Risk</p>	Intensified industry competition and technological homogenization may weaken the differentiated advantages of products, exerting certain pressure on product gross profit margin and market share.	Medium Term	Strengthen the independent R&D capability of core components, promote the layout of high-value patents, and enhance technological barriers and product differentiation.
<p>Technology Compliance Risk</p>	Standards for energy efficiency, environmental protection, and safety continue to rise. If products fail to adapt in a timely manner, it may lead to increased rectification costs, slower product launch schedule or restricted sales, affecting the revenue and cost structure.	Short Term, Medium Term	Track changes in domestic and foreign laws, regulations and standards in advance, incorporate compliance requirements into the R&D stage in advance, and improve product adaptability.

Opportunity Name	Specific Description	Impact Period	Response Measures
<p>Low-Carbon Technology Opportunity</p>	With the continuous advancement of the national "carbon peaking and carbon neutrality" policy, demand for high-energy-efficiency, low-carbon products and system solutions is growing, which helps increase the sales volume and product premium of energy-saving products, supporting the optimization of the operating income structure and the improvement of cash flow.	Medium Term, Long Term	Strengthen the R&D of technologies such as energy-saving air conditioners, heat pumps, low-GWP refrigerants and AI energy-saving control, and promote the large-scale application of related products.
<p>Intelligent Upgrade Opportunity</p>	Demand for smart home appliances and systematic solutions is increasing, which helps improve product added value and customer stickiness, form differentiated competitive advantages, and support revenue growth and profitability improvement.	Medium Term, Long Term	Lay out in directions such as smart chips, smart home platforms and building digital intelligence systems, and promote the coordinated development of products and system-level solutions.
<p>Health Consumption Opportunity</p>	Demand for health-related products is growing, which helps expand product categories and application scenarios, supporting the scale of income and business diversification.	Medium Term, Long Term	Promote the R&D of technologies related to healthy home appliances, improve the product matrix, and strengthen market promotion and channel layout.

<sup>2</sup>"Short-term" refers to within one year after the end of the reporting period; "medium-term" refers to one to three years after the end of the reporting period; and "long-term" refers to more than three years after the end of the reporting period. These time horizons correspond to different cycles of technology maturity, commercialization of R&D outcomes, and the development of long-term competitiveness.

## © R&D Innovation Strategy System and Direction

To systematically advance R&D innovation management, the Company has established and continuously improved an R&D innovation strategic framework centered on "One Core, Two Chains, Three Foundations, and Four Outcomes". This framework provides an overall design for the governance logic, operational mechanisms, and value objectives of the Company's innovation activities from four dimensions—conceptual guidance, activity operation, organizational support, and outcome orientation—thereby offering an institutional foundation for technological R&D, commercialization of achievements, and innovation practices.

### Core R&D Innovation Strategy

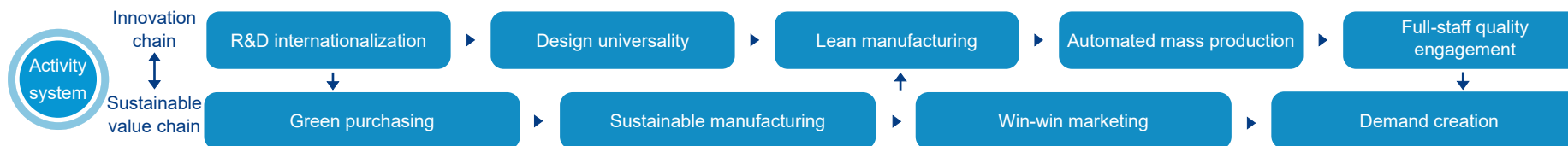
#### Core R&D Innovation Strategy

##### "One Core"

Referring to the conceptual system, an abbreviated expression of "adhering to independent innovation and implementing a leader strategy".

##### "Two Chains"

Referring to the activity system, an abbreviated expression of the "innovation chain and sustainable value chain".



##### "Three Foundations"

Referring to the organizational system, an abbreviated expression of the three fundamental supports: "high-level technological innovation platforms, comprehensive innovation management mechanisms, and a high-quality R&D talent team".

##### "Four Outcomes"

Referring to the achievement system, an abbreviated expression of four outcomes created by GREE through innovation practices: "a self-transcending innovation culture, a sound R&D system, leading core technologies and standards, and a comprehensive product system".

## Low-carbon Strategy

With a focus on energy conservation, emission reduction, and green transformation, the Company continues to advance the implementation of technologies in areas such as product energy efficiency improvement, system-level energy saving, and low-GWP refrigerant substitution.

### Innovation in Energy-Saving Technology

By continuously promoting technological innovation and enhancing the high efficiency and energy saving of equipment, the Company has gradually overcome technical challenges such as "1 Hz variable frequency" and "permanent magnet synchronous variable frequency", integrated air-conditioning technology with PV and energy storage, and launched "zero carbon source" air-conditioning technology.

### Upgrade of System Energy Efficiency

The Company's dynamic energy-efficiency optimization algorithms enable technological upgrades from equipment-level and system-level energy saving to long-term operational energy conservation. Leveraging research outcomes related to the "key technologies for wide-range, high-efficiency AI multi-split systems", the Company's products deliver real-time energy efficiency perception and dynamic regulation, winning the Special Prize for Scientific and Technological Progress in Energy Conservation and Emission Reduction from the China Energy Conservation Association.

### Application of Environmentally Friendly Refrigerant

In response to global environmental protection initiatives and the Montreal Protocol and its amendments, the Company continues to promote the application of low-GWP refrigerants such as R32 and R290, and the related technologies have been implemented in products including air conditioners, heat pump water heaters, dehumidifiers, and refrigeration and cold-storage equipment.

### Key Technologies and Applications of Wide-range Efficient AI Multi VRF Systems Based on Real-time Performance

The relevant technologies focus on R&D in real-time energy-efficiency perception, refrigerant regulation, and AI-driven decision-making, and have been applied to commercial multi-split system products. According to disclosed project data, the system's APF (Annual Performance Factor) reached 6.45, with an average energy-saving rate exceeding 25%. The project received the Special Prize for Scientific and Technological Progress in Energy Conservation and Emission Reduction from the China Energy Conservation Association in 2025.



Special Prize for Scientific and Technological Progress in Energy Conservation and Emission Reduction from the China Energy Conservation Association

### Self-developed Products Included in the Recommended Catalogue of Energy-saving and Carbon-reduction Technologies and Equipment in the Industrial and Information Technology Sector

The Company's independently developed key technologies for photovoltaic-storage DC air-conditioning systems, air-cooled intelligent dual-circulation air-conditioning units for equipment rooms, and a new generation of parallel high-efficiency variable frequency modular units have been included in the *Recommended Catalogue of Energy-saving and Carbon-reduction Technologies and Equipment in the Industrial and Information Technology Sector (2025 Edition)*, supporting technological upgrading and large-scale equipment renewal in key industries.

### Industrialization of "Key Technology Research and Application of Multi-Dimensional Intelligent Temperature-Humidity-Freshness Control Air Conditioners"

The Company conducts R&D centered on zoned cooling and heating supply, integrated humidification and fresh air regulation, and cloud-edge collaborative intelligent control technologies, which have been applied to residential air-conditioning products. According to disclosed project data, the comfort level within human activity areas has been significantly improved, with the vertical air temperature difference controlled below 0.1°C and the CO2 concentration reduction rate increased by 22%, thereby creating comfortable, efficient, and intelligent air-conditioning products. In 2025, the project received the First Prize of the Science and Technology Progress Award of the China National Light Industry Council.



GREE Honour Floor Standing Air Conditioner

### Self-developed Products Included in the Catalogue of Energy-saving, Carbon-reduction and Environmentally-friendly Products (Technologies) of the Chinese Association of Refrigeration

The Company's independently developed rotary four-cylinder positive-displacement liquid refrigerant pumps, high-efficiency air-conditioning systems based on low-carbon dynamic operation and separate cooling/heating supply, and air-source high-efficiency intelligent cooling/heating station systems have been included in the *Catalogue of Energy-saving, Carbon-reduction and Environmentally-friendly Products (Technologies) of the Chinese Association of Refrigeration*.

## Intelligence Strategy

Focusing on product intelligence, system interconnectivity, and intelligent manufacturing, the Company continues to advance technology application and platform development.

At the system level

Targeting building and park scenarios, the Company has established the "Taishan" Building Digital Intelligence Platform, supporting coordinated control of electromechanical systems and optimization of energy efficiency.

At the product level

Technologies such as intelligent energy saving, comfort sensing and voice recognition have been applied to various household appliance products.

### GREE Taishan Smart Building Solution Platform

During the reporting period, the Company launched the "Taishan" Smart Building Solution Platform, which consists of a building intelligent control system and a full-process high-efficiency equipment room system. The platform can connect a large number of electromechanical devices, enabling flexible and efficient networking. In 2024, the "Taishan" Platform won the First Prize of the Quality Technology Award granted by the China Association for Quality. At present, the platform has been applied in more than 5,000 projects, including office buildings, industrial parks, hotels, hospitals and rail transit systems, promoting the upgrading of the construction industry toward digital intelligence, greening and higher efficiency.



GREE Taishan Smart Building Solution Platform

## Health Strategy

Focusing on air health, water health, and food health, the Company applies related technologies across a wide range of products and usage scenarios.

### Air Health

Technologies for sterilization, bacteriostasis, and formaldehyde removal have been incorporated into air conditioners and environmental appliances.

### Water Health

The "dual-core six-stage fine filtration system" has been deployed in water purification products, alongside the introduction of whole-home water purification solutions.

### Food Health

Relevant freshness-preservation and cooking control technologies have been applied to refrigerator and kitchen appliance products.

### Application of "Gentle Air Comfort Central Air-Conditioning Technology

This central air-conditioning system adopts a reversible air supply system based on differentiated cooling and heating supply requirements. By controlling both upper and lower air supply and return, it achieves a uniform vertical temperature distribution. The related technology passed technical appraisal in 2025, was certified as "world-leading", and received the AWE Innovation Award.



GREE's Four Products Win AWE Innovation Awards

Adhering to the integrated innovation strategic direction of "low-carbon, intelligence, and health", the Company has steadily advanced the implementation of R&D achievements and fully utilized technological advantages in product manufacturing processes and various service scenarios. During the reporting period, the Company received recognition from numerous external professional institutions for its strong technological capabilities and outstanding product innovation capabilities, and won a total of 57 science and technology awards and honors, demonstrating its commitment to innovation and quality-oriented development.

## Impact, Risk, and Opportunity Management

Relying on a unified risk and opportunity management system, the Company continuously identifies and assesses uncertainties that may arise in innovation activities in light of changes in the industry environment, policy direction, and its own business development. Such identification is primarily based on tracking and analysis of industrial policies, technological trends, and market conditions, combined with the professional judgment of the R&D system and technical teams, and is carried out in parallel across stages including technology planning, product initiation, technical review, and major R&D project assessment.

In practical management, the Company addresses risks associated with accelerated technological iteration and intensifying industry competition through sustained investment in core technology R&D. At the same time, it pays attention to IP layout and compliance management requirements during the R&D process, embedding patent mining, infringement risk identification, and standardized management of innovation outcomes into the R&D management process. In addition, during the R&D phase, the Company monitors changes in external compliance requirements such as energy-efficiency standards, environmental regulations, and product safety rules, and enhances the adaptability of innovation outcomes to regulatory environments and market dynamics, thereby supporting the steady advancement of its innovation strategy.



## ◎ Innovation R&D Capability Development

To meet the needs of R&D innovation, the Company continues to strengthen the development of its R&D team and enhance talent structure and capability cultivation, providing human-resource support for technological innovation.

### Multiple Approaches to Encourage All-Staff Innovation

- Project-based assessment and technological innovation reward mechanisms to stimulate innovation motivation;
- Talent subsidies for high-level professionals and outstanding young industrial talents in Zhuhai;
- Employee stock ownership plan: covering core R&D teams to fully unlock employee potential and promote high-quality corporate development;
- "GREE Innovation Hub": technical salons, forums, achievement exhibitions, and technological competitions to share technical knowledge and incubate innovation projects;
- All-staff innovation mechanism: proposal improvement and open competition to foster a strong innovation culture;
- Favorable working environments and benefits to attract and retain outstanding talent;
- Encouragement for employees to participate in domestic and international academic conferences and technical exchanges to broaden perspectives and enhance technical capability.



## ◎ Collaborative and External Cooperation Innovation Practice

Focusing on key national technology fields and common industry challenges, the Company continues to engage in industry-academia-research collaborative innovation, and carries out diverse forms of cooperation with universities, research institutes, and industry-chain partners.

During the reporting period, the Company participated in multiple national key R&D program projects:



As the project lead entity, the Company, together with State Grid Jiangsu Electric Power Co., Ltd., jointly undertook the national key R&D program "Key Technologies for Proton Exchange Membrane Fuel Cell and Heat Pump Coupled Power-Steam Cogeneration". In response to the demand for efficient upgrading of fuel cell waste heat under large temperature rise and wide operating conditions, the Company carried out R&D of fuel-cell-driven pressurized boiling steam heat pump units to address the challenges of multi-source waste heat upgrading and load fluctuation response, thereby enabling the efficient and stable supply of high-grade steam.

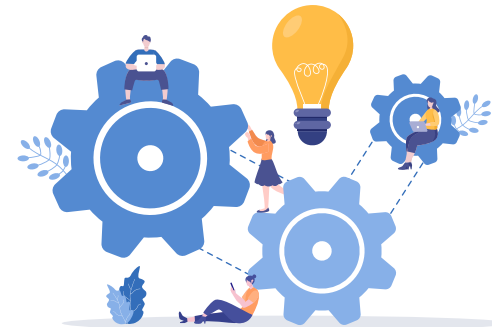


The Company participated in the national key R&D program "Research on Key Technologies for the Flexible Response of Building Electromechanical Equipment and the Development of Such Equipment", led by Tsinghua University. Addressing the requirements for rapid response and high regulation precision in building-to-grid demand-supply interaction, the Company carried out the R&D of electromechanical equipment, including flexible multi-split systems, integrated cooling stations, and heat pump water heaters, to achieve precise control and rapid response for the flexible energy consumption of building equipment.

Beyond specific project collaborations, the Company has established long-term partnerships with over 100 universities, research institutes, and upstream/downstream enterprises, covering areas such as energy-saving technologies, power systems, intelligent manufacturing, and key equipment. These collaborations serve both national scientific missions and support the Company's medium- to long-term technology reserves and capability building.

- In January 2025, the Company participated in the national key R&D program "Research on Key Technologies and Equipment for Pollution and Carbon Reduction Synergy in Urban Wastewater Treatment Systems and Utilization of Wastewater Heat Sources", led by Chongqing University. The Company participated in the R&D of key technologies and equipment for the efficient utilization of wastewater heat sources, advancing technological breakthroughs in wastewater heat source heat pump units through optimization of thermal characteristics, and structural design of new compressors and heat exchangers.

- In October 2025, the "High-quality Magnetic Field Modulation Motor Topology and Application" project jointly developed by Kaibang Motor with universities and industry institutions won the First Prize (Invention) of China Machinery Industry Science and Technology Award. The related technology achieved significant improvements in overload capacity and torque stability, has entered large-scale application, and maintains a leading market share in mining conveyor motor applications.



## © Innovation Application Initiatives

The Company continues to extend its technological capabilities into real business scenarios, promoting the transition of innovation outcomes from the laboratory to large-scale application through demonstration deployment, product validation, and industry collaboration.



## Green Product Design

Adhering to the philosophy of "For the Clearer Sky and Greener Earth", Gree Electric Appliances consistently follows green and energy-saving principles in innovation, R&D, and manufacturing. The Company upholds the policy of "rational energy use and improved energy utilization efficiency", promotes a circular development model of "green design—green manufacturing—green recycling", and continues investing in green environmental protection and energy-saving technology upgrades, embedding green requirements into products and manufacturing systems. To date, 25 product designs have received the title of Guangdong Famous High-Quality High-Tech Product.

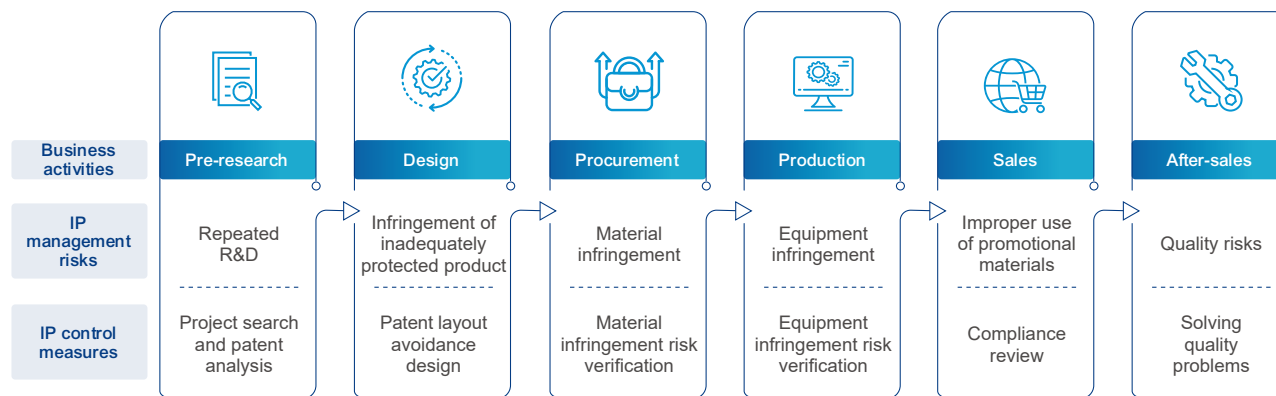
- The high-efficiency DC inverter central air conditioner achieved stepless capacity regulation from 10% to 100% through variable frequency control compressor, with an annual performance factor (APF) exceeding 5.4, far surpassing the national Grade 1 energy-efficiency standard;
- Air conditioners using GREE's self-developed AI dynamic energy-saving technology improved annual dynamic energy efficiency by more than 15.8% and reduced annual power consumption by over 13.6%, breaking seasonal, temperature, and duration constraints through full-scenario intelligent adaptation and achieving immediate energy savings during operation;
- As an industry benchmark for green products, the split-type inverter heat-pump wall-mounted room air conditioner obtained Green Product Certification through full life-cycle green design and high-efficiency energy-saving technologies, driving green consumption transformation through technological innovation.



## Intellectual Property Protection

The Company has formulated an intellectual property (IP) strategy and management system aligned with its development vision, incorporating IP management into its operational management. The Company strictly complies with applicable IP laws and regulations in all operating locations, continuously improves IP-related institutional systems in line with business characteristics, and has established and implemented internal policies such as the Measures for Administration of Enterprise Intellectual Property, *Measures for Administration of Patent*, and *Measures for Administration of Trademark*. These policies clearly regulate processes including patent application, maintenance, operation, and commercialization of achievements, and are embedded into R&D management and daily operations. The Company also advances IP management system development across group subsidiaries, ensuring continuous implementation of relevant policies in subordinate units. Currently, seven entities of Gree Electric Appliances and its subsidiaries have been recognized as National Intellectual Property Demonstration Enterprises, and seventeen as National Intellectual Property Advantage Enterprises.

Full-Lifecycle IP Management System of Gree Electric Appliances



The Company maintains a dedicated IP management department staffed by more than 500 patent personnel, including over 70 management specialists and more than 400 part-time patent technicians from technical R&D departments. Covering the Group's major R&D and business units, the department is responsible for patent mining, patent layout, management, and commercialization, while maintaining coordinated operation with the R&D system. On this basis, the Company has a "GREE Patent Committee", and has established an innovation management mechanism based on patent intelligence and has organized patent monitoring and technical assessment activities. During the reporting period, nearly one hundred technical analysis outputs were generated through monthly patent early-warning and innovation monitoring. In the same period, multiple patent information briefings were organized around themes including home appliance functional technologies, smart home technology pathways, and cross-domain technology applications.

