



2024

Gree Electric Appliances, Inc. of Zhuhai

Environmental, Social, and Governance Report





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Introduction

Overview

This is the second Environmental, Social, and Governance Report published by Gree Electric Appliances Inc. of Zhuhai. The Report mainly discloses the Company's efforts to actively respond to the opportunities and challenges of sustainable development, and create comprehensive economic, social and environmental value for its stakeholders.

> Scope

Unless otherwise indicated, the scope of organization of this Report covers Gree Electric Appliances, Inc. of Zhuhai and its branches.

> Time Period

The Report covers the period from January 1, 2024 to December 31, 2024. To enhance the completeness of the Report, some content may be beyond the above time period.

> Executive Summary

For ease of expression, "Gree Electric Appliances, Inc. of Zhuhai" is referred to as "Gree Electric", "GREE", "the Company" or "we" in this Report.

> References

This Report has been prepared with reference to the "GRI Standards" issued by the Global Sustainability Standards Board (GSSB), the Sustainable Development Goals (SDGs) of the United Nations, the Guidelines No.3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Preparation of Sustainability Reports, and addressed the concerns of MSCI.

> Data

The qualitative and quantitative information used in this Report comes from publicly available information, internal documents, and relevant statistics of Gree Electric, and the disclosure scope is consistent with the scope of the consolidated financial statements. Other contents that differ from this scope will be explained in the Report. Unless otherwise stated, all amounts mentioned hereunder shall be denominated in CNY.

> Acquisition

This electronic version of this Report can be accessed on the Company website (<http://www.gree.com.cn>), Shenzhen Stock Exchange website (<http://www.szse.cn>) and CNINFO (www.cninfo.com.cn).



Introduction



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A Message from Management

In this era of transformation and opportunity, Gree Electric aims to “Build a World Class Company and GREE into a Century-old Brand” as its vision, using innovation as the pen and quality as the ink to write a new chapter for Chinese manufacturing. Over the past year, through relentless innovation efforts, the Company achieved a total revenue of CNY190.038 billion and a net profit attributable to the parent company of CNY32.185 billion, with earnings per share of CNY5.83. The Company has accumulated 46 “world-leading” technologies and filed 129,524 patents, making it the only home appliance company to be ranked in the top ten for the number of Chinese invention patents granted for nine consecutive years. These achievements are the result of our unwavering commitment to high-quality development and the gradual culmination of technical innovations.

Strong governance as the foundation for growth. In 2024, we continuously enhanced our corporate governance, and held two sessions of General Meetings of Shareholders, with all proposals being approved; eight meetings of the Board of Directors and six meetings of the Board of Supervisors, with 100% attendance by directors and supervisors. For consecutive years, the Company has been awarded an A-level evaluation for information disclosure by the Shenzhen Stock Exchange, reflecting the compliance and efficiency of our operations. Additionally, the Company places great importance on investor communication and shareholder returns. Through performance briefings, the Shenzhen Stock Exchange’s “Easy Interaction” platform, investor hotlines, and other channels, we have conducted effective communication with our investors. During the reporting period, the Company distributed a total cash dividend of CNY16.755 billion, demonstrating our commitment to rewarding shareholders and promoting the healthy development of the capital markets.

Technological innovation driving high-quality development. With the mission of “Made in China, Loved by the World”, Gree Electric insists on independent R&D, driving breakthroughs in core technologies and product innovations to create a better life for people. In 2024, the Company achieved six R&D outcomes that

reached “internationally leading” levels. Among these, the “120 °C + Industrial Large-capacity Efficient High-temperature Centrifugal Heat Pump” and “COP7.0+ Two-stage Permanent-magnet Inverter Screw Chiller Technology and Application” demonstrated significant energy-saving effects, contributing to low-carbon energy development and industrial carbon neutrality, and to the national energy conservation and emissions reduction strategy. The “Research and Application of Key Technologies for Low-carbon Dynamic Operation of Inverter Air Conditioners” improved the dynamic energy efficiency of air conditioners by more than 15.8%, with annual electricity consumption reduced by more than 13.6%. In addition, the GMV9 Zhiyue VRF Unit pioneered indoor unit dynamic monitoring technology. Through real-time power measurement and intelligent allocation, the unit has achieved a comprehensive energy-saving rate exceeding 25% for commercial spaces, redefining the energy efficiency standards of central AC systems. The reversible air supply central AC system, which does not blow air directly onto people, provides a significant advantage over traditional side air supply units. It can achieve non-direct cold air flow during cooling and a 53% faster temperature rise during heating, with more even vertical temperature distribution, resulting in a 42.7% energy-saving effect. Gree Electric continues to contribute to sustainable social development through constant technological innovation.

Talent pool breeding core value. The Company has always placed talent development as a top priority. Through a comprehensive talent introduction, training, and incentive mechanism, it has attracted and retained massive outstanding professionals. In 2024, the Company recruited over 6,000 graduates, reflecting its responsiveness to societal needs and, more importantly, its strong desire to nurture young talent. In 2024, the total training hours for all employees reached 1.18 million hours, with the average training time per employee exceeding 50 hours. This commitment to continuous learning enhances the professional skills and overall competencies of employees. Furthermore, the Company implemented the third phase of its Employee Stock Ownership Plan (ESOP) in 2024, bringing the total number of employees benefiting from this incentive to 12,824. This plan strengthens the mechanism

of shared interests and joint risks between shareholders, the management team, middle-level cadres, and key employees. The Company also enhances employee satisfaction and happiness by offering support measures, such as talent subsidies, housing assistance, and policy-based public school placements, ensuring that employees can share in the Company’s development dividends.

Green transformation demonstrating responsibility of the era. The Company’s globally pioneering “zero-carbon source” PV energy-storage AC system provides a Chinese solution for global carbon neutrality. This innovative technology has been deployed in 35 countries and regions worldwide, achieving a reduction of 115,000 tons of carbon emissions annually. In 2024, the system won the “Terawatt Diamond Award” and the “Excellence Award for Energy Storage Applications” at the SNEC 17th International Photovoltaic Power Generation and Smart Energy (Shanghai) Conference. The Company has established six major recycling resource bases, creating a circular development model of “green design - green manufacturing - green recycling”. This model effectively realizes the resource utilization of electronic waste and sets a benchmark for sustainable development in the industry. In addition, the Company is committed to building an efficient, energy-saving, and environmentally friendly supply chain system, actively promoting green manufacturing and sustainable development. As of the end of the reporting period, five of the Company’s subsidiaries were included in the Ministry of Industry and Information Technology’s List of Green Manufacturing and Green Supply Chain Management Enterprises, including GREE (Shijiazhuang) Small Home Appliances Co., Ltd, GREE Changsha HVAC Equipment Co., Ltd, and GREE (Zhongshan) Small Home Appliances Co., Ltd. This effort contributes positively to the development of a green supply chain system.

Looking ahead, Gree Electric will remain committed to its mission of “Made in China, Loved by the World”, adhering to innovation-driven and green development principles, and continue to enhance its core competitiveness and sustainability capabilities.



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About Gree Electric

Gree Electric Appliances, Inc. of Zhuhai was established in 1991 and listed on the Shenzhen Stock Exchange in November 1996. The Company has now evolved into a diversified and technologically oriented global industrial group, with three major consumer brands: GREE, TOSOT, and Kinghome, as well as industrial brands such as Landa, Kaibang, and Xinyuan. Its industries span household consumer goods and industrial equipment. For the consumer sector, this includes products such as residential air conditioners, heating, ventilation and air conditioning (HVAC) systems, refrigerators, washing machines, water heaters, kitchen appliances, environmental appliances, and smart buildings and smart-home. For the industrial sector, the Company's industrial offerings cover high-end equipment, precision molds, refrigeration and cold storage equipment, motors, compressors, capacitors, semiconductor devices, precision casting, basic materials, industrial energy storage, and renewable resources, with products served for a total of over 600 million customers, and sold in over 190 countries and regions.

In terms of industrial layout, Gree Electric promotes the coordination of multiple industries. It has established 77 production bases across provinces and cities such as Guangdong, Chongqing, and Anhui, as well as in countries including Brazil covering air conditioning, home appliance, and industrial products. In addition, the Company has also set up six recycling facilities, covering the entire industrial chain from upstream production to downstream recycling, achieving a green, recycling, and sustainable development model.

About innovation, Gree Electric focuses on strengthening its R&D capabilities. It has set up 16 R&D centers, 152 research institutions, 1,411 laboratories, and an academician workstation (for motors and control). It is equipped with one National Engineering

Technology Research Center, one National Industrial Design Center, one National Enterprise Technology Center, and one Robotics Engineering Technology R&D Center. Additionally, the Company has been designated 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, Gree Electric has received 2 National Science and Technology Progress Awards, and a total of 122 major awards at national, provincial and industrial levels. It holds 46 "world-leading" technologies, and has applied for 129,524 patents, including 70,844 invention patent applications with 25,883 invention patents granted. It is the only home appliance company to have ranked in the top 10 in China for invention patent grants for nine consecutive years. The Company has received 81 China Patent Awards, including 3 Gold Awards for Invention, 4 China Appearance Design Gold Awards, 15 Geneva International Exhibition of Inventions Gold Awards, and 12 Nuremberg International Exhibition of Inventions Gold Awards. In addition, the Company is among the batch of national demonstration units for intellectual property in enterprises and institutions, and a "National Patent Operation Pilot Enterprise". It has also won the China Trademark Gold Award. The Company's patent quantity and quality have steadily increased, fully showcasing Gree Electric's inventive capabilities and internationally leading R&D strength.