### Patent Information Briefings Facilitating Consensus on R&D Topic Selection and Technology Pathways

During the reporting period, focusing on key product technology deployment, the Company organized multiple patent information briefings to systematically review patent landscapes and technological evolution trends related to core home appliance functions. The inaugural briefing, themed "blockbuster home appliance functions", constructed a functional technology evolution map based on internal and industry patent data, presenting development milestones, maturity levels, and application scenarios across different technical routes, while enabling on-site exchanges with R&D teams regarding key technology directions. The briefings attracted engineering and technical personnel from multiple R&D units, achieving an on-site interaction and participation rate of 85%.



Patent Information Briefing

The Company continues advancing the digitalization of IP management and has established an integrated platform system covering R&D intelligence analysis and full-process patent management.

- R&D departments have developed a technological innovation intelligence platform that structures the technical system according to a "product-component-part-function" hierarchy, forming nearly 4,000 technical classification categories to support rapid patent information retrieval and technical direction assessment by R&D personnel.
- The Company has launched an enterprise full-process IP management system comprising 16 management modules, integrating functions such as patent search, application and maintenance, value evaluation, patent navigation, and operation. This system enables electronic management of processes and documentation and achieves data connectivity with the project management platform, PDM system, and patent agency platforms.



Through multiple approaches, the Company promotes the dissemination and implementation of IP concepts across the organization, with related initiatives centered on the practical needs of frontline R&D, gradually establishing a regular communication and learning mechanism. In 2025, a series of IP training programs was organized, covering practical topics such as patent inventiveness assessment, proposal drafting standards, infringement avoidance, and patent intelligence-supported innovation. The training was delivered through a combination of online and offline formats, with certain courses incorporated into the routine learning programs of R&D teams. Methods and tools including patent information analysis and TRIZ were gradually integrated into R&D design and technical discussion processes, with cumulative participation exceeding 3,000 attendees.

### Specialized IP Training Embedded into R&D Process Management

The Company organized a *Specialized Intellectual Property Training* program for R&D units across the Group. Conducted in two phases, the program comprised nine courses covering modules such as patent inventiveness assessment, technical solution extraction and proposal drafting standards, identification and avoidance of infringement risks, and patent information and intelligence-supported product innovation. The training was delivered through a combination of in-person lectures and online live streaming, with cumulative participation exceeding 800 attendees, covering major R&D centers and key technical teams. Following completion, certain R&D departments incorporated patent search and inventiveness analysis requirements into project initiation and technical review procedures. Relevant methods and tools were simultaneously integrated into internal R&D guidance documents, gradually forming operational standards aligned with existing R&D management systems.



Company Training Courses

Intellectual property has become a critical institutional foundation for technological innovation and industrial competition and is also closely linked to the establishment of a fair and orderly market environment. Based on its business practices, the Company regards IP protection as an essential component of long-term corporate development. In its operations, the Company has progressively formed core principles of respecting others' rights, guiding industry norms, and lawfully safeguarding its own interests, while continuously advancing corresponding institutional arrangements and concrete actions around these principles.

**Respecting others' intellectual property**

The Company understands the difficulty of innovation, and has invested substantial effort in respecting others' intellectual property, established a multi-level IP risk prevention and review system, and conducted IP risk screening for every product prior to market release, achieving zero lost patent infringement lawsuits.

**Guiding the industry to respect intellectual property**

As a leader in the air-conditioning industry, the Company has established the Intellectual Property Alliance of China Air Conditioning Industry to actively advance IP protection across the sector and promote industry-wide respect for IP. For upstream enterprises, The Company provides IP custodial support to enhance patent quality and reduce infringement risks; for peer enterprises, it promotes technological advancement through patent licensing and transfer; and for downstream enterprises, it improves user consumption experience through patent licensing.

**Courageously defending its own intellectual property**

If innovative achievements are maliciously replicated on a large scale, corporate motivation for innovation would be severely undermined and the national innovation environment that encourages invention and creation would be seriously damaged. To safeguard its legitimate rights and interests, the Company has initiated infringement litigation against repeated and malicious infringement acts. The Company advocates "respecting others' intellectual property, safeguarding one's legitimate rights and interests, and jointly building a favorable business environment".

**Upholding its corporate brand image and safeguarding consumers' legitimate rights and interests**

The Company has established a comprehensive full-chain multi-dimensional brand protection model. Through coordinated online monitoring and offline enforcement, the Company accurately identifies and combats counterfeit and substandard products, safeguarding brand credibility. This model integrates resources from market regulation authorities, public security agencies, and e-commerce platforms to establish a rapid response mechanism, enabling swift handling of infringement leads and effectively curbing market irregularities. It further reinforces GREE's brand image of "mastering core technologies", genuinely protects consumer rights and interests, enables consumers to purchase with confidence and use products with assurance, and promotes the healthy and orderly development of the industry.

The Company has received multiple domestic and international professional recognitions in areas related to intellectual property and technological innovation, and has participated in the development of relevant industry collaboration mechanisms.

**Domestic**

- Among the first batch of National Intellectual Property Demonstration Enterprises
- National Patent Operation Enterprise
- Initiated the establishment of the Intellectual Property Alliance of China Air Conditioning Industry, and served as its first chairman unit
- Approved in 2025 as one of the first "Intelligent Home Appliance Industry Intellectual Property Operation Centers" in China, and promoted industry innovation and development

**International**

- Gold Medal of International Exhibition of Inventions of Geneva
- Gold Award of International Exhibition of Inventions Nuremberg



## Indices and Goals

### Management Indices

#### During the reporting period:

- ▶ "World-leading" technologies: **4**
- ▶ IP training coverage: **3,107** employees
- ▶ Number of patent applications: **9,411**
- ▶ Number of invention patent applications: **6,084**
- ▶ Number of invention patents granted: **6,434**
- ▶ Standards participated in and released: **85**

#### As of the end of the reporting period:

- ✔ "World-leading" technologies: **50**
- ✔ Number of patent applications: **138,935**
- ✔ Number of invention patent applications: **76,928**
- ✔ Number of invention patents granted: **32,317**
- ✔ Software copyrights: **100**
- ✔ Cumulative China Patent Awards received: **81**, including **3** Gold Medal of invention patents and **4** Gold Awards for design patents
- ✔ Cumulative Gold Awards at the International Exhibition of Inventions of Geneva: **16**; Gold Award of International Exhibition of Inventions Nuremberg: **13**

- ✔ The only home appliance company to rank in the **top 10** for invention patent grants in China for ten consecutive years
- ✔ Domestic and international standards led or participated in (formulation and revision): **942**, including **62** international or overseas standards



### Management Objective



Top 10 in China for invention patent grants

### Progress of 2025 Objectives



Achieved

# Pursuing Excellence Through Meticulous Quality

Guided by the quality vision of "Made in China, Loved by the World", the Company has established a distinctive quality management system that treats product and service safety, as well as quality stability, as long-term core management priorities, and formed a management mechanism covering the entire product life cycle, ensuring the effective implementation of quality requirements in business operations through institutional development, system operation, and continuous improvement.



## Governance

The safety and quality management of the Company's products and services is overseen by the Executive Vice President (Chief Quality Officer, and Quality and Safety Director), with assistance from the President Assistant in charge of quality management. Centered around the core functions of quality management, specialized departments such as the Screening Plant, Outsourced and Purchased Parts Management Department, and Quality Control Department are established, respectively responsible for the quality of purchased materials and supplier management, production process quality control, and issue rectification implementation. These responsibilities span key stages such as product design, procurement, manufacturing, sales, and service.

The Company has established quality traceability systems covering the entire product lifecycle, including the *Measures for Administration of Product Quality* Inspection and Production Process Quality and the *Measures for Administration of Product Sampling Inspection*, enabling full traceability from raw material procurement to finished product delivery, providing foundational support for quality issue identification, responsibility determination, and continuous improvement. For products in specialized fields, the Company implements the corresponding industry-specific quality management systems to ensure compliance with higher-level safety and quality requirements. At present, all manufacturing plants under the Company have obtained ISO 9001 Quality Management System Certificate and ISO 10012 Measurement Management System Certificate.

In daily operations, the Company convenes weekly quality meetings across business segments to continuously track quality issues, risk matters, and rectification progress. Relevant information serves as an important input for operational management, promoting the continuous implementation of quality management requirements in all business links. During the reporting period, the Company experienced no major safety or quality liability incidents related to its products and services.



# Strategy

## List of Product and Service Quality Risks and Opportunities

Risk Name	Specific Description	Impact Period	Response Measures
<p>Quality Objective and Process Control Failure Risk</p>	If quality indicators are set improperly, abnormality identification is delayed, or process control is inadequate, batch problems may not be detected in time, increasing rework, repair, return and after-sales expenses and affecting customer trust	Short Term	Establish quality meeting and daily quality report monitoring mechanisms; strengthen issue prevention and closed-loop management through the D-CTFP method and the "Five-Step Quality Prevention" approach
<p>Supplier Quality Fluctuation Risk</p>	Unstable quality of outsourced and purchased parts may trigger batch quality abnormalities, leading to increased claim costs, inventory losses, and potential recall risks, affecting the gross profit level	Short Term, Medium Term	Establish an outsourced and purchased parts management department; integrate supplier quality into the management process; implement a quality traceability and claims system to quickly identify responsibility
<p>Risk of Insufficient Product Traceability</p>	If the traceability chain for key materials and complete units is incomplete, the scope of issues may be difficult to define, expanding the loss range and increasing compliance and reputational risks	Short Term	Integrate data from the MES, logistics, and error-proofing systems to achieve accurate linkage between materials and barcodes, and strengthen full-process traceability capability
<p>Risk of Uneven Personnel Capability and Turnover</p>	Differences in inspectors' capabilities or high turnover may weaken quality control capability, affect product consistency, and increase hidden quality costs	Medium Term	Implement "Quality Training Campaign", skill training, and assessment mechanisms; clarify job competency standards and strengthen process supervision
<p>Risk of Inadequate Product Recall Response</p>	If recall procedures are unclear or cross-department coordination is insufficient, the efficiency of emergency response may decrease, potentially amplifying compliance risks and brand losses	Medium Term	Establish a product recall management system; conduct simulated recall drills annually; establish a multi-department coordination mechanism covering quality control, technology, production, and customer service

Opportunity Name	Specific Description	Impact Period	Response Measures
<p>Brand Opportunities from Rising Consumer Quality Awareness</p>	As consumers increasingly demand product safety, durability, and service experience, high-quality products and stable services help enhance brand premium capability and customer loyalty, supporting long-term stability in revenue structure and gross margin levels	Medium Term, Long Term	Build a quality management system covering the full product lifecycle, continuously optimize product consistency and stability, and strengthen the closed-loop management of customer feedback
<p>Opportunities from Stricter Regulations and Rising Industry Standards</p>	Increasingly stringent product quality, safety, and compliance regulations create relative advantages for companies with mature quality systems, helping reduce compliance risks and raise market competition barriers	Medium Term	Improve the quality management system, advance quality traceability, recall drills, and full-process control, and enhance system maturity
<p>Opportunities for Quality Management Upgrade from Manufacturing Digital Transformation</p>	Industry digital transformation drives quality management evolution from experience-based to data-driven, and reduces defect rates, rework rates, and after-sales costs through systematic collection and analysis, thereby improving operational efficiency	Medium Term	Advance quality information system construction, strengthen data monitoring, analysis, and traceability capabilities, and enhance management efficiency
<p>Opportunities from Green Manufacturing and Sustainable Consumption Trends</p>	Products with higher quality, stronger durability, and higher reliability are more aligned with green consumption trends, helping extend product lifecycle, reduce full-lifecycle costs, and enhance long-term market recognition	Long Term	Embed quality management throughout product design, manufacturing, and service processes to improve product stability and reliability

## Impact, Risk and Opportunity Management

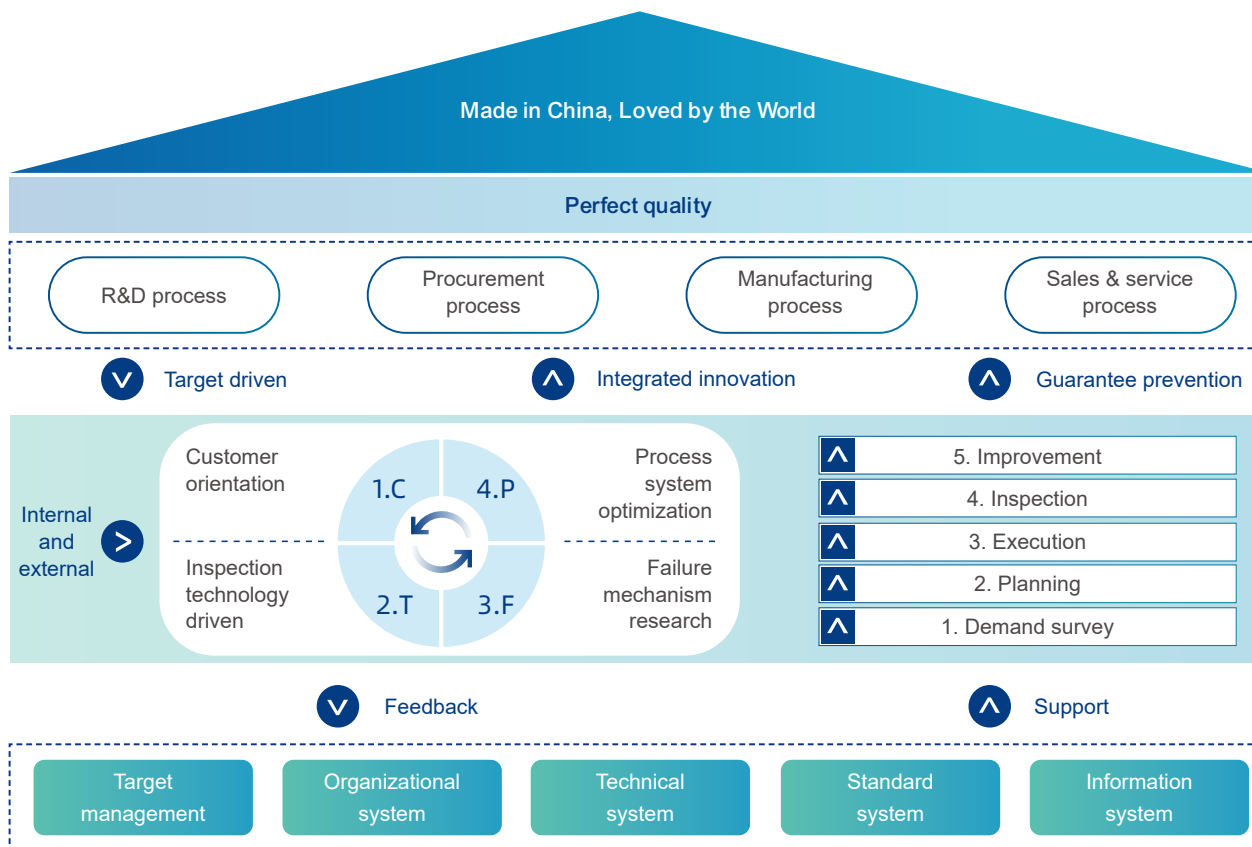
Under a unified risk and opportunity management framework, the Company integrates quality-related risk identification and improvement mechanisms into daily operational management. Quality risks are primarily identified through quality information system monitoring, quality meetings, specialized inspections, and simulated drills, and are continuously tracked across production operations, supply chain management, and after-sales service processes, achieving closed-loop management.

For risk response, the Company enhances its product traceability system, strengthens supplier quality management, advances quality information-based monitoring capabilities, and implements specialized quality improvement initiatives. These actions promote problem rectification and experience accumulation, forming a closed-loop management mechanism and effectively reducing the likelihood of systemic quality risks. Meanwhile, the continuous enhancement of quality management capabilities helps strengthen user trust and brand stability, laying a solid foundation for the Company's long-term and stable development.

### Quality Management System Development

Centered on the quality policy of "pursuing best quality, establishing an international brand, and building a century-old enterprise", the Company sets "zero defects" and "the best service means no after-sales service required" as quality goals, gradually forming a quality culture centered on "strictness, practicality, and innovation". On this basis, the Company has established its distinctive "Perfect Quality Management Model". Oriented toward customer needs, the model promotes the transition of quality management from experience-driven to methodology-driven through the self-developed "Quality Technology Innovation Cycle (D-CTFP)" and the "Five-Step Quality Prevention" approaches. Supported by target management, technical system, organizational system, standard system, and information system, this model incorporates quality management approaches into core processes including R&D, procurement, manufacturing, and sales services, thereby driving the sustained implementation of quality improvement outcomes and strengthening product consistency and stability.

Made in China, Loved by the World — Block Diagram of GREE's Perfect Quality Management Model



## ◎ Full-Process Quality Inspection

The Company has established a comprehensive product quality inspection mechanism covering the entire process of material procurement, product manufacturing and delivery. The Company employs about one hundred quality inspectors, implements multiple quality inspection processes, conducts appearance, performance, and type tests for outsourced materials during the inbound stage, enforces process quality control and inspection during the final assembly and supporting plant production processes, and carries out multi-dimensional tests on performance, noise, reliability, and safety regulations in the experimental testing phase. Through a full-chain, multi-tier quality inspection system, the Company effectively ensures product stability and reliability and continuously strengthens its capability for high-quality delivery.

## ◎ Quality Improvements and Enhancements

The Company continues to advance specialized quality improvement and quality breakthrough innovation initiatives, continuously improves product quality levels through process optimization, process enhancement, and strengthened control at critical control points, and gradually reinforces a prevention-oriented quality management mechanism. These practices not only focus on issue correction but also emphasize front-end prevention and systemic improvements, driving the transition of quality management from passive response to proactive control.



### "Quality Training Campaign" Special Initiative Enhances Frontline Inspection Capabilities

In response to the national "Quality Month" initiative, the Company actively organized "Quality Training Campaign" special activity for the Quality Control Department, covering frontline quality personnel including inspectors, laboratory technicians, sampling inspectors, first-article inspectors, patrol inspectors, and team leaders. The activity addressed recent typical production and after-sales quality issues and combined theoretical training, hands-on practice, skills competitions, and knowledge contests tailored to specific roles. Training content covered required job knowledge, inspection standards, and key operational requirements. Each department designated responsible persons to advance the implementation, keep attendance, examination acceptance, and process records during training, and assess both theoretical and practical results.

The Company also established process supervision and spot-check mechanisms, requiring weekly progress reporting and accountability for training effectiveness. The initiative aimed to strengthen company-wide quality awareness, enhance frontline execution capability and process control capacity, and provide foundational support for quality risk prevention.

## ◎ Product Recall and Risk Drill Management

The Company has formulated the *Measures for Administration of Product Traceability and Recall Control*, covering product design, procurement, production, and sales, to achieve full-process traceability from raw materials to finished products.

### Product Traceability Management Approach

- All raw materials and components must carry traceable records and labels, including batch number, production date, specifications, and supplier information;
- All products are managed using barcodes, with each barcode number corresponding to the actual product. These barcodes serve as the primary identification markers for the products. The Measures for Administration of Barcode and Certificate is formulated as the basis for this management system;
- For export products, batch management is also implemented, with export batch numbers corresponding to production order numbers;
- The Company records and manages quality information for all products, documenting details such as barcode numbers, export product batch numbers, production dates, shifts, and specifications of key components.

In accordance with the Interim Provisions on Consumer Product Recall Management, the Company has established a product recall management system and corresponding working mechanisms, forming a recall management process that covers risk identification, decision initiation, implementation, and effectiveness evaluation. Once it is discovered that products already on the market or delivered to distributors pose compliance risks or safety hazards, the Company may promptly initiate recall procedures in accordance with established protocols to retrieve and dispose of the relevant products, effectively safeguarding consumer rights and interests.



### Conditions for Initiating a Product Recall

- The product is found to be non-compliant with applicable laws and regulations in the place of sale;
- The product contains hazardous quality defects that may cause harm to the personal or property safety of users or others;
- Batch-level product quality issues are identified;
- Non-compliant HSF output is discovered after product delivery, requiring recall in accordance with applicable laws and regulations or customer requirements.

For recalled products, the relevant departments, including Quality Control, Technical Support, Production Management, Operations Management, and Customer Service, coordinate to carry out handling measures and determine solutions such as repair, rework, or scrapping based on specific circumstances. The Customer Service Department concurrently conducts user communication and follow-up, collects usage feedback, and incorporates the relevant information into customer satisfaction management and continuous improvement processes.