Regarding quality management, Gree Electric has set an industry benchmark for quality. It adheres to the principle of honest operation, customer-oriented approach, and strict control over quality and system construction, maintaining a leading position in the industry in terms of quality. This commitment to quality has earned the Company a good reputation in the market, winning the third "China Quality Award" in 2018 and the "National Quality Award" and "National Quality Benchmark" honors, demonstrating

its strong capabilities and influence in product quality management. Additionally, Gree Electric actively participates in the formulation of national standards, to promote the improvement of industry quality levels.

With respect to transformation and upgrading, Gree Electric vigorously promoting smart manufacturing. By driving digitalization, the Company aims to improve efficiency, create value, and enhance business objectives. It has developed a lean smart manufacturing system centered around dual effectiveness, facilitating the system optimization and overall upgrade of the full product lifecycle, production processes, and all supply chain links, thus advancing the Company's transformation into smart manufacturing. Through the integration of information systems platforms, the Company enhances flexible automation capabilities, optimizes production operations, and improves management efficiency. During the reporting period, the Company's project on "Building and Implementing a Lean Smart Manufacturing System for Large Home Appliance Enterprise Groups" was awarded first place in the 31st National Enterprise Management Modernization Innovation Achievement Award. Additionally, its Jinwan Factory was selected as one of the first "Outstanding Smart Factories" by the Ministry of Industry and Information Technology of China.

GREE will continue to uphold the corporate vision of "Build a World Class Company and GREE into a Century-old Brand", and always adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, remains true to its original aspiration, keeps its mission firmly in mind, sticks to the real economy, and follows the path of self-reliance and innovation. Through innovation, responsibility, and green development, it aims to contribute to the progress of human society, becoming a brand trusted by global consumers and working together to create a brighter future.



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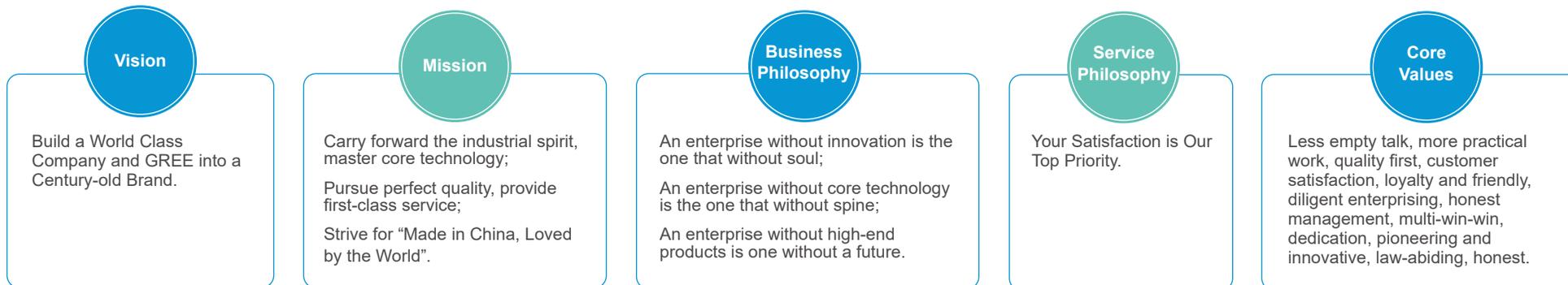


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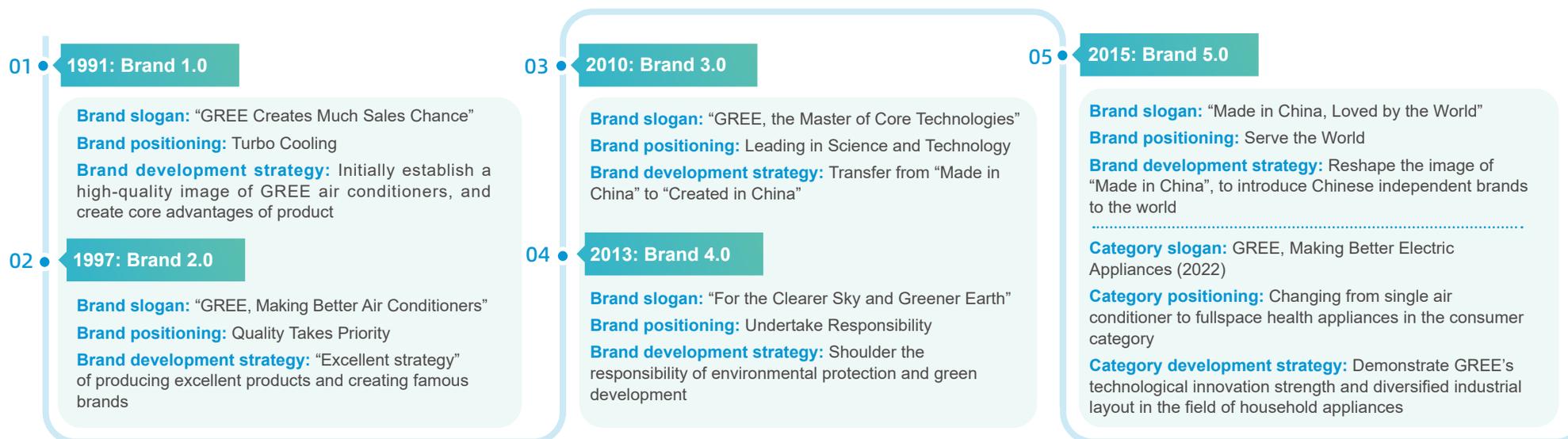


Conclusion

Corporate Culture



Brand Development Journey



Performance Highlights in 2024

Economic performance



Total operating revenue
CNY **190.038** billion

Net profit attributable to the parent company
CNY **32.185** billion

Total cash dividends (tax inclusive)
CNY **16.755** billion

Cash dividend of
CNY **30** per 10 shares

Innovation R&D



Percentage of R&D expenses in revenue
3.77%

representing a year-on-year growth of
1.9%

Total patents filed
129,524

including invention patents
70,844

Total China Parent Awards received:
81



Corporate governance



Attendance rate of board members
100%

Percentage of female directors
22.22%

Percentage of independent directors
44.44%



Supply chain management



Conducted conflict minerals investigations with **652** suppliers; traced **360** refining plants and smelting plants, with over **40%** obtaining RMAP certification

Customer service

Customer feedback response rate reached
99.99%

Customer satisfaction reached
99.88%

Over **15,000** authorized after-sales service outlets

Corporate Behavior



Coverage of business ethics training for employees
100%



Number of signed *Integrity Commitment Letter*
10,332 copies



Product quality



Successfully completed **249** quality improvement projects

0 major safety and quality responsibility accidents related to product services



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Employee management



Total number of employees

72,808

Collective bargaining agreement coverage

100%

No

strikes or lock-outs occurred

No

major layoffs occurred

Listed in

2024 Forbes World's Best Employers

Employee health checkup coverage

100%

Non-compensation benefits

coverage for **all employees**



Environmental management



Total environmental protection investment

CNY **134.794** million



Including energy-saving technology renovation investment

CNY **45.808** million



Number of emergency response drills for environmental incidents

197



Total number of green factory certifications **20**,

including **10** national-level green factory certifications, **6** provincial-level green factory certifications, and **4** municipal-level green factory certifications

Resource utilization



Total number of energy-saving technological renovation projects

392

saving

58.344 million

kWh of electricity

Total number of products awarded the national "Green Design Product" title

61

Total photovoltaic installed capacity

121.3 MW

newly installed photovoltaic capacity in 2024

56.9 MW

Photovoltaic power generation

96.85 million kWh

accounting for

5.6% of the Group's total electricity consumption

Talent training



Total employee training hours nearly

1.18 million hours

Average training hours per employee

over **50** hours

E-waste management



Number of discarded electrical and electronic products recycled and processed

8.13 million units/sets

converted into recycled materials (copper, iron, aluminum, plastics)

157,600 tons

Total number of electrical and electronic products processed

64.77 million units/sets



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Honors and Awards

Innovation Awards

2024 Geneva International Exhibition of Inventions Gold Award

World Intellectual Property Organization,
Swiss federal government

2024 Nuremberg International Exhibition of Inventions Gold Award, in Germany

Organizing Committee of Nuremberg International
Exhibition of Inventions, in Germany