The Company organizes simulated product recall drills annually, and conducts practical inspections of recall procedures, response mechanisms, and responsibility allocation, thereby continuously strengthening its capability to address quality risks. During the reporting period, no product recall incidents occurred.

### Simulated Product Recall Drill — Validating Traceability and Collaborative Response Capability

In October 2025, the Company conducted its annual simulated product recall drill. Using an overseas customer complaint as the scenario, the recall process was initiated to rapidly trace the product model, production batch, key components, and supplier sources, while simultaneously verifying inventory and identifying the scope of impact.

The drill covered key stages including complaint acceptance, technical verification, recall decision-making, compliance communication, supply chain tracing, material preservation, and return-package handling. All departments advanced the process in coordination according to their respective responsibilities and completed the full closed-loop workflow within the prescribed timeframe. The initiative served to verify the effectiveness of the Company's product traceability capability and recall mechanism, providing an important basis for subsequent system optimization.

## Quality Digitalization Development

The Company continues to advance the digitalization of quality management. During the reporting period, the Company independently developed a Group-level quality traceability and claims management system, integrating data from the MES system, material scanning and error-proofing system, and logistics system to achieve precise linkage between key core materials and complete-unit barcodes, thereby effectively improving the efficiency of responsibility traceability.

At the same time, the Company has established a Group-level daily quality report monitoring management system to systematically monitor key quality data in the manufacturing processes of each base. This facilitates the identification of potential risks and common issues, promotes timely rectification, and provides data support for continuous quality improvement.

## Indices and Goals



### Management Indices

- Number of major safety and quality liability incidents related to products or services: **0**
- Number of product recall incidents: **0**



### Management Objective



Year-on-year decrease in after-sales failure rate  $\geq 7\%$



### Progress of 2025 Objectives



Achieved

# Craftsmanship-oriented Service Enhancing Reputation

The Company adheres to the service philosophy that "your satisfaction is our top priority", regards user satisfaction as the purpose of its customer service, and continuously improves the development and operational management of its service system. The Company has established a three-tier after-sales service system (GREE headquarters customer service center + regional sales companies' customer service centers + service outlets), forming a nationwide service network and response mechanism and providing users with continuous and stable service support.

The Company strictly complies with laws and regulations including the *Provisions on the Responsibility for Repair, Replacement and Return of Certain Commodities*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Regulation on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and the *Product Quality Law of the People's Republic of China*, and has established standardized customer service information handling procedures and a closed-loop management mechanism covering issue acceptance, classified handling, follow-up supervision and result feedback. In addition, relevant procedures have been integrated into daily operational management.

## Full-Cycle Service Management

Based on its existing customer service governance structure, the Company defines management and control requirements centered on "frontline performance fulfillment and service closed-loop management", and continuously monitors and manages service compliance, safety, and service experience quality.



- **Personnel control:** All frontline engineers must be certified before taking up their posts. They are required to complete training in product knowledge, maintenance skills, service etiquette, and safe operation (e.g., working at height, electrical safety), and may undertake service assignments only after passing assessments. Regular skills retraining and safety evaluations are required.
- **Tools and accessories control:** Engineers must carry professional maintenance tools when providing on-site service. Tools are subject to periodic safety inspections, and unqualified tools are prohibited from the use. Accessories used during maintenance must be genuine original parts from GREE, and are managed under an "on-demand requisition + returning old parts" system to prevent the use of counterfeit or substandard parts.



- **Fulfillment control:** When arriving on site, engineers need to proactively present their service qualification certificates. The entire service process is visualized and traceable to prevent irregular charges, unnecessary repairs, or poor service attitude.
- **Safety control:** For high-risk services such as high-altitude installation and electrical maintenance, engineers must wear protective equipment in accordance with operational standards. Upon completion of service, engineers need to proactively explain safety precautions to users, and may leave the site only after the user signs to confirm safety.
- **On-site supervision:** Regional service centers assign dedicated personnel to follow engineers for on-site services to check service procedures, safety practices, and user communication, identify issues, and urge rectification.



- **Satisfaction follow-up:** After service completion, the headquarters customer service center conducts a satisfaction survey via SMS. For any unsatisfactory services, follow-up actions are initiated.
- **Deep dive into complaints:** For user complaints (e.g., illegal charges, inadequate repairs, safety hazards), a dedicated team conducts a special review to identify responsible parties, implement rewards and penalties, and improve service processes.

## Customer Complaint Handling

The Company strictly implements the "Three Guarantees" policy and adopts rapid response and classified handling measures for customer complaints and negative reviews. Based on the *Customer Service Emergency Management Measures*, customer service personnel are authorized to offer compensations such as point rewards, extended warranty services, or free cleaning as remedial actions in necessary cases. For complex or special complaints, the Company provides customized solutions and dedicated communication services, with the goal of achieving customer satisfaction.

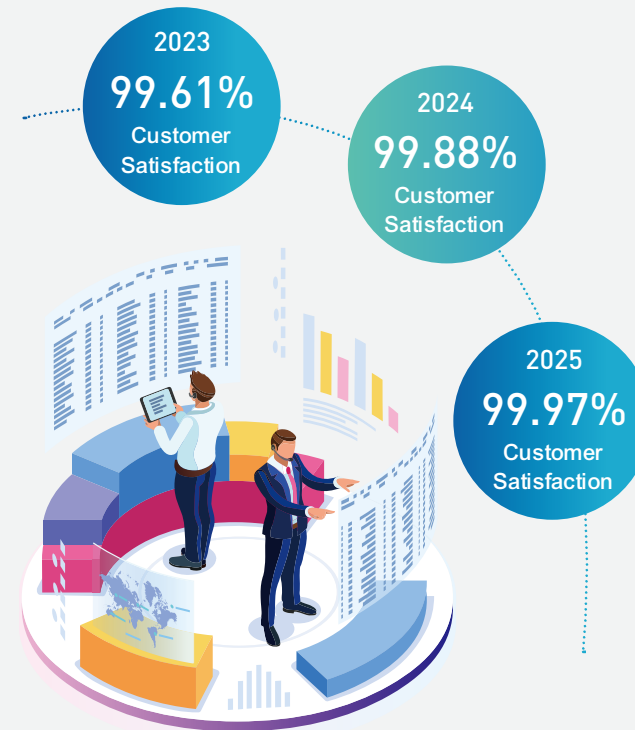
During the reporting period, the Company

maintained a **24**-hour response standard, keeping communication channels open with a **100%** complaint resolution rate



The Company strives for a "zero complaints in after-sales" goal. The Company collects user feedback through multiple channels, including the service hotline, WeChat official account, online customer service platforms, and email, and regularly conducts customer satisfaction surveys. The results of these surveys indicate that the Company's customer satisfaction has remained above 99% for four consecutive years, with the data guiding service optimization and process improvements.

### Key Performance



### Launching the National Unified Service Hotline 95082

To optimize user service experience, the Company upgraded its original hotline (4008365315) to the national unified service hotline 95082 starting September 15, 2025. This five-digit number is approved by the Ministry of Industry and Information Technology and serves as the Company's official unified service entry. The Company has simultaneously enhanced related service functions:



#### Official certification, greater assurance

As an official service channel, the 95082 number helps users easily recognize and use it, reducing the risk of mistakenly using unofficial channels



#### Intelligent response, greater efficiency

The hotline system integrates intelligent voice recognition, automatically identifying and redirecting common inquiries, with a collaborative mechanism involving human service representatives



#### Integrated services, more convenient

The 95082 hotline is linked to the "GREE Service" WeChat official account and mini-program, supporting online appointment scheduling, progress tracking, and other service functions



GREE Service Hotline

The launch of this service hotline is a concrete measure to further optimize the customer service system and improve service accessibility, reinforcing the service philosophy that "every small matter of the user is a big matter for GREE".

## ◎ Service Capability Development

The Company continues to advance sales and after-sales collaboration, exploring an integrated sales-and-service operation model. By providing after-sales outlet marketing capability training, enhancing terminal store capabilities, and empowering with digital tools, some service outlets have gradually developed integrated service and sales functions. Adhering to the concept of "service without limits", the Company continually strengthens the professional skills of after-sales personnel. Each year, GREE develops and updates management documents such as the *On-site Service Manual* and *New Product Technical Guide*, regularly organizing after-sales technical training. The Company also leverages its WeChat official account platform, "GREE After-sales Engineers", to provide frontline staff with installation standards, troubleshooting solutions, and related resources, promoting the continuous improvement of service capabilities.

### Unified Customer Service Platform Promotes Service Digitalization and Intelligence Upgrade

Starting in June 2025, Gree Electric Appliances initiated the development of the "Unified Customer Service Platform", consolidating various service channels, including the service hotline, online stores, mini-programs, and H5 pages. This integration facilitates the "unified access, unified reception, and unified service" operation model. By the end of December, the system had completed more than 40 functional iterations, continuously enhancing system stability and operational efficiency.

To optimize service efficiency, the Company simultaneously introduced tools such as intelligent voice navigation and text-based robots. In 2025, the proportion of human reception dropped to 41.82%, while the self-service rate increased to 24.72%. The knowledge base system added over 120,000 pieces of knowledge throughout the year, a 149.67% year-on-year increase. It also completed data integration with the product parameters system and retail distribution system, providing frontline service personnel with more timely and comprehensive knowledge support.

### After-Sales Installation and Maintenance Skills Competition

During the reporting period, the Company organized the "GREE Cup" National After-sales Installation and Maintenance Skills Competition, targeting the nationwide residential and commercial after-sales service systems. A total of 30 residential after-sales service personnel and 62 commercial after-sales service personnel from across the country advanced to the final stage.

The competition focused on practical scenarios, while simultaneously fostering technical exchanges and experience sharing. This event has become one of the Company's key ways to assess the professional capabilities of service personnel and drive skills development, forming a linkage with the after-sales talent training system.



National After-sales Installation and Maintenance Skills Competition Launch Ceremony

### Informatization of Commercial Air Conditioner After-sales Quality Management

To improve the after-sales quality management level of commercial air conditioners, the Company initiated a commercial air conditioner after-sales quality management informatization project, and developed and launched a full-process digital information system for after-sales quality management, standardizing and systematizing the quality issue handling process.

The system optimizes service processes through digital means, realizing quality data connectivity between service providers, sales companies, and the headquarters' commercial air conditioner after-sales division. Over time, this system has gradually formed a full-link closed-loop management mechanism, covering problem discovery, processing, tracking, and feedback. Additionally, multi-dimensional digital reports have been developed, enabling collaborative quality management between internal and external channels. The data accumulated in this system has been used to support product development, technical evaluations, and parts inventory management, providing data-driven support for continuous improvement in product quality and customer satisfaction.

# Improving Quality and Efficiency Through Full-chain Digital Intelligence

Gree Electric Appliances vigorously promotes digital and intelligent transformation to enhance corporate competitiveness in the digital era. The Company continues to improve its digital business operation methods and operational systems, using digital technologies to connect all links across its entire value chain and drive efficiency improvement, value creation and enhancement of business performance. Closely aligned with GREE's strategic business planning and guided by the principle of improving both "efficiency and effectiveness", the Company has achieved comprehensive breakthroughs in full-value-chain data operation and intelligent operation.



Relying on the national key R&D program "R&D and Application of Industrial Internet Platforms for Large-scale Manufacturing Industries", the Company has gained industrial chain collaboration platform capabilities and promoted collaborative applications between upstream and downstream enterprises in areas including order coordination, plan linkage and information sharing, thereby facilitating resource integration and business collaboration and improving the overall operational efficiency of the industrial chain.



Focusing on core business areas including manufacturing, supply chain management, quality control and human resources, the Company has steadily advanced ERP system upgrades and the demonstration application of self-developed systems such as MES, WMS and QMS, gradually establishing a digital operation system featuring unified system architecture, standardized data standards and centralized group management. This has enabled unified data collection, unified data standards, and shared data utilization, while enhancing operational transparency and cross-department collaboration efficiency.



Based on the industrial internet platform and unified data foundation, the Company promoted the development of a digital intelligence system at the Gaolan Factory, improving capabilities in production execution, quality traceability and equipment management. This received industry recognition, and the factory was selected as a pioneer-level intelligent manufacturing factory.

## Industrial Internet Platform for Large-scale Manufacturing Industries



To address the collaborative needs of the large-scale home appliance manufacturing industry, the Company has developed an industrial internet platform for large-scale manufacturing industries and pioneered the "GREE Coordination Hub" collaboration model. Breaking through traditional chain-type and star-type collaboration architectures, the Company has established a multi-level networked collaborative ecosystem led by core enterprises, enabling full-dimensional collaboration across "resources - business - links - value".



The platform deeply integrates next-generation information technologies including blockchain, big data, artificial intelligence and digital twins, and establishes an integrated technology system covering trusted data sharing, business collaboration optimization, operational management and control, and forecasting and early warning. The platform connects the entire value chain from R&D and design, bulk procurement and collaborative manufacturing to customer service, effectively addressing industry pain points such as data silos and delayed collaboration. Its open and scalable architecture provides an advanced and practical system solution for building an efficient, intelligent and sustainable industrial chain collaboration ecosystem.



Based on the platform, Gree Electric Appliances (Zhuhai Jinwan) Co., Ltd. has established a full-process collaborative system covering "customer - R&D - procurement - manufacturing - services", and implemented the "full-value-chain collaboration" smart factory model, achieving a 46% improvement in management efficiency, a 100% increase in per capita efficiency, and a significant improvement in delivery speed. The platform has also been demonstrated and applied in industries including automotive and electronic information, showcasing strong cross-industry adaptability and replicability.

### GREE Selected as a "Pioneer-Level" Smart Factory by the Ministry of Industry and Information Technology

In December 2025, Gree Electric Appliances (Zhuhai Jinwan) Co., Ltd. was successfully selected for the first batch of "pioneer-level" smart factories in China with the project "GREE Coordination Hub Air Conditioner Smart Factory of the Full Value Chain". It is the only company in Guangdong Province to be included in this list.

Pioneer-level smart factories represent the highest tier explored and cultivated under the smart factory gradient cultivation initiative jointly launched by six ministries and commissions, including the Ministry of Industry and Information Technology and the National Development and Reform Commission, in 2024. The system consists of four tiers: foundational, advanced, excellent and pioneer levels. As of the end of 2025, China had established more than 35,000 foundational smart factories, more than 7,000 advanced smart factories, more than 500 excellent smart factories and 15 pioneer-level smart factories.

The selected smart factory integrates one industrial internet platform, one multi-source heterogeneous data middle platform, eight key business systems, and AI models. It features self-developed, "purely domestically produced" intelligent manufacturing equipment with an automation rate exceeding 80%. The factory achieves interconnected business systems, data sharing and interoperability, and AI model-driven operations, addressing critical challenges such as siloed management in manufacturing departments, data islands, manual decision-making, post-event management, and outdated equipment. This enables agile operations and flexible manufacturing, boosting operational efficiency and business performance.



Gree Electric Appliances Selected as a "Pioneer-Level" Smart Factory by the Ministry of Industry and Information Technology

During the reporting period, the Company received several important certifications and honors in digital and intelligent transformation, including:



序号	企业名称	培育名称	所在地
1	宝山钢铁股份有限公司	高端装备制造模式制造工厂	上海
2	江苏航天装备制造厂	高可靠规模化生产产品智能制造工厂	上海
3	奇瑞汽车股份有限公司	产研协同智能制造工厂	安徽
4	南京钢铁股份有限公司	产线级智能化生产智能制造工厂	江苏
5	中车株洲电力机车有限公司	基于工业互联网的智能制造工厂	湖南
6	杭州海康威视数字技术股份有限公司	物联网+智能制造工厂	浙江
7	湖南动力股份有限公司	基于工业互联网的智能制造工厂	湖南
8	青岛海尔中央空调有限公司	中央空调智能制造工厂	山东
9	北汽福田汽车股份有限公司	商用车智能制造工厂	河北
10	武汉华中光电材料股份有限公司	光电材料智能制造工厂	湖北
11	中航工业航空工业集团	航空工业智能制造工厂	河南
12	格力电器（珠海）有限公司	格力电器智能制造工厂	广东
13	山东重工集团有限公司	山东重工智能制造工厂	山东
14	奇瑞汽车股份有限公司	奇瑞汽车智能制造工厂	安徽
15	成都飞机工业（集团）有限责任公司	成都飞机智能制造工厂	四川

AAA-Level Certificate for the Integration of Informatization and Industrialization Management System

Wuhan Gree, Hefei Gree, Luoyang Gree, Wuhu Gree, Nanjing Gree, Hangzhou Gree, Ganzhou Gree, Suqian Household Appliances, and Gree Electric (Meishan) were awarded honors as Advanced-Level Smart Factories

Jinwan Gree was approved as a "5G Fully Connected Factory" by the Ministry of Industry and Information Technology

The project "GREE Coordination Hub Air Conditioner Smart Factory of the Full Value Chain" was selected for the 2025 Pioneer-Level Smart Factory Cultivation List

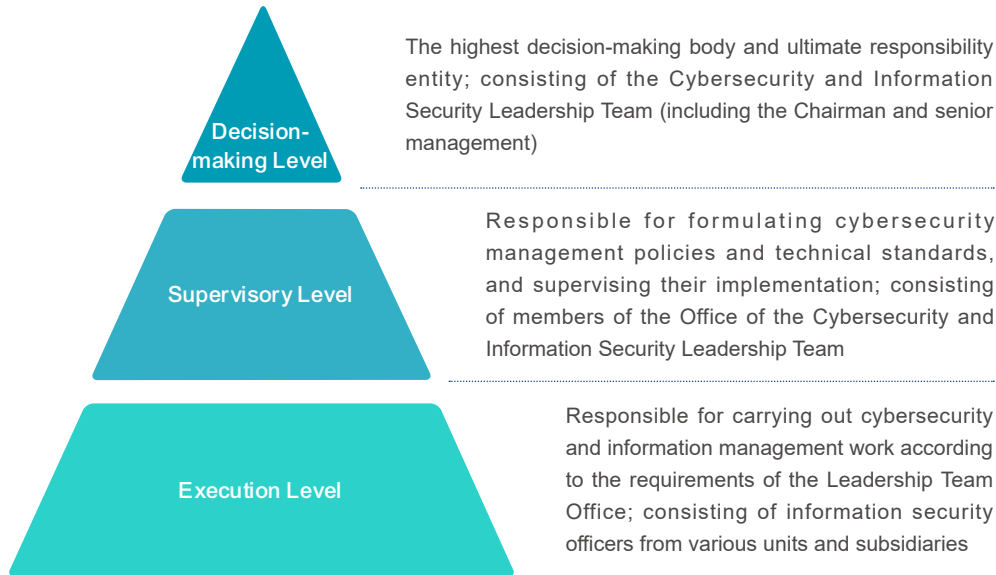
The project "Development of a Digital Ecological System for Controller Manufacturing Based on AI Technology" was selected as a typical case for digital transformation in manufacturing enterprises by the Ministry of Industry and Information Technology for 2025

# Rigorous Data Protection for Enhanced Security

The Company strictly complies with national laws and regulations on cybersecurity and personal information protection and fulfills its data security responsibilities through a combination of institutional constraints, capability development and drills. During the reporting period, the Company did not experience any information security incidents or user privacy breaches.

## Improving the Information Security System

In accordance with the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and international standards such as ISO 27001 and ISO 27701, the Company has formulated and issued institutional documents including the *Administrative Measures for User Privacy Protection*, which systematically regulate technical protection, management processes and personnel behavior. Meanwhile, the Company continues to strengthen its data security and customer privacy protection system by establishing a three-tier governance structure.



The Company has obtained ISO 27001 and ISO 27701 certifications, achieved deep integration of the two management systems, and established an integrated management framework, demonstrating the maturity and standardization of its information security management system. In terms of compliance management, the Company's core business systems have successfully passed Multi-level Protection Scheme (MLPS) assessments, and privacy impact assessments have been completed for all key business scenarios, ensuring full compliance with applicable requirements. Meanwhile, the Company has formulated more than 50 management measures covering access control and emergency response, thereby establishing a comprehensive institutional framework. In terms of technology and asset management, the Company deploys protection means including file encryption to reduce the risk of data leakage. The Company has established an asset classification and grading management mechanism and completed comprehensive asset inventory and risk identification.



ISO 27001 Information Security Management System Certificate

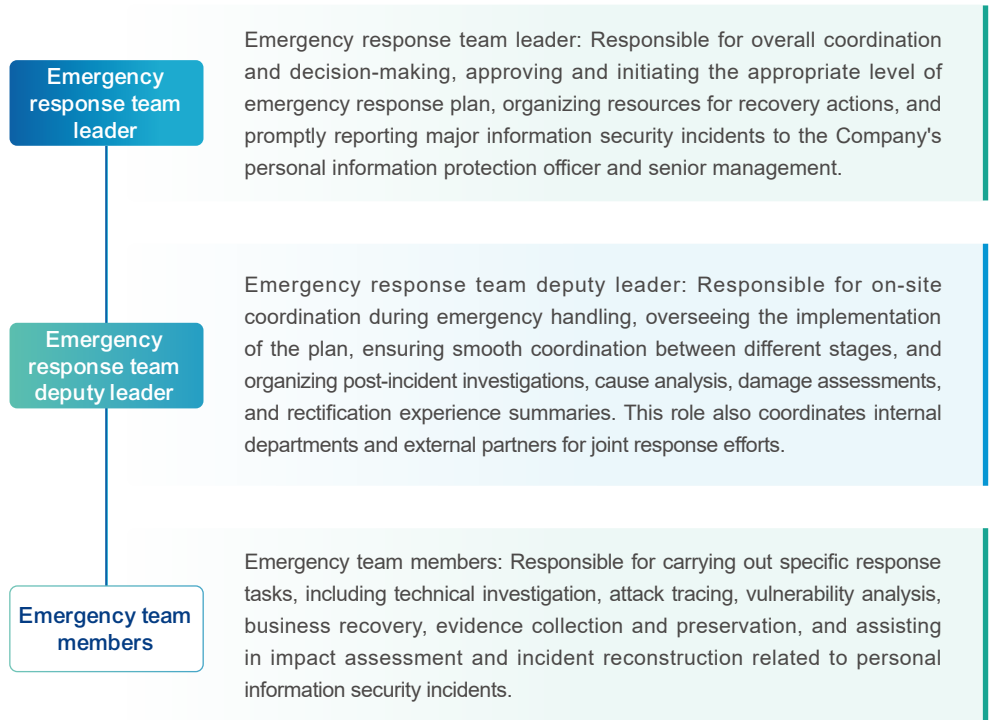


ISO 27701 Privacy Information Security Management System Certification

## Information Security Emergency Management

The Company adheres to the principle of "prevention first, combined with drills", and systematically carries out security awareness training and emergency response capability development. By providing comprehensive training for all employees, we enhance awareness of security risks. Routine emergency drills and practical testing are conducted to continuously evaluate and strengthen the emergency response mechanisms, ensuring risks are identified, controlled, and manageable.

The Company has established and continuously improved its information security incident response and handling mechanism, and has formed a dedicated information security emergency response team responsible for the overall coordination of prevention, monitoring, reporting and emergency response. The team operates with a hierarchical command and collaboration mechanism to ensure efficient and orderly emergency responses:



## Information Security Emergency Response Plans

During the reporting period, the Company formulated and implemented 27 emergency response plans covering network communications, system platforms, application services and information security. The feasibility, goal rationality, and safety of each plan are evaluated by the lead of the drill team. Each plan undergoes drills within the designated cycle, primarily ensuring the objectives through techniques such as active-active/multi-active architectures, backup recovery mechanisms, and failover processes. At the end of each year, a review is conducted on all completed plans, a summary report is generated, and the drill plan for the following year is developed.

### Phishing Email Drill

The Company continuously enhances employees' awareness of cybersecurity and evaluates the effectiveness of existing network security measures. The Computer Center regularly organizes phishing email drills. The drills cover all users of external email accounts and include four typical scenarios: account expiration reminders, policy declaration notices, holiday arrangement notifications and account security risk alerts. Based on analysis of the drill results, targeted cybersecurity training is further strengthened for users. Through the combination of regular drills and training programs, the Company gradually improves employees' ability to identify cybersecurity risks such as phishing emails, thereby reinforcing the Company's network security defenses.

During the reporting period

<p>Number of data security incidents</p> <p><b>0</b></p>	<p>Number of customer privacy leakage incidents</p> <p><b>0</b></p>
<p>Employee coverage rate for data security and customer privacy protection training</p> <p><b>100%</b></p>	<p>Number of data security emergency drills</p> <p><b>27</b></p>
<p>Total participation in data security emergency drills</p> <p><b>82</b> participants</p>	

# 03 Collaborative Empowerment

## Partnering for a Shared Platform of Win-Win Success

The Company regards employee development and social value creation as the cornerstones of its sustainable development. It continuously improves its talent recruitment and cultivation mechanisms, strengthens occupational health and safety management, and fosters a harmonious and safe working environment. At the same time, the Company prioritizes employee care and diversified development, enhancing organizational vitality and cohesion through systematic training and a variety of employee activities. In fulfilling its social responsibilities, the Company leverages its core business advantages to actively engage in public welfare initiatives and social services, promoting the sharing of corporate development achievements with society and continuously enhancing its shared value creation for the society.



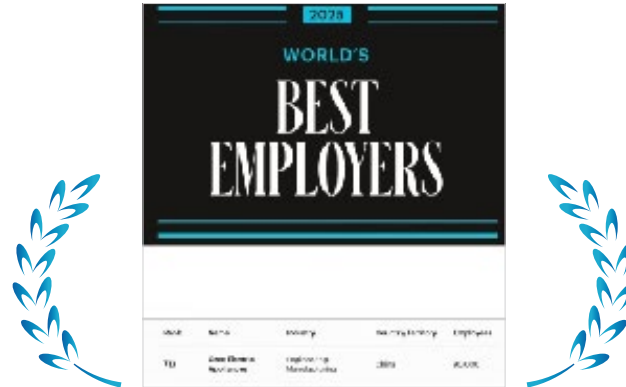
# Employee Employment and Rights and Benefits

The Company bases its talent development on legal employment management and comprehensive rights protection. It strictly complies with all relevant labor laws and regulations, adheres to the principles of equal employment and standardized management, and has established a lawful, compliant, fair, and just employment system. It fully implements employees' legal rights and interests, continuously improves welfare protection, labor protection, and other supporting mechanisms, safeguarding employees' vital interests, and creating a safe, healthy, harmonious, and inclusive working environment. This ensures that employees and the Company grow together and share in the fruits of development.

## Compliant Employment

The Company strictly complies with the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Provisions on the Prohibition of Using Child Labor*, and other relevant laws and regulations. The Company also follows the International Labour Organization (ILO) conventions (including *Convention No. 138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labour*), and has established the *Employee Recruitment Management Measures*.

In accordance with the *Employee Recruitment Management Measures*, the Company adhered to the principles of "open recruitment, equal competition, and selection of the best candidates". We followed local labor laws and regulations when recruiting, strictly prohibiting child labor, forced labor, and similar unethical practices. Gender, ethnicity, and regional biases were completely excluded from the recruitment process. We standardized resume screening and interview evaluation criteria, rigorously implementing anti-discrimination measures in employment, and respecting employees' rights to freely assemble and form associations under the law. Special support policies were implemented for specific groups such as new college graduates and veterans. For instance, veterans were allowed to retain their positions and continue their work experience accumulation during their military service, and were given priority for training and development upon their return to the Company. Moreover, the Company actively implemented policies to stabilize employment, continuously releasing sufficient job resources to ensure fair employment opportunities for diverse groups. During the reporting period, the Company was named to the Forbes' 2025 World's Best Employers.



Inclusion in the Forbes 2025 World's Best Employers

### During the reporting period



The Company experienced **no** labor disputes



Has **not** had any strikes or work stoppages in the past three years



The social insurance coverage rate was

**100%**



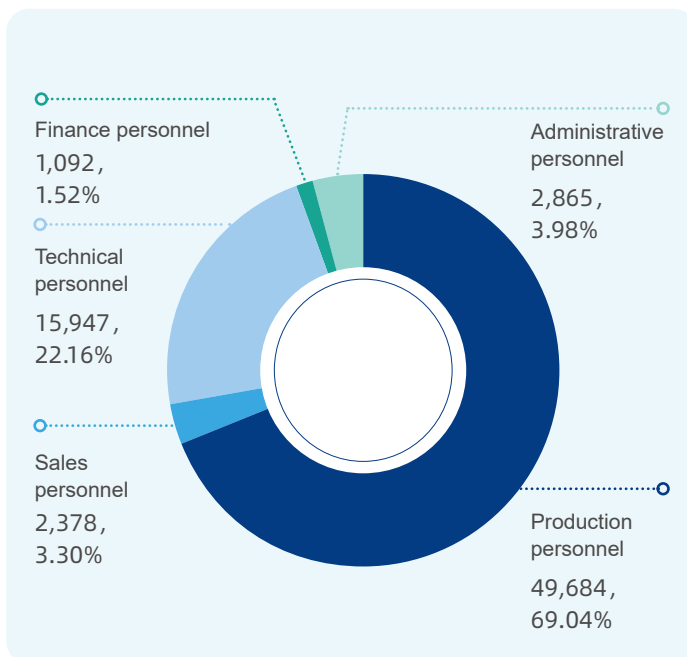
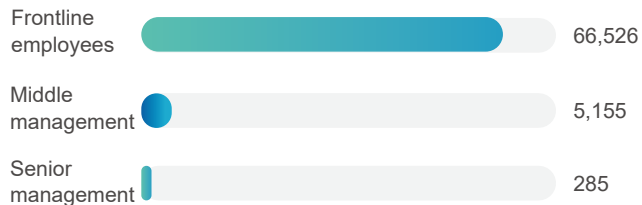
The employee labor contract signing rate was also

**100%**

## Employee Structure

Total number of employees

71,966



## Democratic Communication

The Company continuously strengthens the development of democratic management and employee communication mechanisms. It has legally established a labor union and set up a workers' congress, creating a sound, organization-wide democratic management framework that spans all levels. Additionally, the Company has built a systematic and routine democratic communication system, establishing an open and transparent platform for employee participation, ensuring the protection of employees' legal rights and democratic participation.

### Channels and Methods of Democratic Communication



The Company has leveraged the union's WeChat official account to create a "Smart Union" platform, which features an "Interactive Communication" section where employees can independently select the relevant department and initiate direct conversations, allowing issues to be addressed with just one click;



Each department has designated union chairpersons and officers, allowing employees to submit their concerns or feedback at any time. The designated personnel follow up and handle the requests;



Departments hold regular democratic life meetings, providing employees with face-to-face communication opportunities to fully voice their opinions on topics such as working conditions, management optimization, etc.

During the reporting period, the workers' congress rigorously followed the *Company Law of the People's Republic of China and Workers' Congress Operating Procedures* to review and approve four key resolutions related to employee rights. These actions fully ensured employees' participation and supervisory rights in corporate governance and emphasized their institutional role in improving the Company's governance structure. The Company's labor union, representing the employee side, signed a collective agreement with the Company, with the collective agreement covering 100% of the employees. The agreement comprehensively addresses key areas such as employee health and safety, working conditions, training and career development, diversity and inclusion, and anti-discrimination and anti-harassment, systematically safeguarding employee rights at the institutional level.

## Compensation and Performance

The Company strictly complies with national laws and regulations, having established systems such as the *Employee Performance Management Measures* and a comprehensive compensation management system to protect employees' lawful rights to remuneration. The Company has established a compensation structure consisting of "fixed income + variable income" for 100% of its employees (including management). The variable income is linked to dynamic factors such as individual performance appraisals, fully reflecting the fairness and incentivizing nature of compensation distribution. The Company has set up a diversified bonus system, including proposal improvement awards, performance bonuses, year-end bonuses, and annual project assessment bonuses. The assessment criteria focus on goal achievement and tangible results, using performance as the core evaluation basis to ensure objective, fair, and clearly differentiated outcomes. The evaluation outcomes serve as the primary basis for compensation incentives and rewards, driving improvements in both organizational efficiency and employee capabilities.

### ◎ Grievances and Feedback

The Company has established a standardized performance grievance channel. If employees disagree with the current performance evaluation, they can first communicate with their direct supervisors. If no agreement is reached, they can submit a written grievance to their unit during the performance disclosure period. Upon receiving the grievance, the unit shall promptly communicate and provide feedback on the resolution. If employees have concerns about the fairness of performance management, they can submit a written appeal to the Human Resources Department, which will investigate and handle the issue according to regulations.



### ◎ Employee Stock Ownership Plan

Employee incentive mechanisms are improved to promote high-quality development of the Company. To share the Company's development achievements with employees, enhance their motivation and creativity, and ensure the realization of strategic development and operational goals, the Company had implemented three Employee Stock Ownership Plans (ESOPs) as of the end of the reporting period. The incentive scope covers the Company's directors (excluding independent directors), senior management, middle cadres of the Company or its holding subsidiaries, and core employees. The total number of employees participating in each ESOP is at the forefront of the industry, further improving the mechanism for sharing benefits and risks among shareholders, management, middle cadres, and core employees.



#### Number of Employees Covered by the ESOP



## Employee Care

The Company strictly complies with national and local laws and regulations, improving its system for employee allowances, benefits, and holiday entitlements. We implement statutory allowances, such as high-temperature and hazardous position allowances, and provide functional allowances as needed, including those for seniority, meal expenses, shift work, and skills. The Company also makes contributions to social insurance and housing provident funds, strengthening the foundation of employees' livelihood and career protections. In addition, the Company has established policies on parental leave and nursing leave, which are implemented by subsidiaries in accordance with local laws and company policies. The Company's allowances, benefits, and leave policies cover all employees.

### Employee Allowances, Benefits, and Types of Leave

#### Statutory Allowances

- High-temperature allowance: Issued in accordance with national and local regulations on high-temperature allowances.
- Hazardous position allowance: Based on national laws and regulations and company regulations, the allowance is calculated according to job risk levels and the number of days worked in a month.
- Other statutory allowances: Provided in compliance with dynamically updated national laws and regulations.

#### Functional Allowances

- Seniority allowance: Determined based on the employee's length of service with the Company.
- Meal allowance: Provided to offset employees' meal expenses during work hours.
- Shift work allowance: Offered to employees working mid or late shifts, as a form of special recognition for irregular working hours.
- Skills allowance: Adjusted or removed based on the employee's skill level assessment.
- Other allowances: The Company may introduce additional allowances as needed, based on specific policies or notifications.

#### Statutory Benefits

- Social insurance: The Company and employees each contribute to social insurance according to national and local laws and regulations and company regulations.
- Housing provident fund: Both the Company and employees make equal contributions based on the rate determined by the workers' congress, in compliance with national and local laws and regulations.

#### Non-Statutory Benefits

- Housing benefits: Employees are provided with fully equipped dormitories, ensuring a "move-in ready" experience.
- Transportation benefits: Free shuttle buses cover the Zhuhai area and the locations of each subsidiary, ensuring convenient commuting for employees.
- Health checkup benefits: The Company offers health checkups for employees.
- Tuition/Certification fee reimbursement: Reimbursement is available for obtaining associate, bachelor's, or master's degrees, or for obtaining special operation permits or special equipment safety management and operation certificates required for the position.

#### Types of Leave

- Annual leave, personal leave, compensatory leave, sick leave, work injury leave, marriage leave, funeral leave, maternity leave, reward leave, family planning operation leave, prenatal check-up leave, breastfeeding leave, break time for pregnant employees in their seventh month or beyond, paternity leave, parental leave, and nursing leave.

## ◎ Working Conditions

To regulate employees' working conditions, safeguard employees' legal rights and work-life balance, and enhance work adaptability and well-being, the Company has established clear and compliant management specifications regarding work arrangements and overtime management. This ensures that both parties' rights and responsibilities are defined, and that work is conducted in an orderly manner with the full guarantee of employee rights.



### Working hour mechanism

While adhering to standard working hours, each unit can set specific shift schedules, which shall be approved by the Human Resources Department and followed by employees.



### Overtime management

The Company shall not compel or covertly compel employees to work overtime. Any overtime worked shall be compensated with corresponding time off or overtime pay.



### Health first

Employees who are unwell, pregnant (in the seventh month or later), or breastfeeding, shall not be scheduled for extended working hours.

## ◎ Employee Well-being

The Company focuses on creating a comprehensive welfare and support system for employees and has continuously increased welfare investments and established a holistic system to ensure employee well-being. It has established comfortable, well-equipped employee living areas (GREE Kangleyuan Phase I and II, etc.) and built GREE School in 2018 to address the problem of employee children's education. Additionally, a large shuttle bus system has been set up, and employees are provided with custom work uniforms, catered dining facilities, communication packages, and annual health checkups. The Company is also steadily advancing the construction of GREE Hospital, further ensuring that employees are provided with comprehensive care across all aspects of life. Moreover, the Company has established a Sunshine Fund to provide targeted assistance to employees facing financial difficulties, ensuring the protection of their rights and benefits and improving their well-being and happiness.

## ◎ Satisfaction Survey

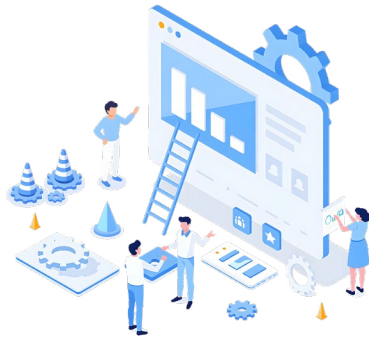
The Company conducts annual employee satisfaction surveys. During the reporting period, surveys covering multiple aspects—such as job content and career development, work environment and team atmosphere, management and leadership, compensation and benefits, company operations, and party-building activities—were conducted both online and in-person. The surveys covered various employee groups. Employee satisfaction reached a score of 84.8, an increase of 0.9 points compared to the previous year, marking several consecutive years of improvement.

Based on the feedback from employees and areas with lower satisfaction levels identified in the survey, the Company has formulated and implemented a series of targeted improvement measures. These include optimizing the frontline work environment and office hardware/software, enriching training formats and content, upgrading employee shuttle and accommodation services, and offering diverse physical and mental health activities. These efforts are aimed at continuously improving employee satisfaction.



# Talent Training and Development

Talent is the core driving force for the high-quality development of the company. The Company adheres to the core philosophy of talent self-cultivation, placing great importance on the growth and development of employees throughout their entire career lifecycle. We continuously improve our talent training and development system. Through systematic institutional frameworks, innovative and diversified training models, and comprehensive development support, the Company establishes growth pathways for employees at various levels and from diverse backgrounds. This approach supports employees in enhancing their skills and advancing their careers, while aligning individual development with the Company's strategic objectives for a synergistic and integrated approach.



During the reporting period



the average training hours per employee exceeded

**50** hours

# Training Management

Through the long-term implementation of the system and the establishment of a regular training mechanism, the Company continuously empowers employees and injects sustained and strong internal momentum for its own development. The Company has established and implemented policies such as the *Employee Training Management Measures*, *Training Funds Management Measures*, and *Internal Instructor Management Measures* to ensure the rational allocation of training resources and provide systematic support for employees' career development. The Company adheres to the core philosophy of talent self-cultivation, with a focus on capacity building, and has created a four-level training system: company → department → division → individual. This system ensures systematic, hierarchical, and precise talent development. In line with business development needs and the career development paths of various roles, the training system is clearly divided into the following main categories: new employee onboarding training, job skills enhancement training, management capability development training, and specialized safety training. This structure ensures that the growth needs of all employees (the Company has no part-time staff) are fully covered. The training organization adopts a combination of online and offline methods, supplemented by both internal and external training, with the Human Resources Department coordinating the overall planning and business departments assisting in the implementation. Training is conducted through various formats, including regular courses, thematic seminars, and on-the-job coaching. Additionally, a comprehensive training evaluation and feedback mechanism is established, forming a closed-loop management cycle of "planning – implementation – evaluation – optimization".

## Four-Level Training Plan



During the reporting period, the Company continued to optimize its employee training system, focusing on two core areas: refining training types and building a comprehensive course system. On the training front, the Company maintained and enhanced core categories such as new employee onboarding training, job skills improvement training, and management capability development training, ensuring full coverage of employees' career development needs across the entire lifecycle. On the curriculum side, the courses were systematically planned based on business development and job requirements, covering key company-level topics such as AI empowerment, lean management, cutting-edge technologies, and general content on product compliance and safety.