First Prize of 2023 Guangdong Science and Technology Progress Award

Guangdong Provincial People's Government

2024 First Prize of Technology Progress Award of China National Light Industry Council

China National Light Industry Council

AWE 2024 Gold Award

Organizing Committee of Appliance &
Electronics World Expo

Gold Award at 2024 Canton Fair Design Award (CF Award)

CF Award Office

2024 Model Enterprise for Green Technology Innovation

Patent Protection Association of China

SNEC 17th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition "Terawatt Diamond Award"

Expert Committee of SNEC Photovoltaic
Power Conference & Exhibition

SNEC 17th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition "Energy Storage Application Excellence Award"

SNEC 17th (2024) International
Photovoltaic Power Generation and
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Exhibition



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Brand Awards

2024 Forbes Global 2000—the 334th
★
Forbes

**Market Quality Credit Rating Certificate
AAA Level**
★
China Association for Quality

**User Satisfaction Benchmark
Five-Star Rating**
★
China Association for Quality

**2024 Household Appliance Industry
Industry User Satisfaction Index: “GREE
Household Air Conditioners Ranked First”**
★
China Association for Quality User Committee

**2024 World Internet of Things 500
List (Gold)—the 46th**
★
Organizing Committee of the World Internet
of Things Convention

**2024 Top 500 Private Enterprises
in China—the 31st**
★
All-China Federation of Industry and
Commerce

**Guangdong Province Standardization
Outstanding Contribution Award,
Standardization Organization Award**
★
Guangdong Provincial Department of Human
Resources and Social Security, Guangdong
Provincial Market Supervision Administration

**2024 Top 100 Chinese Overseas
Brands Index**
★
People's Daily Overseas Network, GYBrand
Global Brand Research Institute

2024 People's Craftsman Brand
★
People's Daily Online (people.cn)



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Focus on Sustainable Development

Stakeholder Identification and Communication

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

Major stakeholder	 Government department and regulatory authority	 Shareholder and investor	 Customer	 Partner	 Employee	 Society and the public
Key issue	<ul style="list-style-type: none"> • Law-biding and compliant operation • Transparent disclosure • Improving corporate governance • Adherence to business ethics • Addressing climate change 	<ul style="list-style-type: none"> • Law-biding and compliant operation • Intellectual property protection • Transparent disclosure • Risk management • Improving corporate governance • Adherence to business ethics • Technological innovation 	<ul style="list-style-type: none"> • Customer management • Product quality and safety • Accessibility of products and services 	<ul style="list-style-type: none"> • Adherence to business ethics • Industry exchange and development • Supply chain management 	<ul style="list-style-type: none"> • Occupational health and safety • Occupational training and development • Protection of employees' rights and interests • Employee communication and democratic management • Employee care • Diversity and equal opportunity 	<ul style="list-style-type: none"> • Responding to national strategies • Practicing social responsibility
Communication and channels	<ul style="list-style-type: none"> • Inspection by leaders and competent authorities • Compliance patrols and inspections • Regular meetings with local government representatives • Forums, conferences and seminars • Daily policy implementation • Carrying out carbon footprint verification, energy conservation and emission reduction • Developing clean energy 	<ul style="list-style-type: none"> • General meeting of shareholders • Investor exchange meetings • Online performance briefing • Shenzhen stock exchange easy interaction Q&A • Investor hotline • Company research • Telephone consultation • E-mail • Regular reports and information disclosure on official website 	<ul style="list-style-type: none"> • Customer satisfaction survey • E-mail and daily phone communication • Customer e-mail • Responding to customer complaints • Customer visits 	<ul style="list-style-type: none"> • Selection assessment • Procurement process • Performance evaluation • Regular communication with business partners (e.g. e-mails, meetings) 	<ul style="list-style-type: none"> • Training and induction training • E-mail and suggestion box • Regular meeting • Employee performance evaluation • Employee activities 	<ul style="list-style-type: none"> • E-mail • Tel • Company announcement • Social network platform • Company website • Social media • Charitable donations and voluntary services • Community activities



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Material Issues Assessment

During this reporting period, we orderly carried out the research on material issues based on the process of “stakeholder communication - issue identification - issue evaluation - materiality confirmation” to effectively response to the expectations and demands of various stakeholders, continuously improving the level of ESG management.

<p>Stakeholder communication</p>	<p>We maintained regular communication with investors, customers, government agencies, and employees, among other stakeholders. We recorded the issues and specific content of different stakeholders' concerns and responded to their demands.</p>
<p>Issue identification</p>	<p>Based on the <i>Guidelines No.3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Preparation of Sustainability Reports</i>, 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 issues highly relevant to the Company.</p>
<p>Issue evaluation</p>	<p>In 2024, we conducted interviews with nearly 30 internal departments on environmental, social, and corporate governance issues, listening extensively to their opinions and feedback.</p>
<p>Materiality confirmation</p>	<p>Based on the survey results from stakeholders, we created a material issue analysis matrix to identify the significant issues matrix for the year and the disclosure highlights for this Report. Combining the Company's development strategy, interview communications, external inquiries, and industry trends, the management confirmed the material issues.</p>



Governance	Social	Environment
<ul style="list-style-type: none"> 1 Law-abiding and compliant operation 2 Improving corporate governance 3 Transparent disclosure 4 Risk management 5 Protecting investor's rights and interests 6 Business ethics and anti-corruption 	<ul style="list-style-type: none"> 7 Occupational health and safety 8 Career training and development 9 Protection of employees' rights and interests 10 Employee communication and democratic management 11 Employee care 12 Optimization of customer service 13 Safety and quality of products and services 14 Intellectual property protection 15 Data security and customer privacy protection 16 Innovation-driven development 17 Supply chain management 18 Rural revitalization and contribution to society 19 Conflict minerals management 	<ul style="list-style-type: none"> 20 Energy usage 21 Water resource utilization 22 Waste disposal 23 Addressing climate change 24 Environmental compliance management 25 Circular economy 26 Pollutant emissions



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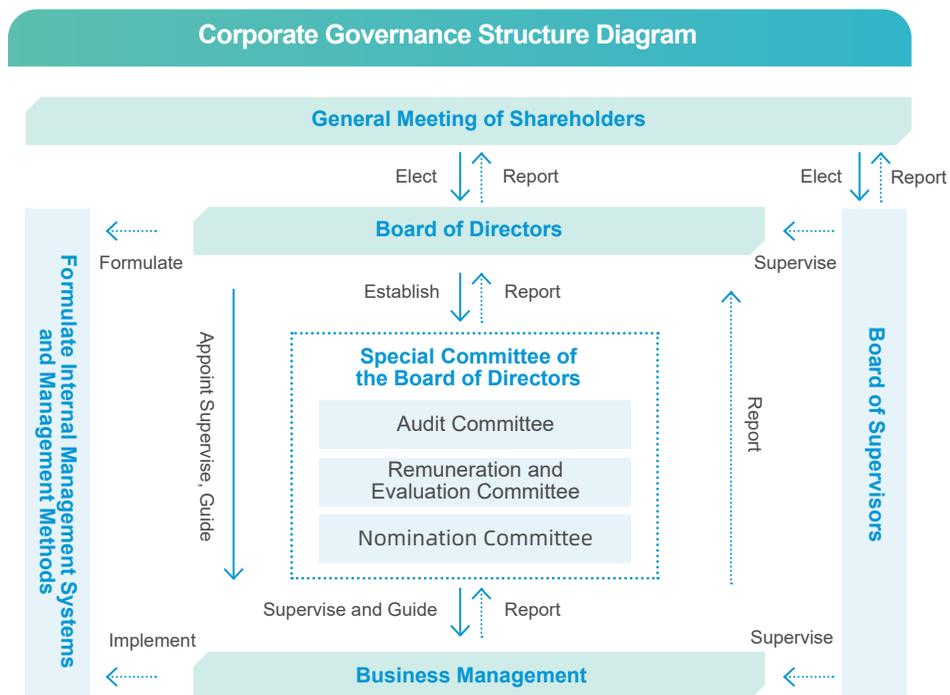
Compliance Governance, Upholding Integrity and Sincerity

Gree Electric has always regarded sound corporate governance as the cornerstone of its sustainable development, fully recognizing its pivotal role in protecting shareholder interests and enhancing corporate value. The Company strictly complies with national laws, regulations, and regulatory requirements, while continually improving its governance structure and internal control systems to ensure legal, compliant, transparent, and efficient operations. GREE is committed to integrity, adheres to business ethics, safeguards information, and actively fulfills its social responsibilities, and is dedicated to creating long-term value for stakeholders, including shareholders, employees, customers, and partners, with the aim of becoming a trusted and internationally recognized enterprise.



Solidifying Corporate Governance

The Company strictly adheres to the requirements of laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Stock Listing Rules of the Shenzhen Stock Exchange*. It standardizes company operations, continuously improves its corporate governance structure, and fully utilizes the roles of the General Meeting of Shareholders, Board of Directors, and Board of Supervisors in major decision-making, business management, and supervision to ensure the Company's compliance and proper operation.



General Meeting of Shareholders

is the highest governing body of the Company, responsible for electing the members of the Board of Directors and the Board of Supervisors, as well as hearing reports on the work of both boards.

Board of Directors

is responsible for the Company's overall strategic decision-making and supervising the Business Management. It has several specialized committees, including the Audit Committee, the Remuneration and Evaluation Committee, and the Nomination Committee, which are responsible for financial audits, compensation management, and the nomination of directors and senior executives, respectively.

Board of Supervisors

is responsible for overseeing the performance of the Board of Directors and the Business Management to ensure that the Company operates in compliance with laws, regulations, and the Company's articles of association. It is also responsible for reviewing the Company's financial reports and internal control systems, as well as preventing potential risks.

Business Management

is responsible for the Company's daily operations and for implementing the strategies and policies set by the Board of Directors. It is also tasked with developing internal management systems and methods to ensure the Company's operations are standardized and efficient.



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Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors

The Company's directors, supervisors, and senior management strictly comply with regulatory requirements and regularly participate in compliance training organized by regulatory authorities, the Shenzhen Stock Exchange, and the Company itself. This ensures zero violations and zero errors in key areas such as major decision-making, information disclosure, and related-party transactions. The management team leads by example, integrating compliance, integrity, and business ethics into the corporate culture, establishing a strong model for corporate governance.

During the reporting period, the procedures for convening and holding meetings of the Board of Directors and the Board of Supervisors strictly adhered to the provisions of the Company Law of the People's Republic of China and the Articles of Association. The attendance rate of all incumbent directors and supervisors at board meetings and board of supervisors meetings reached 100%. They diligently and responsibly fulfilled their duties, fully reflecting the standardization and effectiveness of the corporate governance.



Convening of Meetings of General Meeting of Shareholders, the Meetings of the Board of Directors, and the Board of Supervisors of Gree Electric in 2024



General Meeting of Shareholders Convened

2 times



Meetings of the Board of Supervisors Convened

6 times

deliberated

18 proposals



Meetings of the Board of Directors Convened

8 times

deliberated

30 proposals



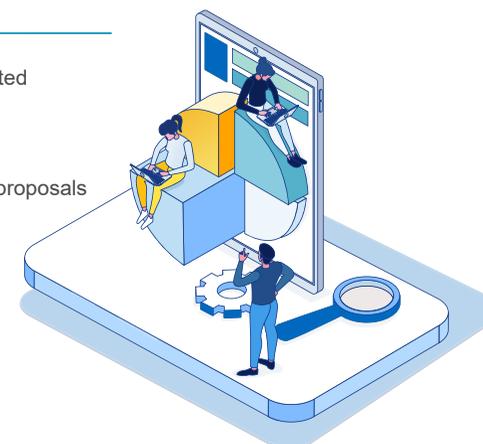
Meetings of the Audit Committee under the Board of Directors Convened

3 times



Meetings of Remuneration and Evaluation Committee under the Board of Directors Convened

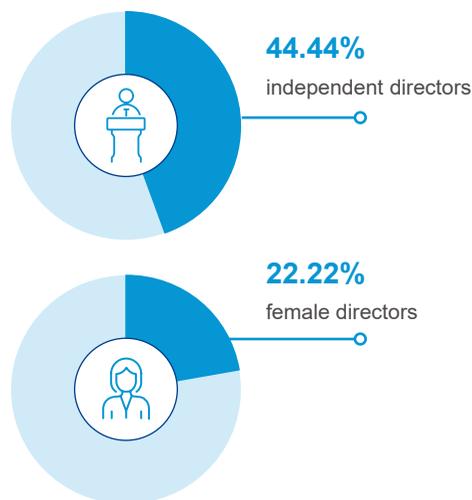
2 times



Specialization and Diversity of the Board of Directors

The diverse backgrounds and experiences of the members of the Board of Directors provide multiple perspectives and value to the Company's strategic planning, enabling the various committees to evaluate issues from broader angles and fully consider the best interests of all stakeholders. The Company's Nomination Committee comprehensively considers factors such as gender, age, and professional background when nominating members for the Board of Directors and the Board of Supervisors, with a focus on selecting experts in areas such as corporate governance, finance, law, and the home appliance and electronics industry.

As of the end of the reporting period, the Company's Board of Directors consisted of 9 directors, including four independent directors (44.44%) and 2 female directors (22.22%).



Members of the Board of Directors in Gree Electric						
Name	Position	Gender	Age	Date of the First Appointment of Directors	Professional Ability	Serving on Special Committees
Dong Mingzhu	Chairwoman & President	Female	70	2012.05	Industry Expert	/
Zhang Wei	Secretary of the Party Committee and Director	Male	48	2019.01	Industry Expert	Audit Committee, Remuneration and Evaluation Committee
Guo Shuzhan	Director	Male	68	2019.01	Industry Expert	/
Zhang Jundu	Director	Male	64	2012.05	Industry Expert	/
Deng Xiaobo	Director and Vice President	Male	49	2020.12	Industry Expert	Nomination Committee
Liu Shuwei	Independent Director	Female	72	2019.01	Financial Expert	Audit Committee, Remuneration and Evaluation Committee
Wang Xiaohua	Independent Director	Male	63	2019.01	Legal Risk Control Expert	Audit Committee, Remuneration and Evaluation Committee
Xing Ziwen	Independent Director	Male	62	2019.01	Industry Expert	Nomination Committee
Zhang Qiusheng	Independent Director	Male	57	2022.03	Financial Expert	Nomination Committee

Executive Compensation Policy

The Board of Directors conducts a comprehensive evaluation of the executives' overall performance in areas such as "virtue, ability, diligence, and performance" based on the Company's 2024 business goals and the completion of individual executive objectives. The results of the performance evaluation are then used to determine the executives' performance bonuses and annual salaries for 2024, which are submitted to the Board of Directors for review and decision. During the reporting period, the total remuneration received by all directors, supervisors, and senior management was CNY45.0518 million.

Strict Risk Management

In order to clarify the Company's management responsibility for the prevention and control of various risks and opportunities, enhance the risk awareness of cadres and employees, and improve the Company's risk control capability, Gree Electric has formulated the Measures for Administration of Risks and Opportunities, which identifies, monitors, and evaluates internal and external environments related to the Company's purpose and strategic direction, and at the same time identifies and evaluates relevant parties' expectations or requirements related to the Company's management systems of quality, environment, occupational health and safety, hazardous substances process, energy, information security.

Internal Control Objectives

In accordance with the *Company Law of the People's Republic of China* and relevant laws and regulations, as well as the Company's internal control systems, the Company has established an effectively functioning internal control mechanism. Based on internal control guidelines and its actual situation, it continuously improves its internal control systems to ensure their effectiveness. The objectives of the Company's internal control work are as follows:

- Ensure the implementation of relevant national laws, regulations, and the Company's internal rules and regulations
- Improve the Company's operational effectiveness and efficiency, enhance the quality of the listed company, and increase returns to its shareholders
- Safeguard the security and integrity of the Company's assets;
- Ensure the Company's information disclosure is truthful, accurate, complete, and fair.

Internal Control Management Measures

In accordance with the *Basic Specifications for Internal Control of Enterprises* and *Guidelines for Enterprise Internal Control Evaluation*, the Company earnestly carries out internal control and compliance assessment. The Audit Committee, Board of Supervisors and Business Management clearly define their roles and responsibilities, so as to closely link the internal control work with daily operations and realize the closed-loop operation of risk management.

The Company adheres to the principles of "risk-based, comprehensive coverage, and focus on key areas". Through thorough research, it formulates an annual audit plan and conducts special audits, economic responsibility audits, and operational management audits, covering important business areas such as procurement, production, sales, finance, infrastructure, and asset management, ensuring comprehensive oversight. The Company regularly conducts full audits of subsidiaries to ensure compliant and effective operations, further strengthening group-wide management. Based on audit findings, it issues audit reports and implements a full-chain corrective process of "issue identification, responsibility assignment, corrective action supervision, and effectiveness verification". Through systematic audit supervision and internal control optimization, the Company continuously enhances its internal control level and audit efficiency.

Meanwhile, the Company engages a third-party professional organization to conduct self-assessment of the compliance and effectiveness of the Company's internal control system every year, and timely updates and improves the internal control system in accordance with the provisions of the *Basic Specifications for Internal Control of Enterprises* and its accompanying guidelines, taking into account the Company's internal and external environments, changes in its internal organization and management requirements, etc. This ensures a dynamic and adaptive control mechanism that supports the Company's high-quality development.



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Strengthening Communication with Investors

The company strictly complies with laws and regulations such as the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on the Main Board, the Guidelines for Investor Relations Management of Listed Companies as well as internal regulations including the Measures for Administration of Information Disclosure and the Investor Relations Management System. These efforts further strengthen the management of information disclosure and investor relations, enhance corporate governance standards, and protect the legitimate rights and interests of the company, investors, and other stakeholders.