### Tiered Talent Training Types

#### New Employee Training

A systematic development plan is formulated for new hires, featuring centralized training upon onboarding that covers corporate culture, management systems, and core business processes. The HR Department collaborates with various functions to tailor development programs based on position-specific competency requirements. Through one-on-one mentorship and the "master-apprentice" model, new employees are supported in quickly integrating into the Company and mastering job-essential skills.

#### Vocational Skill Training

The Company conducts tiered and categorized vocational skills training closely aligned with business needs, focusing on key business areas such as technology R&D, production operations, quality management, and functional support. This training covers multiple job categories and precisely matches post requirements. A blended learning model is adopted, supported by a closed-loop management system encompassing "needs assessment—course development—implementation execution—effect tracking". Training effectiveness is ensured through the cultivation of internal instructors and collaboration with external resources, continuously enhancing employees' professional competencies and business support capabilities.

#### Leadership Training

During the reporting period, the Company launched the "Cornerstone Plan" Supervisor Training Camp and the "Spark Plan" Team Leader Training Camp for group technology/management supervisors and production team leaders. Combining "online universal training + offline targeted training", these programs enhanced the comprehensive leadership capabilities of frontline management cadres. Supervisor Training Camp: Focused on two main themes, "Management Fundamentals" and "AI Tool Applications", addressing management pain points with courses on management thinking, AI efficiency enhancement, and team motivation. Through activities such as morning sharing sessions, face-to-face meetings with middle cadres, final presentations, and external visits, the program captured management experience, helping supervisors broaden their management perspectives and enhance practical management capabilities. Team Leader Training Camp: Closely aligned with the team leader competency model, focusing on three directions: "Professionalism", "Production Management", and "Team Management". Courses covered new generation management, quick changeover in production, lean production, etc., fully integrating case studies, best practice sharing, external visits, and other training formats. The program focused on key pain points and practical difficulties in team management, effectively enhancing the practical management capabilities of team leaders.

### AI Empowerment Training

In June 2025, the Company launched the "Smart Future: GREE AI Empowerment Training Program", aimed at enhancing employees' AI expertise and practical capabilities, and cultivating digital and cross-functional talent. The training was closely aligned with business scenarios and focused on problem-solving. It followed a phased, tiered approach, incorporating online challenges, case studies, hands-on exercises, and a point-based progression system to track learning outcomes. The program incubated 10 internal AI trainers and established a full-stage curriculum system covering "Basic Theory + Tool Practice + Scenario Application".



AI Training Classroom Interaction

### "GREE Star" 2025 Graduate Onboarding and Development Program

The 2025 graduate training program was developed under the "3-6-1" system model, with unified planning and execution of training initiatives. Focusing on the core goal of "cultivating high-quality talent with strong identification with corporate culture and job competence", the Company implemented phased training, including robust onboarding training for the 2025 cohort of university graduates. This helped graduates quickly integrate into the corporate culture, improve comprehensive professional skills, and smoothly transition into the workplace.

The Company hosted a high-standard graduate onboarding ceremony, inviting for the first time graduate parent representatives and faculty representatives to attend. The ceremony fostered a strong sense of corporate identity and belonging among the new graduates through its meaningful and ceremonial format. The Company coordinates university graduate production internships and regularly organizes visits and research to accurately understand internship needs and effectively enhance internship outcomes. Concurrently, the Company implements training and certification for graduate mentors, helping them clearly define their roles and responsibilities, thus building a strong mentorship foundation for graduate development.



Graduate Onboarding Boot Camp

## Employee Development

Supported by a dual-track "management + professional" talent development system, the Company provides employees with a full career-cycle growth ladder—from new hires to senior executives and seasoned experts—ensuring deep integration between individual growth and corporate strategy. Within the professional grade evaluation track, the Company establishes certification criteria centered on performance outcomes, supplemented by professional skills, forming a full-process evaluation system encompassing "initiation—application—review—assessment—public announcement". Simultaneously, through standardized procedures, internal workers' congresses are convened to deliberate and vote on grade evaluation plans, thereby ensuring fairness, transparency, and standardization in the evaluation process.



### GREE Electric Appliances' Diversified Talent Development System

The Company has always regarded talent as our most valuable asset and is committed to building a scientific and comprehensive talent echelon system, providing diversified growth and development pathways for employees of different types and levels.



For technical and management personnel, the Company has innovatively developed a three-channel career development path—"professional, managerial, and comprehensive development"—offering employees multi-dimensional growth options.

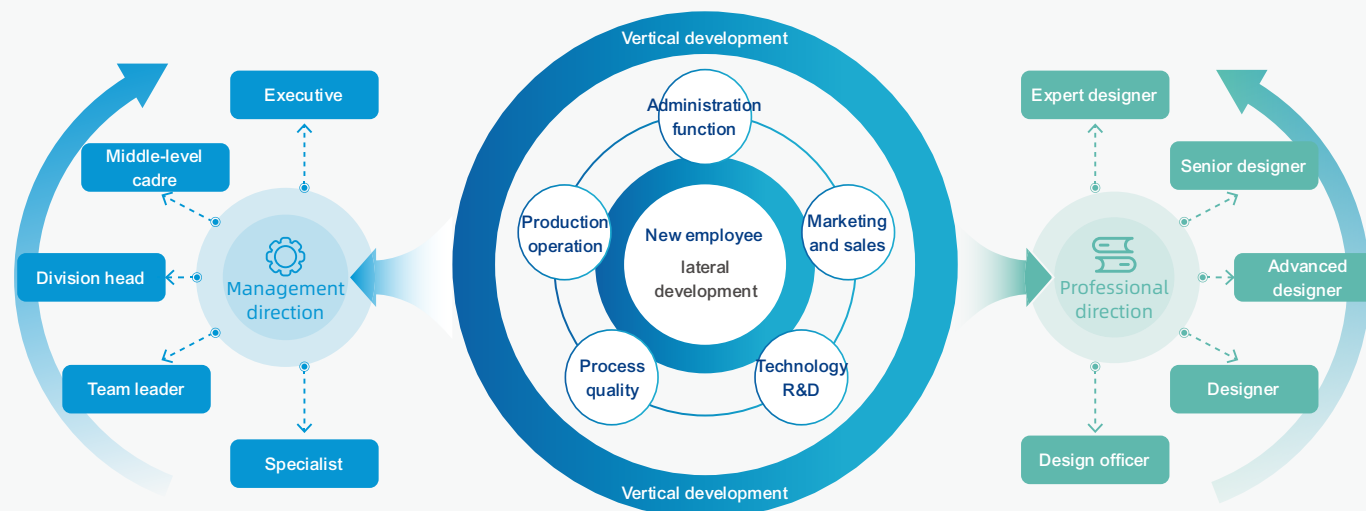


For frontline employees, the Company has established a robust skill grade evaluation mechanism, encouraging them to refine their skills and enhance their professional proficiency.



Employees with outstanding performance are given priority for promotion opportunities and supported in participating in internal job competitions, helping outstanding talent stand out and promoting the deep integration between personal career development and the Company's strategic objectives.

### Talent Development Pathways



## ◎ Development Support

The Company places high importance on the personal growth and development of our employees. We have clearly stipulated that all employees who obtain associate, bachelor's, or master's degrees, or acquire position-required special operation certificates and special equipment safety management and operator certificates, may apply for reimbursement of relevant expenses upon verification of eligibility. Concurrently, for skilled technical personnel, the Company provides learning resources and guidance for various trades (e.g., welders) and grants vocational skill level certifications in accordance with the *Skill Grade Evaluation Management Measures*.

For high-level technical talent, the Company offers comprehensive compensation safeguards and development support. For example, the Company provides post-doctoral researchers with a "dual mentorship" mechanism, in which senior executives and technical experts offer career and technical guidance respectively. The Company also provides fully furnished talent apartments with home appliances, shuttle bus services, and uncapped scientific research funding. The Company supports post-doctoral researchers in undertaking national and provincial-level R&D projects and assists them in applying for relevant talent programs. Additionally, through initiatives such as birthday greetings and holiday condolences, the Company fosters a secure and comfortable working and living environment for doctoral researchers.

During the reporting period

the Company provided tuition reimbursement support for academic advancement and skill upgrading to over



**1,100** employees

We also completed vocational skill level certifications for



**14,063** employees

## ◎ University-Industry Cooperation

The Company continues to deepen our "resource sharing, mutual integration" university-industry cooperation mechanism, enriching collaborative innovation models in industry-academia-research. We have established long-term, in-depth partnerships with multiple key universities nationwide, strengthening talent supply-demand alignment and technological innovation synergy. In 2025, the Company hosted a "Graduate Onboarding Ceremony and University Faculty Open Day", enhancing interaction and joint talent cultivation with academic institutions. We co-developed specialized course programs with universities, integrating industry practical projects into academic curricula to deepen industry-education integration and precisely cultivate high-quality, versatile talent adapted to industrial needs. The Company also organized a Graduate Innovation Practice Camp, attracting nearly 100 outstanding students to engage in practical exploration and stimulate innovative thinking. Through diversified campus recruitment and university-industry collaboration initiatives, the Company proactively builds a pipeline of exceptional talent with innovation potential, continuously fueling our high-quality development.



Closing Ceremony of the Specialized Course Program by Gree Electric Appliances & Huazhong University of Science and Technology



"Strive Together in Youth, Shine for the Future" 2025 University-Industry Symposium

# Occupational Health and Safety

The Company always prioritizes employee health and life safety. By improving organizational structure, refining regulatory systems, strengthening protective measures, and regularly conducting safety training and emergency drills, we comprehensively fortify occupational health defenses and strictly adhere to work safety baselines. This creates a safe, healthy, and reliable working environment for employees, supporting the Company's sustainable development.

## Occupational Health

The Company strictly follows occupational health laws and regulations, formulating systems such as the *Occupational Disease Prevention Management Measures* and *Occupational Safety and Health Education Management Measures* to establish a standardized and institutionalized occupational health management system. Through measures like strengthening institutional safeguards, optimizing management processes, and implementing system certifications, the Company builds robust occupational health protection barriers at the institutional level, comprehensively preventing occupational risks and safeguarding employees' physical health and legal rights.



ISO 45001 Occupational Health and Safety Management System Certification

During the reporting period



the Company conducted **261** occupational health-related training sessions



totaling **38,100** hours



the employee health check-up rate was **100%**



the employee work-related injury insurance coverage rate was **100%**



the number of occupational disease cases was **0**

The Company places high importance on occupational disease prevention and employee physical and mental health management, establishing a comprehensive occupational health protection system. For employees in positions with occupational hazards, the Company provides labor protective equipment such as safety shoes, earplugs, and protective masks. The Company organizes annual occupational health examinations and special testing for occupational hazard positions, preventing occupational risks and injuries at the source. The Company is also equipped with emergency equipment such as AEDs and medical kits to fully protect employee health.

## Work Safety

Adhering to the occupational health and safety policy of “People-Oriented, Work Safety, Health Protection, Care for Life”, the Company has established a Work Safety Committee chaired by the Chairman. The Safety Committee Office serves as its standing body, fully responsible for the Company’s occupational health and safety management. During the reporting period, the Company continuously improved its safety management system, updating and revising core policies such as the *Company Work Safety Responsibility System Management Measures* and the *Work-related Injury Management Measures*. With a well-established organizational structure, clear responsibility mechanisms, and comprehensive institutional safeguards, the Company effectively protects employee life and health and ensures corporate safety.

To effectively promote the transformation of the Company’s safety management model towards prevention, continuously deepen the dual prevention mechanism of safety risk tiered control and hazard identification and control, the Company established an internal hazard reporting reward system. A total of RMB 423,200 in rewards was distributed, fully mobilizing employee initiative in safety management and continuously improving the efficiency of safety management and hazard control.

During the reporting period



RMB **423,200**

was distributed for internal hazard reporting

## ◎ Safety Inspections

The Company attaches great importance to fire safety management, establishing a dedicated fire safety management organization, implementing a 24-hour duty system for full-time firefighters, and building a normalized fire safety prevention and control system. During the reporting period, the Company organized fire inspection personnel to conduct routine fire inspections 12 times per month and special investigations 12 times per month, focusing on key areas such as liquefied gas pipeline safety, electrical safety, hazardous materials management, and fire protection equipment operation. A total of 248 potential hazards were identified, and relevant departments were supervised to complete corrective actions within the specified timeframe, achieving a 100% rectification completion rate. This effectively eliminated fire safety vulnerabilities. The Company compiles inspection findings at the end of each month and issues a special fire safety report, urging all units to strengthen hazard prevention and management, thereby effectively safeguarding employees’ life and property safety as well as production and operational security.

### Hazard Reporting Mechanism



Employees can report hazards to responsible personnel via email or the fire duty hotline. Responsible personnel are required to verify hazards on-site and follow up on the handling process throughout. Each month, the Company compiles statistics on rewards and disciplinary actions in accordance with relevant management measures and issues a corresponding notice. Prior to month-end, the results are submitted to the Corporate Management Department for implementation of rewards or disciplinary actions concerning relevant units or individuals

Hazard Reporting

Record Verification

Hazard Handling

Assessment/Reward



The Company emphasizes both guidance and supervision, encouraging all factories and departments to conduct routine self-inspections and self-corrections of safety hazards. A total of 24 relevant factories and departments are required to strictly implement the fire safety duty system, effectively reducing safety risks and earnestly safeguarding corporate assets and employee personal safety.

## ◎ Safety Drills

The Company continuously organizes various types of emergency drills to build a practical, action-oriented safety prevention and control defense line. Fire emergency evacuation drills are carried out following the full-process procedure of "meeting deployment – plan update – safety training – drill organization – effectiveness evaluation". From November to December 2025, 15 organizing units, in collaboration with the volunteer fire brigade, conducted 42 building-by-building fire emergency evacuation drills in batches across the headquarters campus, involving 28,000 participants. In addition, 9 gatehouse emergency drills were held, simulating real-life scenarios such as abnormal personnel gathering and blocking roads, as well as attempts to storm the gate. These drills enhanced preparedness and response capabilities through realistic practice, safeguarding campus production order and employee personal safety.



2025 Fire Emergency Evacuation Drill



2025 Gate Guard Emergency Drill

During the reporting period



the Company conducted

**381** safety drills



with a total of

**34,000** participant attendances

## ◎ Safety Training

The Company places great emphasis on work safety training, having established a multi-level, full-coverage safety training system. It regularly conducts special training for key responsible persons and safety management personnel to strengthen their decision-making capabilities for work safety. It organizes skill enhancement training for key positions to improve the practical safety skills of critical personnel. It also holds work safety knowledge contests to stimulate proactive learning of safety knowledge among all employees, creating a strong safety culture atmosphere. These efforts comprehensively enhance employee safety awareness and practical skills, effectively safeguarding personal safety and the security of the Company's production operations.



The Company Holds a Firefighting Practical Skills Competition



"Ge'an Cup" Safety Knowledge Contest



Skills Enhancement Training for Key Responsible Persons and Safety Management Personnel

# Strengthening Control over Chain Partners

Adhering to a supply chain management philosophy of compliance control and collaborative win-win, the Company has established a full-process, systematic supply chain governance system. By improving the full lifecycle management of suppliers, promoting diversified sourcing and localization substitution, strengthening compliance control over human rights, environmental protection, and conflict minerals, and simultaneously building efficient communication mechanisms and empowerment training systems, the Company continuously optimizes our supply chain structure and enhances risk resistance capabilities. While ensuring supply chain security and stability, it works jointly with partners to build a responsible and sustainable industrial ecosystem, thereby providing supply chain guarantee for the Company's high-quality development.

## Governance

The Company's supplier management is coordinated under the leadership of the responsible company leader, with departments such as the Material Procurement Center and the Outsourced and Purchased Parts Management Department carrying out related work. The Company has formulated and implemented the Supplier Management Measures, defining supplier management requirements for the headquarters and all subsidiaries. Furthermore, the Company continuously deepens supply chain partnerships, optimizes supply channels and supplier structures to meet production and operational needs, strengthens organizational development and ideological guidance to build a high-quality, integrity-based supplier management team, and improves internal control mechanisms for supplier management to enhance risk prevention capabilities. Through standardized and efficient supply chain management, the Company ensures the security and stability of its supply chain, supporting the sustainable development of the Company. The Company has obtained ISO 28000 Supply Chain Security Management System certification.



Supply Chain Security Management System Certification Certificate

## Strategy

The Company identifies risks and opportunities related to the supply chain, evaluates their impact cycles, and implements targeted measures accordingly.

Risk Type	Specific Description	Impact Period	Response Measures
<p>Supplier Dependence</p>	Procurement of core components is tilted towards certain suppliers, posing a single-source dependency risk; high reliance on imported key components may be affected by external supply fluctuations.	Medium Term, Long Term	Implement a "diversification to eliminate sole-source" strategy, qualifying multiple suppliers for core components to ensure rapid switching capability; advance localization initiatives by establishing a localization list for core components in air conditioning; standardize the design of core components to increase commonality and standardization rates.
<p>Cost Fluctuation</p>	Price fluctuations of raw materials such as copper and aluminum directly impact procurement costs, putting pressure on the supply chain's profitability.	Short Term, Medium Term	Optimize supply channels and the supply chain system to reasonably control procurement costs; promote waste recycling and reuse to reduce raw material consumption through resource circulation.
<p>Compliance Control</p>	The supply chain covers a wide scope, and suppliers' compliance levels in areas such as human rights, environmental protection, and conflict minerals vary, potentially exposing the Company to regulatory penalties and brand reputation risks.	Long Term	Establish a full lifecycle supplier management system; verify compliance certificates such as ISO45001 and ISO14001 for 100% of suppliers during the access phase; conduct quarterly surprise inspections regularly and update special qualifications like HSF/C-TPAT annually; formulate a Conflict Minerals Policy and conduct due diligence using CMRT/EMRT templates.
Opportunity Type	Specific Description	Impact Period	Response Measures
<p>Sustainable Supply Chain</p>	Under the global ESG development trend, a green, low-carbon, compliant, and transparent supply chain has become a core competitiveness for enterprises. Policies support sustainable supply chain construction, and market demand for environmentally compliant products continues to grow, creating space for supply chain upgrades.	Long Term	Conduct regular environmental training for suppliers, covering environmental regulations and carbon emission control, to enhance partners' green capabilities; mandatorily verify supplier compliance in environmental protection, human rights, and other aspects, selecting high-quality, sustainable suppliers.

## Impact, Risk and Opportunity Management

The Company upholds the baseline of compliance and its sense of responsibility, strengthening the management and control of human rights, environmental protection, and conflict minerals in supplier management. Through strict audit access, dynamic supervision and rectification, and standardized conflict mineral traceability, the Company ensures supplier compliance, protects labor rights, preserves the ecological environment, and promotes sustainable supply chain development.

### ◎ Access and Evaluation

The Company integrates compliance and risk prevention and control throughout the entire supplier access process. Access evaluation and due diligence focus on core dimensions such as quality systems, technical capabilities, C-TPAT anti-terrorism security, GREE environmental protection standards, HSF compliance, and production licenses, comprehensively verifying supplier qualifications. In terms of process, new suppliers are required to complete preparation, preliminary review, sample inspection, category assessment, and integrity document signing in sequence. Assessments are conducted by the Outsourcing & External Procurement Management Department and submitted for approval. Regarding frequency, access evaluation is conducted once, while special due diligence items such as HSF compliance, C-TPAT anti-terrorism security, and production licenses are updated annually. Suppliers approved under special terms are subject to dynamic tracking. The Company organizes suppliers to participate in special training and strengthens compliance management through regular performance monitoring, issue rectification, and dynamic elimination mechanisms, building responsible and sustainable supply chain partnerships.

### ◎ Assessment and Exit

The Company implements a quarterly supplier quality evaluation mechanism, reducing the supply proportion for suppliers ranked at the bottom. Suppliers that fail to rectify issues effectively or exhibit persistent quality non-conformance are suspended from supply qualifications. Suppliers that have not supplied goods for over one year are also subject to qualification suspension, achieving dynamic survival of the fittest. Through quantitative assessment, tiered control, and data monitoring, the Company realizes dynamic management, ensuring continuous optimization of the supply chain.

### ◎ Safety Assurance

The Company focuses on enhancing supply chain security and resilience, adopting multiple measures to build a diversified and stable supply chain system. In terms of core component assurance, it advances localization initiatives by developing localization lists for core components in air conditioning, steadily promoting the localized supply of key components to reduce dependence on external sources. Simultaneously, the Company implements a "diversification to eliminate sole-source" strategy, addressing the challenge of single-supplier dependency. For core components, we mandate reserving at least 2 or more qualified suppliers to ensure rapid switching capability. Through standardized design of core components, the Company continuously improves product commonality and standardization levels, enabling seamless substitution of products from different suppliers and further enhancing the supply chain's resilience. Measures such as data encryption and access control are implemented to mitigate risks of cyberattacks and information leakage, safeguarding supply chain data security and business confidentiality.

Furthermore, the Company maintains a dynamically updated supplier resource database, categorizing and managing suppliers by industrial clusters. Regular quarterly assessments of existing suppliers' supply capabilities are conducted, and based on evaluation results, the supplier pool is dynamically optimized to ensure a stable and high-quality roster of available suppliers. Through systematic and refined supply chain management practices, the Company effectively safeguards the continuity of our production operations and supply chain security.



## ◎ Sustainable Supply Chain

The Company places high importance on supplier ESG performance and has formulated the *Supplier Code of Conduct*, which sets forth specific management requirements for suppliers in areas such as business ethics, health and safety, employee rights protection, and environmental protection. Comprehensive environmental and social impact assessments are conducted for all suppliers. A supplier's labor management performance, along with factors such as product or service price and quality, influences its evaluation and assessment. In addition, the Company requires all new suppliers to commit to adhering to the Business Social Compliance Initiative (BSCI) Code of Conduct, ensuring compliance with international standards in social responsibility, labor rights, and environmental protection, thereby promoting the sustainable development of the supply chain. Under equal conditions, the Company will give priority to suppliers that meet the labor management requirements below and ensure the full protection of employee rights and interests.

### Social and Environmental Aspects of the *Supplier Code of ESG Conduct*

#### Environmental and social responsibility system certification

Certification in ISO14001 and ISO45001 reflects the supplier's commitment to responsible business practices. Furthermore, holding certifications such as SA8000 (Social Accountability), BSCI (Business Social Compliance Initiative), and C-TPAT (Supply Chain Security) demonstrates the supplier's proactive efforts in fulfilling social responsibilities.

#### Compliance with labor laws and regulations

This includes, but is not limited to, prohibiting all forms of forced labor and ensuring respect for employees' fundamental human rights. Child labor shall not be used, and all workers must be at least 16 years of age. Additionally, there shall be no discrimination in hiring, promotion, or other employment practices based on age, gender, race, religion, sexual orientation, physical condition, or any other factor.



#### Safe and healthy working environment

Providing a safe and healthy workplace is a fundamental requirement. This includes, but is not limited to, providing necessary personal protective equipment, implementing special protective measures for hazardous positions, conducting regular health examinations to monitor employee well-being, establishing effective accident prevention and management systems, performing regular inspections of special equipment with records maintained, ensuring fire safety and complete fire-fighting facilities, and conducting fire evacuation drills.

#### Employee welfare and rights protection

Social insurance shall be purchased for employees, and the income level of each employee shall not be lower than the local statutory minimum wage standard. Relevant wage structure and payment records shall be available as proof.

#### Working hours and rest leave system

Suppliers shall comply with national regulations concerning working hours and reasonably arrange employee rest and leave. Overtime compensation shall be provided in accordance with local labor laws to ensure appropriate remuneration.

#### Freedom of association

The rights of employees to freely associate and engage in collective bargaining shall be respected.

## Social and Environmental Aspects of the Supplier Code of ESG Conduct

### Requirements for Environmental Protection

- **Evidence of compliance with environmental regulations:** Suppliers shall provide documentation or reports demonstrating compliance with national and regional environmental regulations, including aspects such as wastewater discharge, exhaust gas emissions, and waste treatment.
- **Plans and objectives for reducing environmental impact:** Suppliers shall provide specific improvement plans and objectives, such as reducing carbon footprint, improving energy efficiency, and minimizing waste generation.

### Control of Hazardous and Toxic Substances

- **Presence of toxic or hazardous substances in products:** Suppliers must provide relevant test reports proving their products are free from toxic and hazardous substances regulated by laws such as the EU RoHS Directive (Restriction of Hazardous Substances).
- **Hazardous substance testing equipment:** Suppliers shall possess the necessary hazardous substance testing equipment or send samples to third-party authoritative testing agencies for analysis and provide corresponding test reports.



### Warehousing, Material Requisition, and Production Line Management

- **Labeling and isolation of toxic and non-toxic substances:** Suppliers shall ensure toxic and non-toxic substances in warehousing, material requisition, and production lines are clearly labeled and stored separately to prevent cross-contamination.
- **Identification of pollution risks in production processes:** Suppliers shall identify potential environmental pollution risks during production and implement corresponding control measures.

### Green Supplier Management

- **Green supplier certification process and list:** Suppliers shall have a clear green supplier certification procedure and maintain a list of green suppliers.
- **Hazardous substance control agreement:** Sign hazardous substance control agreements with green suppliers or require relevant commitments from them, and ensure that valid third-party accredited testing institution reports on hazardous substance content are kept on file for these suppliers.

## ◎ Integrity Management

The Company upholds the bottom line of business ethics by maintaining an open channel for supplier self-recommendation, providing equal access opportunities for high-quality partners. Concurrently, we sign the *Integrity Agreement*, *Statement on Integrity and Self-Discipline*, and *Letter of Commitment* with suppliers and relevant internal personnel, clearly defining the boundaries for ethical cooperation. During the supplier admission stage, the Company conducts anti-commercial bribery and anti-corruption investigations on suppliers to ensure they meet compliance requirements. Throughout the cooperation period, the Company regularly conducts anti-commercial bribery and anti-corruption audits of suppliers, continuously verifying compliance in the business relationship between the supplier and the Company. Furthermore, through regular anti-corruption and anti-bribery awareness campaigns and training, the Company strengthens integrity awareness among all employees, dual reinforcing the supply chain's integrity defense line from both mechanistic and ideological perspectives, maintaining a clean and honest business environment and long-term stability.

### Supplier Feedback Channels



Complaint Hotline: (0756) 8669807



Complaint Email: [jiancha@cn.gree.com](mailto:jiancha@cn.gree.com) or [caigoujicha@cn.gree.com](mailto:caigoujicha@cn.gree.com)

## Supplier Communication

The Company has established a multi-dimensional and efficient supplier communication and collaboration system to ensure smooth information flow and seamless cooperation within the supply chain.

### Supplier Communication Methods



Regularly convene special discussion meetings on delivery, quality, and cost, focusing on core topics such as material requirements planning, inventory preparation, raw material prices, and incoming shipment schedules. In-depth engagement with suppliers is conducted through email, on-site meetings, and telephone communication;



Proactively disseminate key information to suppliers, including graphics and text information, quality standards, and order details. A supplier portal has been established to enable real-time information sharing, ensuring information symmetry between both cooperating parties;



Implement a dynamic delivery and logistics tracking mechanism to monitor supplier shipment progress and promptly coordinate to resolve potential issues in the logistics process.

## Supplier Training

The Company has established an annual routine environmental training mechanism for suppliers, focusing on core topics such as environmental regulations, waste management, carbon emission control, and sustainable supply chain development. Systematic training is provided to key suppliers to effectively enhance their environmental compliance awareness and practical capabilities, laying a solid foundation for building a green supply chain and safeguarding the sustainable development of the industrial ecosystem.

For key process areas such as injection molding and sheet metal spraying, the Company organizes specialized on-site training sessions, inviting supplier management personnel to conduct field learning and exchanges at relevant branch factories of the Company. Through immersive experiences and practical guidance, the Company precisely strengthens suppliers' on-site management capabilities and environmental control levels in processes, promoting green collaboration across all supply chain segments and ensuring environmental compliance throughout the product lifecycle as well as high-quality supply chain development.

### During the reporting period



the Company conducted training through a combination of online and offline formats, covering a total of

**129** suppliers



with **172** participants

## Supplier Audit

The Company implements rigorous regular audits and elimination mechanisms. Annually, we organize reviews and human rights risk audits for high-risk Tier 1 suppliers and some Tier 2 and Tier 3 suppliers to ensure their continued compliance with labor management standards and the Supplier Code of ESG Conduct. Through these audits, the Company promptly identifies and addresses existing issues with suppliers, ensuring the stability and sustainability of the supply chain. For suppliers that fail to meet requirements, the Company can implement corresponding corrective measures and, if necessary, initiate the elimination mechanism to guarantee the overall quality of the supply chain.



## Conflict Minerals Management

The Company absolutely tolerates no form of participation in or incitement of human rights violations or environmental degradation resulting from armed conflict. To this end, the Company strictly adheres to and requires all suppliers to comply with domestic and international conventions, regulations, and industry initiatives concerning responsible minerals. We have formally formulated and released the Conflict Minerals Policy of Gree Electric Appliances, Inc. of Zhuhai, committing that none of GREE Electric Appliances' products contain conflict minerals that directly or indirectly finance armed groups in conflict-affected and high-risk areas. Simultaneously, we explicitly require suppliers not to procure or use conflict minerals (including but not limited to tin, tantalum, tungsten, gold, cobalt, natural mica, and their derivatives), and this policy has been comprehensively communicated to suppliers at all levels, mandating strict compliance.

The Company conducts annual conflict minerals due diligence on suppliers of products containing relevant minerals, utilizing the Conflict Minerals Reporting Template (CMRT/EMRT) of the Responsible Minerals Initiative (RMI). Suppliers are also required to conduct conflict minerals due diligence on their upstream suppliers. By regularly disclosing the results of this due diligence, the Company continuously improves the transparency of its responsible mineral sourcing investigation findings.

### During the reporting period

the Company surveyed a total of **841** suppliers

traced back to **409** smelters and refiners

of which **52%** have obtained RMAP certification

Raw material origin traceability has been completed for **59%** of products, with no issues identified related to conflict minerals.

## Indices and Goals

### Management Indices

#### 2025 Data

- Supplier localization ratio **13.1%**
- Total number of suppliers **1,118**
- Number of new suppliers **148**
- Number of suppliers passing environmental audits **94**
- Number of suppliers passing social audits **94**
- Total supplier training hours **598.5**

### Management Goals

Complete conflict mineral due diligence for **100%** of suppliers by the end of 2030.



## Equal Treatment for Small and Medium-Sized Enterprises

The Company consistently upholds the philosophy of "fair competition, joint development", actively fulfills its social responsibilities, and treats small and medium-sized enterprises (SMEs) equally. By opening supply chain resources, providing technical support, and sharing market channels, the Company helps SMEs enhance their competitiveness and promotes the synergistic development of upstream and downstream industry chains. As of the end of the reporting period, the Company had no overdue payments to SMEs.

# Fulfilling Our Mission to Support Society

The Company consistently upholds its corporate citizenship responsibilities. While deeply engaged in industry and striving for excellence, the Company actively participates in social welfare initiatives. We focus on areas such as social assistance, rural revitalization, and community welfare programs, fulfilling its long-term commitment to society through concrete actions.

## Engagement in Social Assistance

The Company deeply embeds the philanthropic spirit of "when one place is in trouble, assistance comes from all quarters" into its corporate actions. We believe that corporate social responsibility is particularly tangible in the face of major disasters and emergencies. Therefore, the Company has established a rapid response mechanism, committed to mobilizing core resources such as products, technology, and capital at the earliest opportunity to provide practical and urgently needed assistance to affected communities, serving as a reliable pillar of support for society.

### GREE Electric Appliances Donates 1,000 Heating Units to Support Xizang Earthquake Relief Efforts

The earthquake disaster in Dingri County, Shigatse City, Xizang, touched the hearts of many. Upholding the principle of "when one place is in trouble, assistance comes from all quarters", GREE Electric Appliances promptly responded to the *Initiative to Actively Donate Energy-Efficient and Safe Heating Equipment to the Earthquake-Stricken Area in Dingri County, Shigatse City, Xizang Autonomous Region* issued by the Department of Housing and Urban-Rural Development of the Xizang Autonomous Region. The Company organized and dispatched a substantial quantity of heating equipment and other emergency relief supplies to fully support local disaster relief efforts, helping affected residents stay warm and safe through the winter. At noon on January 9, 2025, delivery vehicles loaded with 1,000 units of safe, convenient, and energy-efficient heating equipment officially departed from the Chengdu base, rushing to the disaster-stricken area.



Donation of Heating Equipment to the Earthquake-Stricken Area in Dingri County, Shigatse City, Xizang

### GREE Electric Appliances Donates Funds to Support Hong Kong Fire Relief Efforts

On November 26, 2025, a severe fire broke out in Wang Fuk Court, Tai Po, Hong Kong, causing significant casualties and property damage, with the disaster affecting the entire nation. GREE Electric Appliances paid close attention to the situation and announced on November 28 that it would urgently donate HKD 12 million to Hong Kong, specifically allocated for emergency rescue operations, medical treatment for the injured, resettlement of affected residents, and post-disaster reconstruction efforts. Ms. Dong Mingzhu, Chairperson of the Company, expressed her support, stating, "Stay strong, Hong Kong! Together, let us stand united and overcome the difficulties," conveying the Company's firm determination to stand in solidarity with the people of Hong Kong during this challenging time.



GREE Electric Appliances Donates Funds to Hong Kong

## Community Welfare Initiatives

Corporate social responsibility is also reflected in sincere daily care for the community and long-term community building. We encourage employees to engage deeply at the community level through an organized and ongoing volunteer service system, carrying out diverse and meaningful public welfare initiatives across multiple dimensions such as cultural promotion, environmental protection, and community services. Through these everyday efforts, we put into practice the people-centered approach and the commitment to creating a better future that underlies the vision of "Made in China, Loved by the World."

During the reporting period



the GREE Electric Appliances Young Volunteers Association organized a total of **16** volunteer activities, spanning areas such as culture and arts, ecological environmental protection, and community services



## Supporting Rural Revitalization

The Company regards serving the national rural revitalization strategy as an important responsibility and mission of the era. Upholding the principle of "pragmatic and steadfast implementation", we not only provide financial donations to support regional collaboration and overall development but also place greater emphasis on leveraging its industrial and technological advantages to effectively address specific challenges in rural areas related to infrastructure, livelihood security, and other areas. By empowering villages in a sustainable manner, the Company helps paint a new picture of thriving industries, livable ecosystems, and prosperous lives.

### GREE Electric Appliances Donates RMB 1 Million to Support Rural Revitalization

On June 30, 2025, an event to support rural revitalization was held in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin. At the event, GREE Electric Appliances donated RMB 1 million. This donation will be specifically allocated to support industrial development and infrastructure construction within the Cooperation Zone, as well as in areas benefiting from the Zone's east-west collaboration and paired assistance programs within the province. This initiative injects new momentum into consolidating the hard-won achievements in poverty alleviation and actively responds to the national strategic call for comprehensively advancing rural revitalization.



The "6.30" Rural Revitalization Support Event in 2025

### GREE Electric Appliances Donates Plateau Water Purification Equipment to Address Drinking Water Challenges

In May 2025, GREE provided water purification equipment for Jianshetang Primary School in Galeng Tibetan Township, Xunhua Salar Autonomous County, Haidong City, Qinghai Province, completely resolving the challenge that had prevented teachers and students from accessing clean hot water for 63 years. Thanks to GREE's products and advanced technology, teachers and students at this school, located at the edge of the Qinghai-Xizang Plateau at an altitude of over 3,000 meters, now have access to pure, high-quality hot water.

# 04 Green Intelligent Manufacturing

## Pursuing Low-Carbon Emission Reduction, Fulfilling Ecological Responsibilities

Focusing on green and low-carbon development requirements, the Company integrates environmental management into all aspects of its operations. It continuously improves its environmental compliance management system, strengthens resource conservation and recycling, standardizes pollutant discharge management, and promotes the green transformation of its operational processes. In tackling climate change, the Company is gradually establishing a systematic management mechanism to coordinate energy conservation, carbon reduction, and operational optimization. It enhances its capacity to manage climate risks, explores low-carbon development pathways based on its business characteristics, and promotes the coordinated development of business operations and ecological conservation.



# Environmental Compliance Management

In its production and operations, the Company implements national environmental protection laws and regulations and emission standards, including the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*. It fully implements the environmental protection responsibility system, has formulated environmental management policies such as the *Measures for the Administration of Environmental Protection Responsibility System*, clearly defining the main environmental management responsibilities and tasks at all levels. It has established an environmental protection management organization responsible for coordinating, organizing, and supervising environmental protection work. Aligning with national environmental protection policy requirements, the Company translates national environmental compliance requirements into continuous internal management actions, fulfilling its corporate environmental responsibility, continuously improving its environmental management level, and ensuring environmental compliance. In 2025, the Company had no environmental pollution incidents.

## Environmental Management System

The Company continuously improves its environmental management system and earnestly implements environmental management practices. As of the end of the reporting period, the Company had obtained ISO 14001 environmental management system certification. To master the actual operation of the Company's environmental management system and identify and improve deficiencies in system operation, the Company conducts annual internal audits of the environmental management system and annual supervisory audits by external third-party certification bodies. The audits cover EHS process control, compliance of documents and records, pollutant treatment performance, and environmental protection training. Non-conformities identified in the audits are rectified timely to strictly ensure the compliance of environmental management implementation and ensure the effective operation of the environmental management system.



ISO 14001 Environmental Management System Certification of the Company

# Emergency Management

In accordance with national regulations such as the *Emergency Management Measures for Emergent Environmental Incidents* and considering the Company's environmental risk characteristics, the Company has formulated the *Emergency Response Plan for Sudden Environmental Incidents* and filed it with the local ecological and environmental authorities as required. Concurrently, it has developed emergency drill plans for environmental risk incidents, regularly organizing joint government-enterprise and internal drills for various types of sudden environmental incidents. This ensures timely, orderly, efficient, and appropriate response and handling in the event of a sudden environmental incident, minimizing the impact on the environment and protecting personnel and property safety.

### Multi-Theme Emergency Drills for Sudden Environmental Incidents

In accordance with the Emergency Response Plan for Sudden Environmental Incidents, the Company regularly carries out emergency drills and training on themes including "fire and explosion", "excessive waste gas emission", "excessive waste water discharge", "chemical leakage", "hazardous waste leakage" and "radiation leakage". Through simulating real scenarios and organizing multi-departmental joint response, the feasibility and operability of the plan were effectively verified, and the emergency awareness and practical response capabilities of personnel at all levels were improved. After each drill, timely evaluation and summary are conducted, deficiencies found during the drill are rectified and optimized, and emergency response procedures and resource allocation are improved accordingly.



Conducting Emergency Drills

## Environmental Protection Training

During the reporting period, the Company organized various types of environmental special training for environmental protection managers, supervisors, and employees at all units. Training content included requirements of environmental policies and regulations, analysis of typical environmental cases, key points of the Company's environmental compliance management, environmental risk identification and hazard control, pollution treatment process technology, operation and maintenance standards for pollution prevention facilities, and emergency response procedures for sudden environmental incidents. Through these training sessions, the environmental responsibility awareness of personnel at all units was effectively enhanced, while the professional competence and performance capabilities of the environmental management team were improved.



### Compliance Training for Environmental Protection Principals

Following the annual environmental training plan, the Company organized special training for environmental managers and supervisors. The training was delivered by internal environmental business instructors, focusing on environmental management responsibilities, typical cases on environmental management, management issues, environmental management technologies, and environmental compliance practices. To improve teaching effectiveness, sessions included exchange segments where trainees could discuss instructed content and challenging topics encountered in daily management with instructors and peers, sharing experiences and good practices in environmental protection, and learning from each other. This special training further deepened the understanding of environmental management among unit managers and supervisors, laying a foundation for further improving the Company's environmental management level.