Protecting Investor's Rights and Interests

The Company has established comprehensive investor communication channels. Through platforms such as the Shenzhen Stock Exchange's "Easy Interaction" platform, the Company promptly responds to investor inquiries. Additionally, the Company regularly holds the General Meeting of Shareholders, performance briefings, operates an investor hotline, sets up a dedicated email address to receive and respond to investor queries, and organizes investor communication events to actively engage with investors. Furthermore, the Company arranges investor visit activities to help investors gain a deeper understanding of the Company's operational status and development strategy, fostering a positive and constructive interaction with investors.

The Company strictly adheres to the information disclosure regulations set by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange, ensuring the fairness, accuracy, and completeness of information disclosure to protect the legitimate rights and interests of investors.



During the reporting period



The Company held **1** performance briefing



answered **147** questions on the Easy Interaction platform of the Shenzhen Stock Exchange



answer about **749** calls from investors



Information Disclosure

The Company strictly abides by the principles of information disclosure, fulfills its information disclosure obligations truthfully, accurately, completely, timely and fairly, and continues to deepen the institutionalization and standardization of its information disclosure work, strengthen the disclosure of environmental, social and corporate governance information, and continuously enhance the transparency of the Company. During the reporting period, the Company released 72 announcements to the public, including 4 periodic reports and 68 interim reports.

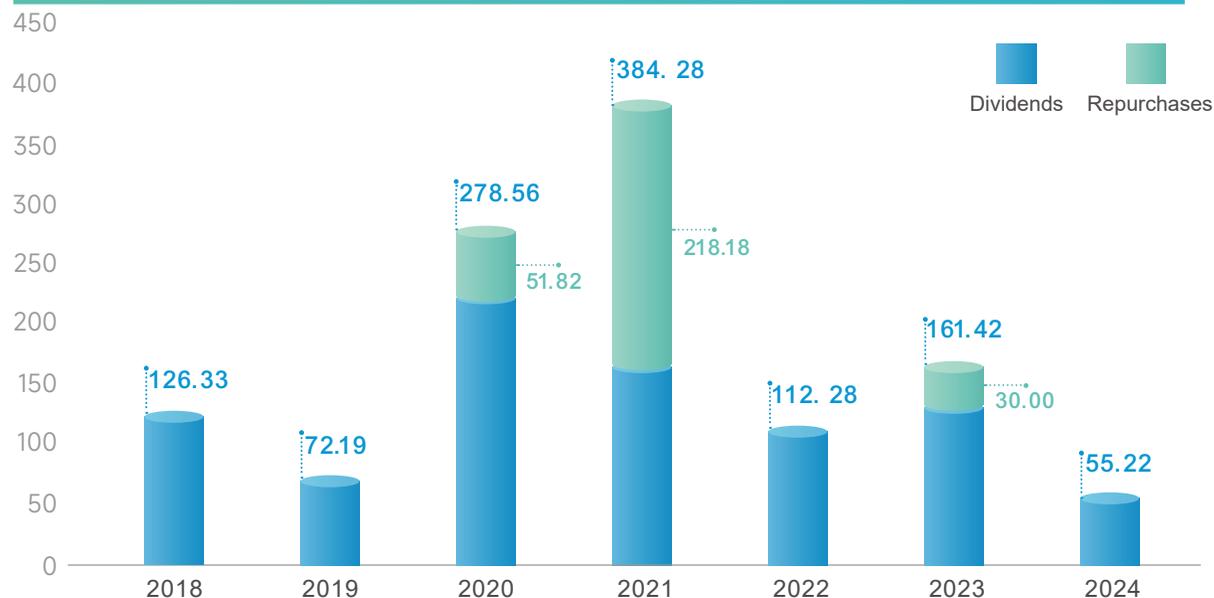
2020-2023



the Company was rated **“A” for four consecutive years** in the annual information disclosure assessment by the Shenzhen Stock Exchange



Gree Electric's annual dividends (including repurchases) / CNY 100 million



Shareholder Returns and Dividends

While the Company continues to promote its own sound development, it has always placed an important position on rewarding its shareholders. Since 1996, the Company has raised a total of CNY5.269 billion through equity financing and paid cumulative dividends more than CNY 172 billion, of which cash dividends amount to over CNY 142 billion, with share repurchases totaling approximately CNY30 billion. During the reporting period, the total cash dividends distributed amounted to CNY16.755 billion, including: (1) a proposed cash dividend of CNY5.585 billion (tax inclusive) for the 2024 interim profit distribution; and (2) a proposed cash dividend of CNY11.17 billion (tax inclusive, subject to review and approval by the Company's General Meeting of Shareholders) for the 2024 annual profit distribution.

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Adherence to Business Ethics

The Company strictly complies with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery*, and the provisions of the *Articles of Association*. It upholds the principles of integrity and self-discipline in its business activities. To prevent unethical practices such as bribery, bribe-taking, fraud, money laundering, unfair competition, and conflicts of interest during management processes, the Company has established management systems such as the *Measures for Administration of Discipline Inspection and Supervision*. These measures aim to enhance the Company's ability to govern in accordance with the law and manage business ethics, ensuring adherence to business ethics.

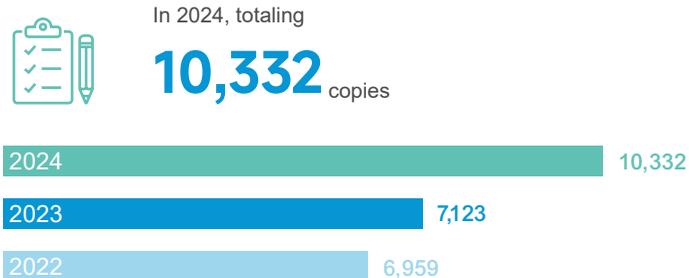
The company's management team serves as the top governing body for business ethics and anti-corruption issues. The Company has set up the Discipline Inspection and Supervision Office, which is specifically responsible for carrying out the Company's discipline inspection and supervision management, conducting integrity education, preventing corruption risks, and implementing the investigation and handling of suspected violations of the law, to ensure the legal and compliant business operations.

Integrity-Building

To strengthen compliance and ethical conduct, enhance the Company's management of business ethics standards, prevent corruption in the production and management processes, and protect the Company's brand value, it has established the *Code of Business Ethics*. The Company requires all employees at the headquarters and subsidiaries (including branches) to adhere to the provisions of the *Code of Business Ethics*. Additionally, it encourages upstream and downstream partners and other stakeholders, to support, accept, and implement this code. All parties are expected to strictly comply with the ethical standards, conduct business in line with the principles of commercial ethics, and comply with all applicable laws, regulations, and internationally recognized ESG standards.

The Company requires employees, management, and partners to commit to ensuring their own integrity and clearly define their responsibilities in maintaining ethical conduct. Senior management, middle-level managers, and key personnel sign an Integrity Commitment Letter annually to fulfill their individual responsibility for integrity, prevent violations, and address corruption risks from the source.

The number of Integrity Commitment Letters



In 2024, totaling

10,332 copies

• Business Ethics Audit

The Company conducts annual checks and supervision to ensure the effectiveness of its business ethics, anti-corruption, and anti-commercial bribery management measures by reviewing the establishment and implementation of its internal control mechanisms, the accuracy and completeness of financial information, and conducting integrity investigation on key positions and personnel involved in critical processes. In addition, it assesses the risks of commercial bribery and corruption across diversified business areas, identifies where business ethics are more likely to occur, and focuses its audits on these high-risk areas.

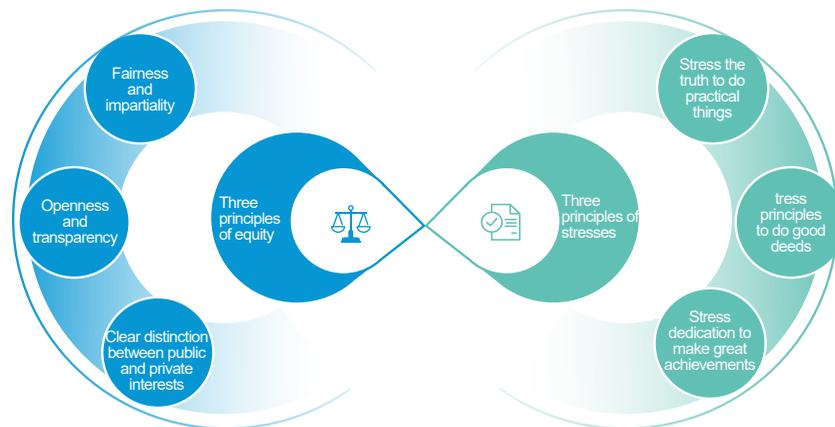
• Business Ethics Training

The Company upholds the principles of integrity, legality, and honest business practices, integrating the development of an integrity culture with business risk prevention. Through business ethics training for all employees, disciplinary education during monthly learning sessions, and enhanced promotion of integrity culture, the Company ensures that 100% of employees participate in relevant training programs. These efforts aim to comprehensively improve employees' awareness of business ethics and effectively prevent business ethics risks.



Reporting Channels and Whistleblower Protection

In order to maintain the principles of “three opennesses and three stresses” of the enterprise, Gree Electric adheres to the principles of fairness and impartiality, openness and transparency, and clear distinction between public and private interests to carry out production and operation. The Company has formulated the Measures for Administration of Reporting, to standardize the duties and content of reporting information acceptance, investigation and processing, file management, protection, reward and punishment of reporting. The Measures clearly stipulate the investigation and handling of reported incidents, whistleblower rewards and punishments, investigator recusal and whistleblower protection mechanism, to ensure the effectiveness of the reporting throughout the whole process, and safeguard the rights and interests of employees.



Anti-money Laundering

The Company strictly adheres to the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and relevant laws and regulations. It has established the Code of Business Ethics to clearly define the nature of anti-money laundering practices. It requires all employees, as well as any partners engaged in business activities with GREE, to comply with anti-money laundering laws, avoid involvement in any money laundering activities, and enhance internal anti-money laundering compliance management. This ensures the compliant operation of the business and upholds financial security.

Fair Competition

The Company strictly complies with relevant laws and regulations, such as the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Trust Law, and the EU Competition Law, ensuring that its business operations are legal and compliant. The Company is committed to preventing unfair competition and monopolistic behaviors, actively maintaining market order, and promoting a fair competition environment. The Company pledges to adhere to the principles of fair competition in all commercial activities, refraining from any monopolistic or unfair practices, and encourages, supports, and protects organizations and individuals in supervising such activities.

Responsible Marketing

The Company's marketing activities strictly adhere to the Advertising Law of the People's Republic of China and other relevant laws and regulations, as well as the Company's internal review systems. The Company consistently practices responsible marketing, aligning corporate social responsibility with business goals. It rigorously controls the review of external marketing information, prohibiting any exaggeration or distortion in marketing communications. The Company has established standardized management requirements and labeling processes for product labeling to ensure compliance. During the reporting period, the Company has not encountered any significant incidents of violations related to product and service information, labeling, or market promotion (including advertising, sales, or market promotion (including advertising, sales, or market promotion) regulations).

Reporting Channels



President's mailbox

The Company has established over 30 president's mailboxes in various departments, canteens, gates, and factories to facilitate real-time complaints and reports by employees.



Complaint and reporting e-mail concerning professional integrity

jiancha@cn.gree.com



Complaints and reporting phone

0756-8669807

Whistleblower Protection

The Measures for Administration of Reporting formulated by the Company mandate strict protection of the personal rights and other legal rights of the whistleblowers; no one may retaliate against whistleblower or employees cooperating with the investigation.



Equal Treatment of Small and Medium-Sized Enterprises

The Company consistently upholds the philosophy of “fair competition and common development”, actively fulfilling its social responsibilities by treating small and medium-sized enterprises (SMEs) equally. By providing open supply chain resources, offering technical support, and sharing market channels, the Company helps SMEs enhance their competitiveness and promotes collaborative development across the upstream and downstream sectors of the industry chain. Gree Electric recognizes the significant role of SMEs in the national economy and is committed to creating a fair and transparent business environment. Through concrete actions, the Company practices corporate social responsibility and contributes to building a harmonious and win-win industrial ecosystem.



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Information Security Protection

Gree Electric strictly complies with laws and regulations such as the Cybersecurity Law and the Personal Information Protection Law, and has established systems such as the Measures for Administration of Information Security. These measures ensure the security of its own information while respecting the privacy protection of customers, employees, and other stakeholders. During the reporting period, the Company did not experience any information security incidents or user privacy breaches, and thus suffered no economic losses as a result.

Enhancing the Information Security System

The Company continues to improve its user privacy protection and information security management system. By formulating and revising relevant policies, the Company further strengthens its practices in managing privacy data and ensuring information security. Specific measures include:

Establishment of the Measures for Administration of User Privacy Protection

These measures clearly define the management requirements for the full lifecycle of user privacy data, including collection, storage, use, transmission, and destruction, ensuring that personal information is adequately protected. Additionally, these measures specify key provisions such as the data minimization principle, the user informed consent mechanism, and access control for data, reflecting Gree Electric's high regard for user privacy.

Revision of Measures for Administration of Application Software Development Safety

The Company strengthens cybersecurity management throughout the full lifecycle of application software development, fully considers security requirements during the development process, and implements secure coding practices. Before going live, the software undergoes necessary security testing to minimize potential security vulnerabilities from the outset. This approach helps prevent system attacks after launch and ensures the protection of customer data.

Revision of the Measures for Administration of Information Security Risk Assessment

Building on the original framework for information security risk assessment, the Company has introduced content related to Privacy Impact Assessments (PIA). The PIA requires an enterprise to assess the potential impact on user privacy when launching new businesses, products, or technologies, and to take appropriate risk mitigation measures. This revision reflects Gree Electric's foresight and systematization in privacy protection.

Enhancement of Employee Training and Awareness

To ensure the effective implementation of the new and revised policies, the Company plans to conduct company-wide privacy protection and information security training. This will raise employee awareness and capabilities in protecting privacy data, ensuring that all measures are carried out in daily operations.



During the reporting period

the Company has obtained the ISO 27701 Privacy Information Security Management System Certification for its privacy information management system.



ISO 27001 Information Security Management System Certificate



ISO 27701 Privacy Information Security Management System Certification



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Information Security Incident Response Operations

The Company places a high priority on managing information security incidents and their evolving situations, and has clearly defined the response, communication, and handling procedures for information security incidents and situations. These measures also specify the reporting, response, and handling of personal information security incidents, including how and when to notify relevant parties. The Company identifies and analyzes information security incidents, categorizing them based on severity, including general information security incidents, serious information security incidents, and information security breaches, with tiered response measures in place accordingly.

Information Security Emergency Organization

The Company's IT Center has established an Information Security Emergency Response Team, responsible for the prevention, monitoring, reporting, and emergency response operations of information security incidents. This team is tasked with activating the emergency response plan for information security incidents and implementing interim emergency measures based on the evolving situation of such incident.

Emergency Response Team Leader

Oversees overall coordination and command of emergency incidents, organizes recovery operations for the Emergency Response Team; promptly reports personal information security incidents to the Company's Personal Information Protection Officer.

Emergency Response Team Deputy Leader

Directs on-site incident containment, control, and coordination, ensures smooth execution of emergency response operations, and organizes incident investigations and lesson-learned summaries; coordinates with team members and relevant units in responding to personal information security incidents.

Emergency Response Team members

Execute tactical emergency response operations, including investigation and reporting, technical root cause analysis, fault analysis, business recovery, etc.; trace the source of personal information security incidents, reproduce issues, restore processes, analyze and evaluate impacts, and collect, verify, and preserve relevant evidence of personal information security incidents.

Information Security Compliance Actions

The Company has established a Connected Products & Information Security Task Force fully responsible for the compliance management of information security and privacy protection. The task force has developed a standardized information security audit process and conducted pilot programs in critical product lines, implementing full lifecycle information security controls for programs involving personal information and IoT modules. At the same time, the Company has strengthened data transmission security management, utilizing encryption technology to encrypt transmitted files, ensuring data security.



Network security scanning and penetration testing initiative

In 2024, Gree Electric has repeatedly engaged professional third-party organizations to conduct a comprehensive scanning and penetration testing of its internal information systems, aimed at identifying and remediating potential security vulnerabilities to enhance the overall security of its information systems. The testing scope covered the Company's core business systems, financial systems, customer data management systems, and internal communication platforms. The third-party testing team employed advanced penetration testing tools and techniques to simulate various malicious attack methods and network attack scenarios, assessing system and network security. During the process, the testing team worked closely with Gree Electric's IT department to ensure that identified issues were promptly addressed. Upon completion of the initiative, the third-party organization provided a detailed security assessment report and improvement recommendations, helping Gree Electric further refine its information security strategies and defense mechanisms. Through these testing, Gree Electric not only strengthened the security of its information systems, preventing system disruptions and the leakage of sensitive information, but also enhanced employee awareness of security, reflecting the Company's strategic vision of safeguarding trust with technology and empowering the future with security.

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Innovation-Driven, Quality-Base Development

Gree Electric consistently upholds the philosophy that “innovation is the primary productive force” and “pursue perfect quality”, and is committed to independently nurturing talent, deeply cultivating core technologies, and steadfastly pursuing a path of independent innovative development. The Company also continuously advance intelligent lean manufacturing, aiming to making breakthroughs in fields such as product innovation, consumer upgrading, and intelligent manufacturing, ultimately creating valuable products to consumers, society, and the nation. In addition, the Company is deeply focusing on upgrading user experience, forging a green and sustainable supply chain, strengthening industry collaboration and communication, and collectively building a new ecosystem for high-quality development.