Site of Environmental Protection Training

## Green Factory

The Company actively engages in green initiatives including environmental protection, energy conservation, low-carbon development and emission reduction, and stands at the forefront of green development. Proceeding from its environmental protection practices, the Company adheres to the principle of balancing environmental protection and production, and continuously optimizes clean production, selects green raw materials, improves product energy efficiency, adopts green packaging, upgrades production processes, and establishes a green supply chain management system. The Company's subsidiaries and branches actively pursue green factory certification. As of the end of the reporting period, the Company had a total of 22 green factories (including 10 national-level green factories, 7 provincial-level green factories, and 5 municipal-level green factories), demonstrating Gree Electric Appliances' leading position in green manufacturing and its commitment to sustainable development.

List of GREE Electric Appliances' National-Level Green Factories

Name	Award Level	Date of Award
Gree Electric Appliances, Inc. of Zhuhai	National	2024
Gree Electric Appliances (Wuhan) Co., Ltd.	National	2024
Gree Electric Appliances (Luoyang) Co., Ltd.	National	2023
Gree Electric Appliances (Chongqing) Co., Ltd.	National	2022
Gree Electric Appliances (Shijiazhuang) Co., Ltd.	National	2022
Zhuhai Kaibang Motor Manufacture Co., Ltd.	National	2021
Zhuhai Linda Compressor Co., Ltd.	National	2020
Shijiazhuang Green Renewable Resources Co., Ltd.	National	2019
Gree Electric Appliances (Zhengzhou) Co., Ltd.	National	2019
Gree (Changsha) HVAC Equipment Co., Ltd.	National	2018

## Addressing Climate Change

Faced with the global challenge of climate change, Gree Electric Appliances has integrated low-carbon transformation into its core strategy and established a full-process climate risk management system. Through greenhouse gas emission verification, risk and opportunity identification, implementation of green technological upgrades and energy optimization, the Company continuously enhances its climate adaptability and sustainable development capacity, strengthens corporate resilience and fulfills its ecological responsibilities with concrete actions.

### Governance

The Company has formulated and implemented the *Energy and Resource Conservation Management Measures*, defining management requirements for greenhouse gas-related work. It has established a greenhouse gas inventory team to conduct greenhouse gas inventory and verification work. During the reporting period, the Company completed the verification of its 2025 greenhouse gas emission data and obtained the verification certificate. Through this inventory and verification, the Company accurately identifies climate change-related risks, formulates emission reduction targets and corresponding measures, actively responds to the national "dual carbon" strategy, and promotes its sustainable development.



# Strategy

The Company follows the Task Force on Climate-related Financial Disclosures (TCFD) initiative and conducts climate risk management analysis with reference to its disclosure framework. It identifies climate-related risks and opportunities, assesses their impacts on operations, and formulates targeted response strategies. Meanwhile, the environmental management units are advancing preparatory work including organizational system establishment, scenario analysis methodology research, and climate-related training in a bid to strengthen climate change risk management.

Risk Type	Specific Description	Impact Period	Response Measures
 Physical Risks	<b>Acute Risks</b> High temperature: High temperatures increase the risk of fire accidents, which can lead to personnel casualties and damage to production facilities and equipment, resulting in increased capital expenditures. Typhoons, heavy rain, and flooding: Extreme weather events can cause interruptions in logistics and transportation, affecting production and on-time delivery, leading to increased operational costs; the destructive power of extreme weather events can damage production equipment and cause operational disruptions, resulting in higher equipment repair costs; employee safety and occupational health may be threatened, and workplace accidents could reduce production efficiency.	Short Term, Medium Term	Install cooling facilities as needed; equip comprehensive fire safety facilities; conduct fire safety emergency drills and provide relevant training to enhance employees' safety awareness and capabilities. Plan multiple transportation methods and, based on weather alerts, arrange logistics and transportation in advance to ensure material inventory reserves; continuously improve the emergency response mechanism for natural disasters, reserve emergency supplies, and strengthen safety inspections; regularly conduct emergency drills and training for extreme weather events to enhance employees' safety awareness and capabilities.
	<b>Chronic Risks</b> Rising sea levels: Operations in coastal areas may need to relocate inland, and fixed assets may be damaged or prematurely decommissioned, leading to increased production costs.	Medium Term, Long Term	Continuously monitor the trend of rising sea levels; consider the impact of rising sea levels when selecting operational locations; develop multiple regional suppliers for the same product category to ensure a stable supply of raw materials.
 Transformation Risks	<b>Policy Risks</b> Due to the national deployment requirements for carbon peaking and carbon neutrality, a series of energy-saving and carbon reduction action plans, policies, and standards have been introduced, leading to increased compliance costs for carbon emissions; the trend of carbon taxes on international trade imports and exports is becoming more apparent, which may result in higher costs.	Medium Term, Long Term	Monitor the dynamic changes in carbon policies and regulations in operational locations to respond appropriately to policy and legal updates.
	<b>Technology Risks</b> The early phase-out of high energy consuming equipment leads to increased operational costs; the R&D and application of clean energy or innovative low-carbon technologies result in increased R&D expenses.	Short Term, Medium Term	Develop photovoltaic projects to increase the share of renewable energy; use low-energy consumption production equipment, optimize production processes, and explore and implement energy-saving and emission-reduction projects to reduce energy consumption.
	<b>Market Risks</b> As consumer awareness of environmental protection increases, there is a greater preference for selecting green, low-carbon, and environmentally friendly products, which may lead to higher costs for raw materials and the production process.	Short Term, Medium Term	Strengthen carbon reduction across the entire production, operations, and logistics processes.
	<b>Reputation Risks</b> As a leading manufacturing enterprise, stakeholders expect the Company to assume on more emission reduction responsibilities. If the Company fails to initiate low-carbon transformation planning in advance, it may suffer reputation damage.	Short Term, Medium Term	Use clean electricity.

Opportunity Type	Specific Description	Impact Period	Response Measures
 Technolog Export	Global "carbon peaking and carbon neutrality" goals drive expanding demand for energy-saving and low-carbon technologies, with significant growth in market-oriented and international application space for relevant green technologies.	Long Term	Continuously upgrade core technologies, expand overseas markets, and promote localized technology adaptation and global project implementation.
 Scenario Expansion	Accelerated low-carbon transformation in multiple industries drives growing demand for cross-scenario application of green technologies, further unlocking market potential.	Medium Term, Long Term	Develop scenario-based solutions, deepen cross-border cooperation, and expand the boundaries of application ecology.

## Impact, Risk, and Opportunity Management

Under the unified risk and opportunity management framework, the Company integrates the identification of climate change-related risks and opportunities into daily operation and management. Climate change risks and opportunities are mainly identified through policy dynamics tracking, industry trend research and judgment, special evaluation and analysis, scenario simulation and deduction, and are continuously tracked in links such as production and operation, supply chain management and market expansion.

In terms of risk response and opportunity seizing, the Company promotes risk prevention and control as well as opportunity transformation by improving the climate change management system, strengthening the R&D and application of low-carbon technologies, advancing the optimization and upgrading of energy structure, and implementing special green transformation actions, thus forming a closed-loop management mechanism to effectively enhance climate adaptability and sustainable development capacity. Meanwhile, the continuous improvement of climate risk management capacity helps strengthen the enterprise's risk resilience and market competitiveness, providing support for the long-term steady development of the Company's business.

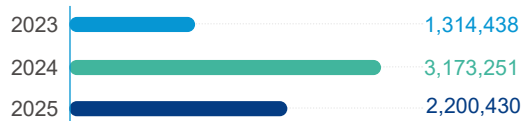


## Indices and Goals

### Greenhouse Gas Emissions of GREE in 2023-2025<sup>3</sup>

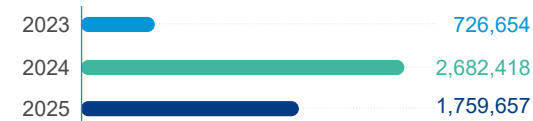
#### Total Greenhouse Gas Emissions

Unit: tCO<sub>2</sub>e



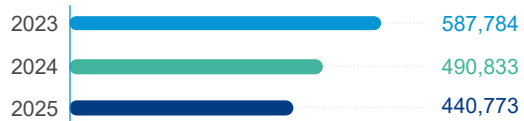
#### Direct (Scope 1) Greenhouse Gas Emissions

Unit: tCO<sub>2</sub>e



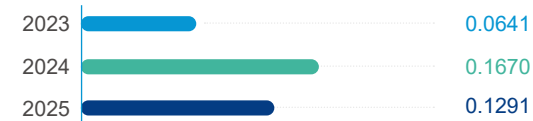
#### Indirect (Scope 2) Greenhouse Gas Emissions

Unit: tCO<sub>2</sub>e



#### Greenhouse Gas Emission Intensity

Unit: tCO<sub>2</sub>e/RMB 10,000 Revenue



<sup>3</sup>The data calculation scope for 2024-2025 includes the Company's headquarters and all its subsidiaries and branches. The data calculation scope for 2023 is the Company's headquarters. The reduction in 2025 greenhouse gas emissions is primarily due to a substantial decrease in the Company's usage of R410a refrigerant.

# Waste and Emission Treatment

The Company strictly abides by laws and regulations related to waste and sewage discharge, and has established a full-process control system covering waste gas, wastewater, solid waste and noise. Through improving the organizational structure, perfecting rules and standards, upgrading treatment facilities and strengthening monitoring and assessment, the Company realizes compliant disposal and up-to-standard discharge of pollutants and wastes, earnestly fulfilling its ecological and environmental protection responsibilities.

## Pollutant Discharge

The Company strictly complies with laws and regulations including the *Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China*, the *Law on the Prevention and Control of Water Pollution of the People's Republic of China*, the *Law on the Prevention and Control of Noise Pollution of the People's Republic of China* and the *Law on the Prevention and Control of Soil Contamination of the People's Republic of China*. It has established a hierarchical management and control structure from top to bottom. The Company's management acts as the primary principal for environmental protection to oversee overall work; the environmental protection management department performs supervision duties; and branches undertake primary responsibilities for facility operation and maintenance. Meanwhile, the Company has formulated the *Measures for the Administration of Environmental Protection Responsibility System*, which clarifies the management responsibilities and work requirements of all departments, forming an environmental governance mechanism with clearly defined roles and responsibilities and collaborative efficiency.

In accordance with laws, regulations and the requirements of the pollutant discharge license, GREE Electric Appliances has established a sound pollutant management system, formulated special management and monitoring plans, and invested in supporting environmental treatment facilities. It also entrusts qualified third-party institutions to regularly monitor pollutants such as waste gas, wastewater and noise. Satisfactorily, all monitoring results meet national and local emission standards. The Company's pollutant discharge has not imposed negative impacts on employees, local community residents and other groups. During the reporting period, all pollutants were discharged up to standard and the Company had no environmental pollution incidents.

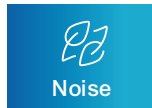
### Pollutant Treatment Methods



The Company implements pollution control measures at various stages, including source collection, process control, and end treatment. Measures conducted include building tailored waste gas treatment facilities for different types of waste gas, including injection molding waste gas, heat exchanger drying waste gas and spraying waste gas. The main treatment technologies feature regenerative thermal oxidation, activated carbon adsorption-desorption coupled with catalytic combustion, etc. During the reporting period, all treatment facilities operated effectively, and waste gas discharge met national and local emission standards with no excess discharge.



The Company has installed wastewater treatment facilities to treat industrial wastewater, with full-time management, operation and monitoring personnel assigned. During the reporting period, all wastewater treatment facilities operated normally with no excess discharge.



The Company prioritizes low-noise equipment during equipment selection and plans process layouts to minimize noise impact. It improves high-noise equipment by adding soundproofing covers, silencers, and other measures. It also conducts regular noise monitoring and provides protective equipment for operating personnel to ensure noise emission compliance.

## Waste Treatment

The Company strictly abides by the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China* and other relevant laws and regulations, and has formulated the *Measures for the Classification and Recycling of Waste Materials*, which clearly defines the management responsibilities and work requirements of all units in the classification, collection, storage and disposal of various wastes, providing institutional support for the standardized management of solid waste. During the reporting period, the Company obtained the waste treatment system certification.

### Waste Treatment Methods



#### General Waste

Mainly generated in workshops, it is sorted and packed by type, transferred to a special general industrial solid waste warehouse for temporary storage through internal logistics, and finally handed over to qualified recycling manufacturers for comprehensive resource utilization.

#### Hazardous Waste

Mainly generated in workshops, it is sorted and packed by type, transferred to a special hazardous waste warehouse for temporary storage through internal logistics, and finally disposed of in compliance by professional units with corresponding qualifications.

# Resource and Energy Utilization

The Company deeply integrates the efficient management of resources and energy into its strategy and operations, and has established a professional governance structure, closed-loop management system and digital support system. Relying on a professional talent team, standardized reporting mechanism and technological innovation practices, the Company systematically promotes energy conservation and water resource optimization, comprehensively improves resource utilization efficiency, and lays a foundation for the implementation of management measures.

To further advance the green and low-carbon transformation and continuously improve resource and energy utilization efficiency, the Company has established a systematic, professional and multi-level governance structure for water and energy utilization. Meanwhile, it deeply integrates energy conservation, emission reduction and water conservation into the entire process of corporate strategic planning and daily operations. The governance structure fully covers all production bases and functional departments. By clarifying management responsibilities, standardizing control procedures and strengthening process traceability, a closed-loop management mechanism has been formed to ensure the efficient implementation and standardized progress of energy management, injecting sustained impetus into the green and high-quality development of the enterprise.

## Governance Structure for Usage of Energy and Water Resources

The Company has established a resource energy management mechanism where overall management and supervision are handled by the executive management, professional execution is carried out by the Headquarters Equipment & Power Department, and implementation is undertaken at various levels by branch factories and production bases. This mechanism promotes orderly work through data monitoring, process control, and regular evaluation.

### Professional Execution Level



#### Scope

Coordinate overall Group energy management, resource allocation, cross-departmental collaboration and performance appraisal; conduct energy audits, energy efficiency evaluation, energy-saving technology promotion, etc.

#### Tasks and objectives:

- Identify high energy-consuming links and propose optimization plans;
- Formulate the annual energy utilization management action plan;
- Establish an energy data monitoring platform to realize digital and visual management of energy use across the Group.



#### Scope

Establish water resource management ledgers for the entire Group; promote the implementation of water-saving technical renovation projects; carry out water-saving technology promotion and energy efficiency evaluation.

### Grassroots Execution Level



#### Scope

Implement energy-saving tasks issued by the headquarters, and conduct daily management including equipment maintenance, operation optimization and data reporting.

#### Tasks and objectives:

- Implement the mechanism of "post-specific energy-saving accountability" and integrate energy consumption indexes into team performance appraisal;
- Promote the phase-out of outdated equipment and intelligent renovation;
- Submit monthly energy usage data and realize real-time warning of abnormal energy consumption.



#### Scope

Implement water-saving targets and tasks issued by the headquarters; carry out equipment renovation and water utilization optimization measures; organize team-based water-saving training and routine inspections; report monthly water usage data and abnormalities.

## Water Resources Utilization

The Company strictly abides by the *Water Law of the People's Republic of China* and other national and local water-related laws and regulations. It has formulated special policies, targets and implementation plans for water resources management. In addition, it actively implements various water-saving measures, introduces and applies advanced water-saving technologies and processes, optimizes the water consumption structure through water recycling and other means, and continuously reduces water consumption intensity and freshwater intake.

During the reporting period, the Company promoted the renovation of water pipelines at the Chongqing Base. By addressing problems such as aging and corrosion of buried pipe networks, pipeline leakage was effectively resolved. After the renovation, approximately 30,000 tons of tap water can be saved annually, further strengthening the conservation and efficient use of water resources.

### During the reporting period



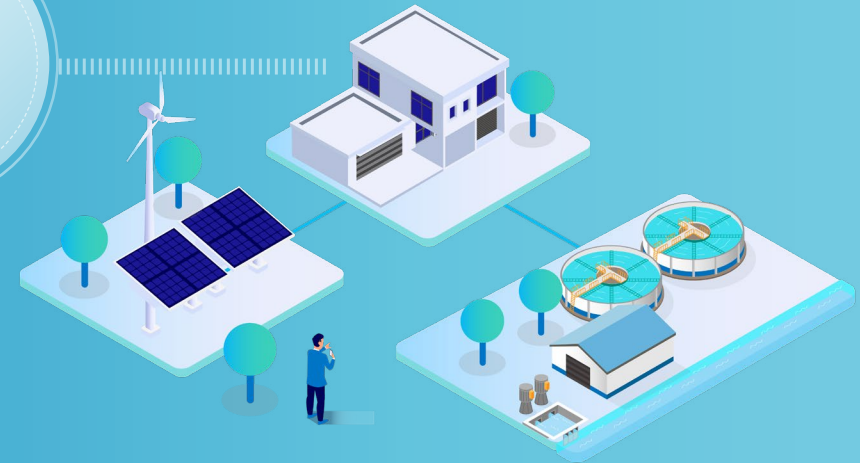
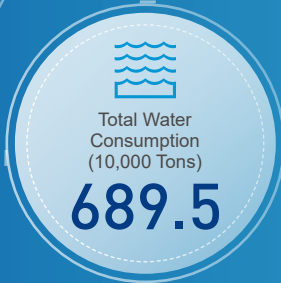
based on the data of 2024, the Company has set a target of saving

**3%** of water for 2025



Through the implementation of water-saving projects, the actual water saving achieved

**3.19%**



## Energy Utilization

The Company complies with laws and regulations including the *Energy Conservation Law of the People's Republic of China*, the *Measures for the Energy Conservation Management of Key Energy-Using Units*, the *Guangdong Energy Conservation Regulations* and has formulated a series of documents including the *Gree Electric Appliances' Energy and Resource Conservation Management Measures*, the *NYGLSC-02 Energy Management Manual*, the *QG1800.01-01 Energy Review Management Measures*, and the *Gree Electric Appliances' Air Conditioning Sector Energy Management Guide*. From standardized system operation, technical renovation project control, equipment access review to performance incentive and restraint, the Company has established a closely linked closed-loop energy management system. As of the end of the reporting period, the Company maintained its valid ISO 50001 Energy Management System certification.

### Reporting Mechanism

The Company implements a classified management and reporting mechanism for energy, realizing dynamic tracking and transparent control over energy management through multi-dimensional reporting. The energy performance special report is prepared on a monthly basis in the form of visual charts, covering energy consumption per unit output value across the Group, the completion rate of energy-saving targets, the progress of major energy-saving projects, analysis of return on investment, and benchmarking against industry peers, thereby facilitating a comprehensive grasp of the overall energy performance. The monthly publicity of energy management performance mainly presents the monthly energy consumption and evaluation results of each production base, so as to strengthen energy efficiency benchmarking and accountability implementation among different bases.

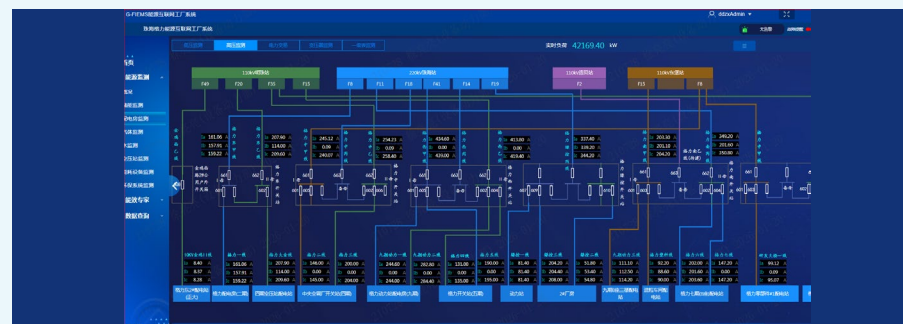
### Digital System

The Company empowers energy management with digitalization, builds solid technical barriers through forward-looking information-based planning, realizes data integration and intelligent decision-making, and provides strong digital momentum for green and low-carbon development with the advantages of efficient and transparent management. In addition, the Company has established a hierarchical and coordinated energy monitoring process to achieve full-chain dynamic management and control. Real-time energy data including electricity, water, gas and others are automatically collected and monitored online in real time with an update cycle of no more than one minute; abnormal energy consumption warnings are also identified online in real time by the system to detect risks in a timely manner; monthly energy performance reports and progress of key energy-saving projects are generated monthly through a combination of system and manual collaboration, ensuring that the monitoring is not only efficient through automation but also accurate with manual verification.



### GIEMS Intelligent Energy Management System

GREE Electric Appliances promotes the information construction of energy management and has built the GIEMS Intelligent Energy Management System as the group-level hub for energy management. The system integrates multi-dimensional information such as energy data and equipment status and fulfills two core functions: first, it conducts real-time dynamic monitoring of energy consumption data of key equipment across all production bases of the Group; second, it covers the monitoring of consumption data of energy types including water, electricity and gas at all bases. Its capabilities include real-time data visualization, problem analysis, and rapid decision-making, providing digital support for the efficient management and control of energy.



GIEMS Energy Management System of GREE Electric Appliances

## © Energy-Saving Practices

The Company continuously taps into energy-saving potential, focuses on technological iteration and system upgrading, and promotes energy efficiency optimization across all production links. Ultimately, it has built an efficient and low-carbon green manufacturing model.

### Energy Efficiency Upgrade of Air Conditioning Room

In the construction project of the high-efficiency centralized air conditioning room in Phase II of the Zhuhai Headquarters Park, the Company adopted high-efficiency GREE CVE series permanent magnet synchronous variable frequency centrifugal units and LHVE series permanent magnet synchronous variable frequency screw chillers to replace the original low-efficiency air-cooled screw compressor units and air-cooled modular units. The refrigeration room is located on the 4th floor of Phase II, serving as the core cooling source for process cooling and environmental cooling of the project. Equipped with a full variable frequency system, an intelligent group control system, frequency converters and variable frequency control cabinets, the room effectively solved the problems of the original air conditioning system, such as excess cooling distribution, high unit energy consumption and low comprehensive Energy Efficiency Ratio (EERs). The project achieved an annual power saving of about 1.5 million kWh, reducing carbon emissions by about 795 tons.

During the reporting period



The Company has set targets for improving energy efficiency. In 2025, the energy consumption per RMB 10,000 output value decreased by

**10.7%**



The Company carried out **305** energy-saving technical renovation projects

saving about **64.25** million kWh of electricity



The Company invested RMB **465** million in energy-saving technical renovations

The company focuses on advancing green technological upgrades across multiple business segments. It has implemented a number of process improvement projects in areas such as controllers, injection molding, and final assembly. Through technological innovation, the company has achieved energy savings in electricity, liquefied gas, and other energy sources, actively putting into practice its commitment to energy conservation and consumption reduction.

### Development and Application of Intelligent Testing Technology for Chillers

Traditional chiller testing relies on manual testing under multiple operating conditions, requiring over 7 hours per unit, presenting three major pain points: long testing time, high energy consumption, and risk of missed detection. In 2025, the Company independently developed “Intelligent Testing Technology for Chillers”, achieving industry innovation through three major breakthroughs: 1. First online intelligent fault detection system for chillers: Based on a data-driven integrated intelligent software system, it integrates code writing, parameter writing/verification, and online intelligent detection to achieve automatic quality and performance inspection for all components of the unit, completely eliminating missed detection. 2. Revolutionary optimization of the testing process: The testing cycle per unit was drastically reduced from 7 hours to 1 hour, representing a 600% improvement in testing efficiency. 3. Dual enhancement of green and low-carbon benefits: Average energy saving of 1,758 kWh per unit. During the reporting period, this technology saved 210,960 kWh of electricity and reduced carbon emissions by 113 tonnes, becoming a benchmark “quality-energy-efficiency” tri-aspect green testing technology in the commercial air conditioning sector.



Application of Intelligent Testing Technology for Chillers

## ◎ Usage of Clean Energy

During the reporting period, the Company



Used nuclear power of **670** million kWh

accounting for **41.95%** of the Company's total electricity consumption

achieving an emission reduction of **363,163** tCO<sub>2</sub>e



Had a total photovoltaic (PV) power generation of **115** million kWh

accounting for **7.12%** of the Company's total electricity consumption

achieving an emission reduction of **61,681** tCO<sub>2</sub>e

During the reporting period, the Company increased its clean energy proportion



New PV power generation projects **12** MW

bringing the Group's total installed PV capacity to **126.3** MW

with PV power generation growing by **18%** compared to 2024



Energy storage capacity installed **110** MWh

bringing cumulative installed capacity to **310** MWh

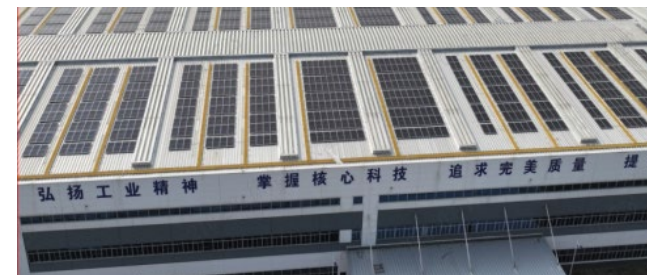
with **90** million kWh of peak shaving in 2025

a year-on-year increase of **25%**



Reduction of LPG usage by **1,000** tonnes through substitution with natural gas

a year-on-year decrease of **14%**



GREE Linyi PV Project



GREE Wuhu PV Project

# Exploration of Circular Economy

As a globally leading industrial manufacturing group, the Company actively promotes waste recycling and reuse, reduces resource waste, and explores circular economy development pathways. Relying on its strong after-sales service system, the Company has set up electronic waste collection points at stores nationwide, and established renewable resources bases in Zhuhai, Changsha and other cities to undertake the collection and recycling of surrounding electronic waste and the resource utilization of plastics and other materials. Meanwhile, the Company has improved the waste home appliance recycling system, enhanced the convenience of the trade-in program, and provided an integrated service of "delivery, installation and recycling". It vigorously promotes green environmental protection and energy-saving and emission-reduction technological transformation projects, facilitates resource recycling, and supports high-quality industrial development and the achievement of the "carbon peaking and carbon neutrality" goals, making contributions to the sustainable development of the industry.

## Company Commitment

The Company complies with existing international environmental and waste transport conventions, agreements, local laws, and other regulatory requirements. We actively respond to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, explicitly prohibiting the direct or indirect export of electronic waste through intermediaries from OECD countries or the EU to non-OECD or non-EU countries for disposal and recycling.



## Measures for Electronic Waste Recycling Management



### Scope of Recycled Products

Waste household appliances of all brands are eligible for recycling.



### Consumer Costs and Incentives for Recycling

Consumers can make one-click appointments via web pages and submit relevant information to obtain recycling quotes, followed by free on-site services provided by staff; the Company offers consumers deduction credits for product trade-ins.



### Recycling Channels

The Company employed diversified recycling methods, including setting up collection points, mail-in recycling, on-site collection, trade-in recycling, "Internet Plus" recycling, and establishing regional central stations, thereby realizing full-channel recycling of electronic waste.



### Recycling and Treatment Facilities

Recycling is carried out through its own facilities and third-party recycling suppliers. All collected electronic waste is transported to renewable resource dismantling factories for environmentally sound dismantling.



### Management of Third-Party Recycling Suppliers

The Company conducts annual reviews and verifications of third-party recycling suppliers to ensure compliance with the Company's internal management requirements, with a supplier review rate of 100%.



### Electronic Waste Recycling Programs

**Expanded Recycling through Trade-in Channels**

The Company launches trade-in activities, and has built a sound recycling network and a reverse logistics system featuring "integrated delivery of new products and collection of old ones", which realizes full industrial chain coverage of Gree's home appliance business from front-end production to back-end waste home appliance recycling.

**Reverse Logistics Recycling Model for Waste Household Appliances**

The Company collaborates with 30,000 sales outlets and 20,000 after-sales service points, targeting end consumers, to carry out the recycling of all categories of used household appliances.

**Online "Internet Plus Recycling" Channel**

The Company has launched "Mingzhu Green Loop Recycling", a professional recycling platform for waste household appliances. By linking with Gree's offline after-sales outlets, it has formed a recycling and treatment network covering 95% of provinces, cities and towns nationwide, attracting more than 200,000 registered users and securing over 500,000 total orders.

**Urban Waste Recycling through Integrated Two Networks**

The Company has joined forces with environmental sanitation enterprises to establish a "2+1" efficient recycling and utilization model for urban household waste, that is, to build a "closed-loop system for resource recycling" by relying on one "Internet Big Data Intelligent Cloud Platform" and one "Ecological Resource Utilization Center".

Recycled and Processed Waste Electrical and Electronic Products

Unit: 10,000 Units/Sets



Recycled and Converted Copper, Iron, Aluminum, and Plastic Materials

Unit: 10,000 Tons



### Winning the Title of "2025 EPR Responsibility Fulfillment Innovation Pioneer Enterprise"

GREE Electric Appliances actively implements the Extended Producer Responsibility (EPR) system and has established a closed-loop system covering "R&D – Production – Sales – Recycling – Regeneration", for which it was awarded the title of "2025 EPR Responsibility Fulfillment Innovation Pioneer Enterprise". The Company has built a traceable reverse logistics recycling network covering the whole country, and joined hands with platforms such as JD.com and Tmall to create a diversified recycling ecosystem. In 2025, the volume of waste household appliances recycled was 8.55 million units/sets, covering air conditioners, televisions, refrigerators, washing machines, computers and other products. The large-scale practices heavily promoted green and circular consumption.

The recycled waste household appliances, after sorting, are regenerated through a green treatment system with an annual dismantling capacity of over 10 million units. The Company has established a reverse logistics system for "integrated delivery of new products and collection of old ones" and provides one-stop services of "delivery, installation and recycling" for household appliances. Through the Mingzhu Green Loop information platform and the "one code per unit" traceability system, the Company has realized digital management of the whole recycling process, improved efficiency, reduced costs and ensured transparency and traceability of the process.



2025 EPR Responsibility Fulfillment Innovation Pioneer Enterprise

# Key Performance Table

## Economic Performance

Indicator	Unit	2025
Total operating revenue	RMB 100 Million	1,711.18
Net profit attributable to the parent company	RMB 100 Million	290.03
Total cash dividends (tax included)	RMB 100 Million	167.55
Cash dividend per 10 shares (tax included)	RMB	30

## Governance Performance

### ◎ Board of Directors

Indicator	Unit	2025
Total number of Board members	Person(s)	10
Including: Number of female directors	Person(s)	1
Including: Number of executive directors	Person(s)	1
Including: independent directors	Person(s)	4
Number of board meetings convened	Time(s)	6
Attendance rate of board members	%	100

### ◎ Business Ethics

Indicator	Unit	2025
Anti-commercial bribery and anti-corruption training	Time(s)	33
Number of employees who have signed the integrity commitment letter	Person(s)	10,364

## Social Performance

### ◎ Innovation-driven

Indicator	Unit	2025
R&D Investment	RMB 100 Million	64.44
Proportion of R&D investment to operating revenue	%	3.78
Number of R&D personnel	Person(s)	15,947
Percentage of R&D personnel	%	22.16
Cumulative patent applications	Item(s)	138,935
Cumulative invention patent applications	Item(s)	76,928
Cumulative patents granted	Item(s)	87,079
Cumulative invention patents granted	Item(s)	32,317
Patent applications during the reporting period	Item(s)	9,411
Invention patent applications during the reporting period	Item(s)	6,084
Patents granted during the reporting period	Item(s)	9,181
Invention patents granted during the reporting period	Item(s)	6,434
Cumulative software copyrights held	Item(s)	100

### ◎ Safety and Quality of Products and Services

Indicator	Unit	2025
Number of products recalled	Case(s)	0
Product recall rate	%	0

Indicator	Unit	2025
Amount involved in significant safety and quality responsibility accidents related to annual products and services	RMB 10,000	0
Complaint resolution rate	%	100
Customer satisfaction	%	99.97

## Employee Composition

Indicator	Unit	2025
Total number of employees	Person(s)	71,966
Number of employees by gender	Male	51,122
	Female	20,844
Number of employees by type of employment	Labor contract system	71,966
	Labor dispatch system	0
	Others	0
Number of employees by age	Under 30 years old	22,380
	30 to 40 years old	31,564
	Over 40 years old	18,022
Number of employees by position level	Senior Management	285
	Number of female senior management employees	38
	Middle Management	5,155
	Number of female middle management employees	1,152
	Frontline	66,526

## Employee Turnover Rate

Indicator	Unit	2025
Total employee turnover rate	%	11.27
Employee turnover rate by gender	Male	11.66
	Female	10.33
Employee turnover rate by age group	Under 30 years old	20.59
	30 to 40 years old	7.92
	Over 40 years old	4.44

## Employee Training and Development

Indicator	Unit	2025
Total training hours	Hour(s)	1,195,002
Average training hours per employee	Hour(s)	57.41

## Occupational Health and Safety

Indicator	Unit	2025
Total duration of occupational health and work safety training	Hour(s)	135,667
Times of safety drills conducted (fire, toxic gas leaks, etc.)	Time(s)	381
Number of work-related fatalities	Person(s)	0
Incidence of occupational diseases	%	0

## Environmental Performance

### Greenhouse Gas Emissions

Indicator	Unit	2023	2024	2025
Total greenhouse gas emissions	tCO <sub>2</sub> e	1,314,438	3,173,251	2,200,430
Scope 1 Greenhouse gas emissions	tCO <sub>2</sub> e	726,654	2,682,418	1,759,657
Scope 2 Greenhouse gas emissions	tCO <sub>2</sub> e	587,784	490,833	440,773
Greenhouse gas emissions intensity	tCO <sub>2</sub> e/RMB 10,000 Revenue	0.0641	0.1670	0.1291

### Wastewater Discharge

Indicator	Unit	2025
Total industrial wastewater discharge	m <sup>3</sup>	3,089,689.17
Chemical oxygen demand (COD)	mg/L	68.32
Five-day biochemical oxygen demand (BOD5)	mg/L	23.87
Suspended solids	mg/L	19.44
Ammonia nitrogen	mg/L	7.78
Total phosphorus	mg/L	1.16

### Waste Gas Emissions

Indicator	Unit	2025
Total exhaust emissions	m <sup>3</sup>	34,232,869,350
Particulate matter (PM) emissions	mg/m <sup>3</sup>	8.67
Non-methane hydrocarbon emissions	mg/m <sup>3</sup>	3.26
Nitrogen oxides (NOx) emissions	mg/m <sup>3</sup>	11.21
Sulfur oxides (SOx) emissions	mg/m <sup>3</sup>	1.41
Volatile organic compounds (VOCs) emissions	mg/m <sup>3</sup>	3.40

### Waste Disposal

Indicator	Unit	2025
Total general solid waste	Ton(s)	499,126.63
Total hazardous waste	Ton(s)	15,897.59
Recycled and converted copper, iron, aluminum, and plastic materials	10,000 Tons	18.32
Recycled and processed waste electrical and electronic products	10,000 Units/Sets	855

### Usage of Water Resources

Indicator	Unit	2025
Total water withdrawal	10,000 Tons	1,020
Recycled water volume	10,000 Tons	71,274
Total water consumption	10,000 Tons	689.5

### Usage of Energy

Indicator	Unit	2025
Total energy consumption	Ton(s) of standard coal	247,401.18
Direct energy consumption	Ton(s) of standard coal	49,144.36
Including: Natural gas	10,000m <sup>3</sup>	2,895.65
Including: Liquefied petroleum gas (LPG)	Ton(s)	6,203.16
Indirect energy consumption	Ton(s) of standard coal	198,256.82
Including: Electricity	10,000 kWh	149,820.56
Including: Self-generated solar power usage	10,000 kWh	11,495
Nuclear power usage	10,000 kWh	67,678.6
Proportion of clean energy consumption	%	54.8

# Benchmark Index Table

## Cross-Reference to *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*

	Disclosure Requirements	Corresponding Section
Environmental Topics	Climate Change Tackling	Climate Change Tackling
	Pollutant Discharge	Pollutant and Waste Discharge Management
	Waste Disposal	Pollutant and Waste Discharge Management
	Environmental Compliance Management	Environmental Compliance Management
	Energy Usage	Resource and Energy Usage
	Usage of Water Resources	Resource and Energy Usage
	Circular Economy	Circular Economy Exploration
Social Topics	Rural Revitalization	Fulfilling Our Mission to Support Society
	Contributions to the Society	Fulfilling Our Mission to Support Society
	Innovation-driven	Strengthening Innovation through Intensive R&D
	Supply Chain Security	Strengthening Control over Chain Partners
	Equal Treatment to Small and Medium-Sized Enterprises	Strengthening Control over Chain Partners

	Disclosure Requirements	Corresponding Section
Social Topics	Safety and Quality of Products and Services	Pursuing Excellence Through Meticulous Quality Craftsmanship-oriented Service Enhancing Reputation
	Data Security and Customer Privacy Protection	Rigorous Data Protection for Enhanced Security
	Employees	Employee Employment and Rights and Benefits Talent Development and Training Occupational Health and Safety
Sustainability-related Governance Topics	Due Diligence	ESG Management
	Communication with Stakeholders	ESG Management
	Anti-Commercial Bribery and Anti-Corruption	Business Ethics
	Anti-unfair Competition	Business Ethics

Note: It has been determined that the topics of Ecosystem and Biodiversity Protection and Ethics of Science and Technology are currently not material or applicable and are therefore not disclosed in this report.

## Cross-Reference to GRI Standards

GRI Standard	Corresponding Section
GRI 2: General Disclosures 2021	About this Report About Gree Electric Appliances ESG Management Corporate Governance Employee Employment and Rights and Benefits Key Performance Table
GRI 3: Material Topics 2021	ESG Management
GRI 201: Economic Performance 2016	Employee Employment and Rights and Benefits Climate Change Tackling Key Performance Table
GRI 205: Anti-corruption 2016	Business Ethics
GRI 302: Energy 2016	Resource and Energy Usage Key Performance Table
GRI 303: Water and Effluents 2018	Pollutant and Waste Discharge Management Resource and Energy Usage
GRI 305: Emissions 2016	Climate Change Tackling Resource and Energy Usage Key Performance Table
GRI 306: Waste 2020	Pollutant and Waste Discharge Management Circular Economy Exploration Key Performance Table

GRI Standard	Corresponding Section
GRI 308: Supplier Environmental Assessment 2016	Strengthening Control over Chain Partners
GRI 401: Employment 2016	Employee Employment and Rights and Benefits Key Performance Table
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety Key Performance Table
GRI 404: Training and Education 2016	Talent Training and Development Key Performance Table
GRI 405: Diversity and Equal Opportunity 2016	Corporate Governance Employee Employment and Rights and Benefits
GRI 406: Non-discrimination 2016	Employee Employment and Rights and Benefits
GRI 407: Freedom of Association and Collective Bargaining 2016	Employee Employment and Rights and Benefits
GRI 408: Child Labor 2016	Employee Employment and Rights and Benefits
GRI 409: Forced or Compulsory Labor 2016	Employee Employment and Rights and Benefits
GRI 414: Supplier Social Assessment 2016	Strengthening Control over Chain Partners
GRI 417: Marketing and Labeling 2016	Business Ethics
GRI 418: Customer Privacy 2016	Rigorous Data Protection for Enhanced Security

# Reader Feedback Form

Dear Readers,

Hello!

Thank you for taking the time to read this report. In order to provide you and other stakeholders with more complete, more professional, and more valuable ESG information, and to enhance the quality of our ESG reports, we sincerely invite you to assist in completing the relevant questions in the feedback form. Please do not hesitate to give us your comments.

1. Are you satisfied with this report in general?

Yes  Fair  No

2. Do you think this report reflects the significant impact of GREE Electric Appliances on ESG?

Yes  Fair  No

3. Do you think the analysis of the stakeholders identified in this report and their relationship with GREE Electric Appliances is accurate and comprehensive?

Yes  Fair  No

4. Do you think the information provided in this report is comprehensive?

Yes  Fair  No

5. Do you think the information provided in this report is readable?

Yes  Fair  No

6. Is the overall design of this report satisfactory?

Yes  Fair  No

7. Your other comments and recommendations on the 2025 Environmental, Social and Governance Report of GREE Electric Appliances are welcome.

For any questions, suggestions, or feedback regarding this report, please feel free to contact us through the following channels:

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