严禁进入
台车区域

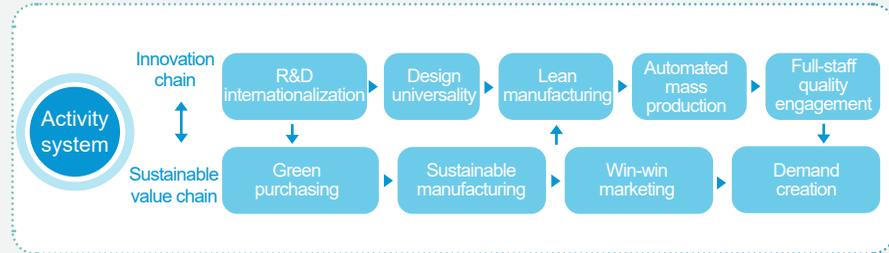
Innovation-Driven Transformation

Gree Electric has established technological innovation as the core driver of its development, steadfastly adhering to independent research and development of core technologies and upholding the principles of “investing on demand without setting a ceiling”. Over the years, the Company has continuously optimized organizational structure for R&D management, established a multi-level and high-standard R&D platform system based on national-level scientific research platforms, and formed a technology innovation system that is “enterprise-led, market-oriented, and integrates industry, academy and research”.

Core Strategies for R&D Innovation

“One Core, Dual Chains, Three Foundations, Four Outcomes”

One Core refers to the guiding philosophy, which is the abbreviation for “adhering to independent innovation and implementing a core leadership strategy”



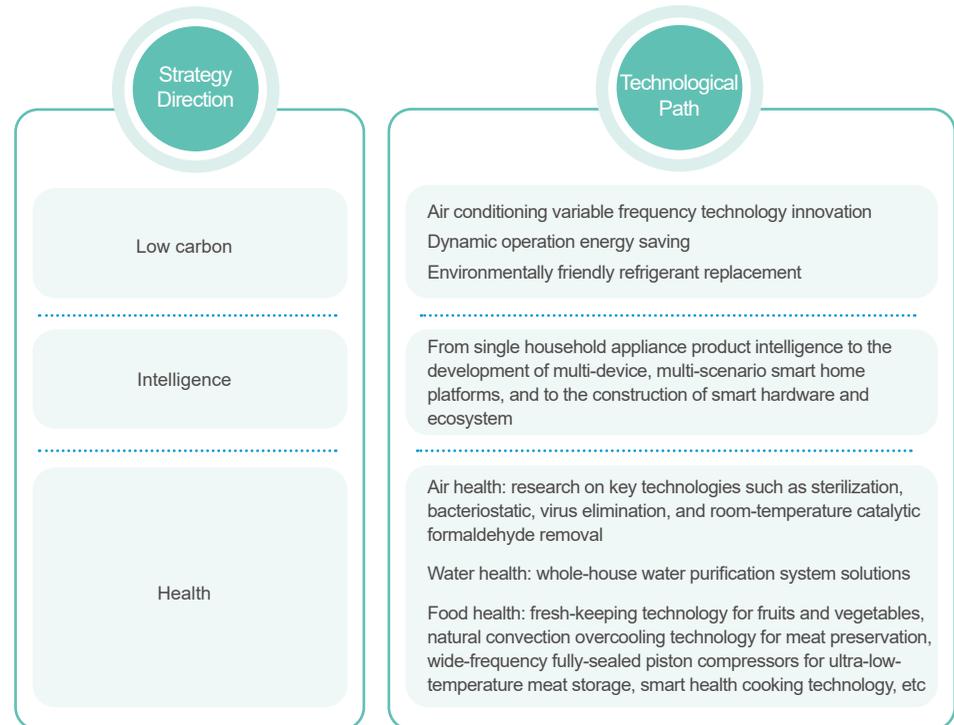
Dual Chains refer to the activity system, which is the abbreviation for “innovation.”

Three Foundations refers to the organizational system, which is the abbreviation for “high-level technological innovation platforms, comprehensive innovation management mechanisms, and high-quality R&D talent teams” as the three fundamental supports.

Four Outcomes refers to the outcome system, which is the abbreviation for “self-transcending innovation culture, sound R&D system, leading core technologies and standards, and comprehensive product systems” created through GREE’s innovation practices.

Strategy Direction of R&D Innovation

“Low Carbon - Intelligence - Health” Integrated High-Quality Development Strategy Direction



Construction of R&D and Innovation System

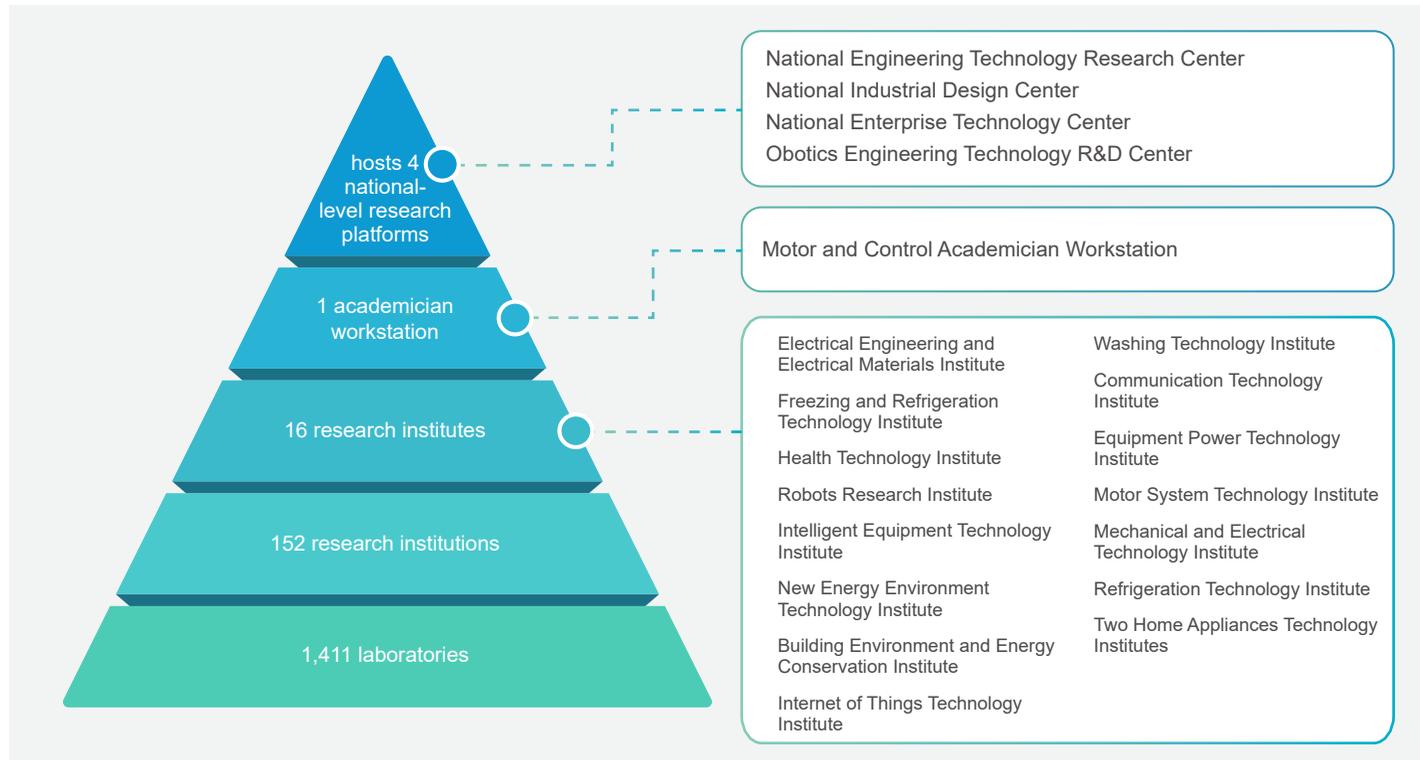
The Company's R&D innovation subject includes

4 national-level research platforms

16 research institutes

152 research institutions

Pyramid System of Research Platforms



National-level research platforms

Provide platform support for R&D activities, establishing the cornerstone of an open and collaborative innovation ecosystem;

Relevant research institutes

Focus on specialized technological research, forging the core competitive advantage for in-depth technological breakthroughs;

Product development departments

Leverage new technologies to drive product R&D, efficiently converting innovative outcomes into commercial value.

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R&D Innovation Team Building

As a technology-driven enterprise, the Company has always regarded talent cultivation as a critical strategic resource for corporate development, fueling technological innovation. To incentivize breakthroughs, the Company established the “Science and Technology Progress Award”, which recognizes teams and individuals who complete major R&D projects and deliver outstanding achievements. Each year, the Company rewards over 100 innovative projects. In 2024, a total of 189 award-winning projects were selected.

Proportion of R&D investment



3.77%

of R&D revenue of 2024

representing a year-on-year growth of

1.9%



Fostering Full-staff Innovation through Comprehensive Incentivization

- 01 Project-based evaluations and “Science and Technology Progress Award” rewarding mechanism to drive innovation motivation;
- 02 Talent subsidies: Support for high-level experts and Zhuhai Outstanding Industrial Youth Talents;
- 03 Employee stock ownership plan (ESOP): Launch the ESOP, covering core R&D teams, to fully unleash employees' potential and promote the high-quality development of the company;
- 04 “GREE Innovation Hub”: Host tech salons, forums, exhibitions, and competitions and other technological innovation activities to facilitate knowledge-sharing and project incubation;
- 05 Open innovation mechanism: By implementing proposal improvement initiatives and open call for breakthrough solutions, we aim to create a thick scientific and creative atmosphere;
- 06 Provide attractive workplace & benefits to retain top-tier talents;
- 07 Encourage employees to attend domestic and international academic meetings and technology exchanges, broadening horizon and expertise.



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Industry-university-research Cooperation

The Company has established comprehensive, long-term partnerships with more than 100 higher education institutions, scientific research institutions and institutes, and upstream/downstream enterprises. These collaborations are structured through three primary mechanisms: joint platforms for technology R&D and talent development, collaborative research to address national strategic needs, and establishment of technology alliance to promote the innovations conversion and sharing, aiming to advance corporate technological innovation; support the intelligent transformation of manufacturing, and lead the industry toward high-quality development.

2024 Selected Industry-Academia-Research Collaboration Cases

Partner	Collaboration Area	Collaboration Objectives/Achievements
Xi'an Jiaotong University, Zhejiang University	Screw Refrigeration Compressor Technology R&D	Jointly conducted the project "Key Technologies and Industrialization of High-Performance Screw Refrigeration Compressors for Complex Environments", which introduced the innovative small compression ratio, two-stage, permanent magnet variable frequency adaptive variable compression ratio screw compressor. The system's coefficient of performance (COP) exceeds 7.0 under national standard operating conditions. Hence, this breakthrough achievement earned the First Prize for Technological Innovation in Guangdong Province.
University of Macau, Guangdong Power Grid Co., Ltd.	Foundational Theory and Applied Research of Quality Standards	Jointly established the "Provincial Quality Standard Laboratory for Advanced Photovoltaic-Energy Storage-Direct Current-Flexibility (PEDF) Systems", conducted foundational and applied research on quality standards, resolved key technical challenges, and developed an advanced quality standard system with breakthroughs in testing and inspection methodologies.
Shenzhen Metro	Green and Smart Subway Construction	Jointly established a new benchmark for green and smart subway systems. The integrated refrigeration energy efficiency of the refrigeration rooms exceeds 5.0 annually, while the AC systems achieve a yearly integrated refrigeration energy efficiency of over 3.0. These remarkable energy-saving outcomes place our efforts at the "internationally leading" standards.
China Unicom	5G base stations, photovoltaics, energy storage applications	Jointly built up China's first end-to-end hard slicing solution, the first provincial 5G LAN commercial-grade pilot site; selected for two national innovation projects by the Ministry of Industry and Information Technology (MIIT) and the National Development and Reform Commission (NDRC).
China Pingmei Shenma Holding Group Co., Ltd.	Research and industrialization cooperation on refrigeration and cooling system of deep mining working space Joint application for major scientific and technological projects at or above the provincial and ministerial level High-level R&D platform construction	Jointly developed "key technologies and applications for new registration equipment systems for deep mine heat hazard control" was certified as "Internationally Leading" and awarded the First Prize of Science and Technology Award by China National Coal Association.



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R&D Innovation Achievements and Awards

In 2024, aligned with its three strategic focus areas - green & low-carbon, personalized intelligence, and health & comfort, the Company pursued innovative technology and product development to meet consumers' aspirations for better living. It made technological breakthroughs in residential/commercial air conditioning (AC), home appliances, and core components, significantly enhancing product competitiveness. These accomplishments were recognized through multiple prestigious domestic and international awards.

Achievement Category	Achievement Name	Achievement Impact
<p>Green and low carbon</p>	<p>AI energy-saving residential AC series</p>	<p>The product incorporates AI algorithm-based variable frequency energy-saving control technology and a highly adaptable AI chip, significantly improving annual dynamic energy efficiency and reducing yearly power consumption by over 13.6%. Based on current sales volume, it is estimated to save 3.08 million kWh of electricity annually, equivalent to reducing CO₂ emissions by approximately 306,700 tons. This breakthrough represents a major advancement in dynamic operational energy efficiency for AC systems, achieving genuine energy conservation and carbon reduction in real-world usage.</p>
	<p>High-efficiency PV energy-storage AC for export</p>	<p>The PV energy-storage AC system integrates clean photovoltaic power generation, safe energy storage and load management, high-efficiency AC operation, and smart system control. Featuring company's proprietary "Cascade Heat Exchange Parallel Compression Refrigeration Technology", the system significantly enhances high-temperature refrigeration performance, delivering efficient and stable refrigeration even under extreme conditions. These products have been widely applied in regions such as Africa, the Americas, and Southeast Asia, and successfully used in various scenarios including residential, industrial, and office spaces in Saudi Arabia. The use of these products results in a carbon emissions reduction of at least 110,000 tons annually.</p>
	<p>COP7.0+ Two-stage Permanent-magnet Inverter Screw Chiller</p>	<p>This product is equipped with a two-stage compression, intermediate gas injection refrigeration cycle system, and a new screw rotor profile. It integrates a multi-parameter linked adjustment and control method, significantly enhancing performance across all operating conditions. With a national standard COP of 7.0+ under standard conditions, it meets the user needs in various sectors, including public buildings, rail transportation, and data centers. The product has been extensively applied in public buildings, metro stations, industrial refrigeration projects, and exported to countries and regions such as Singapore and Russia.</p>



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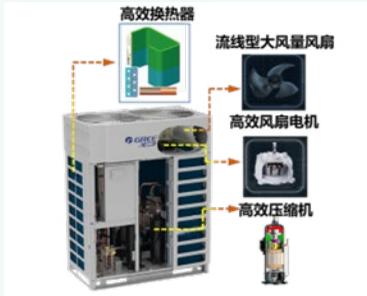


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Achievement Category

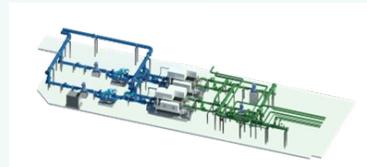
Achievement Name

Achievement Impact



GMV9 Zhiyue VRF Units

This product utilizes real-time performance calculation technology, flexible refrigerant control technology, and full-scenario AI energy-saving technology to address the industry challenge of accurately detecting, regulating, and optimizing energy efficiency in commercial multi-split systems for large buildings. It is the first in the industry to achieve online measurement of indoor unit capacity and real-time power measurement, with an average energy-saving rate of **25%**. Based on three years of sales, it is estimated that the product can reduce carbon dioxide emissions by **74,800** tons.



Efficient and Intelligent Environmental Control System for Subway Stations under All Working Conditions

This product addresses several issues present in traditional metro stations, such as the difficulty in replicating efficient systems across multiple lines, large fluctuations in operating conditions, and the inability to self-adjust operating parameters. The system has been successfully applied across all **25** stations on Shenzhen Metro Line 12. It is estimated that the system will save **17.36** million kWh of electricity annually and reduce carbon emissions by **13,636** tons for the entire line.



Taishan Smart Building Platform

The "Taishan" Smart Building Platform, through its fully self-developed software and hardware system, supports the integration of a large number of electromechanical devices, providing flexible and efficient networking capabilities to meet the needs for online, digital, and intelligent construction of building electromechanical systems. The platform integrates technologies such as energy efficiency simulation, global optimization, and cloud-edge collaboration to ensure efficient management and intelligent operation of buildings, facilitating smart building upgrades.

Personalized intelligence

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Achievement Category

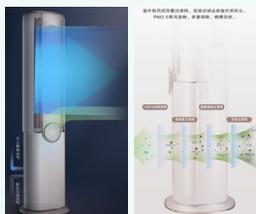
Achievement Name

Achievement Impact



Central air conditioner with gentle air comfort technology

This product features the industry-first reversible air supply technology, addressing long-standing issues such as poor heating efficiency and cold air blowing directly at people in traditional air conditioning systems. It ensures that no cold air blows at people during cooling, while rapidly warming the human activity area during heating. Compared to traditional ducted systems, it achieves a **42.7%** energy-saving rate.



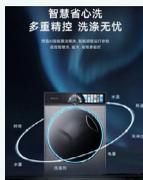
Fresh air residential air conditioner

This product incorporates several breakthrough technologies including high airflow with low noise operation, efficient condensate-based air purification and sterilization, AI-powered dynamic energy-saving chip to address the user needs of low noise and efficient fresh air replacement, sterilization and purification, increase airflow by **15%** at equivalent noise levels compared to conventional units, and achieve professional-grade air circulation with purification and sterilization. It boasts **13.6%** annual energy savings through real-time dynamic optimization across all operating conditions, and significantly enhances user experience for fresh air functionality.



Refrigerator with all-round freshness preservation

This product incorporates three freshness preservation technologies, namely self-balancing fruit & vegetable freshness preservation technology, natural convection meat freshness preservation technology, and super-freeze meat storage technology to effectively resolve complex storage challenges, including produce dehydration, and addresses diverse consumer preservation requirements for both fruits/vegetables and meats.



"Zhenrou" washing machine series

The product adopts rinse+ technology to addresses critical consumer demands for deep cleaning, high-efficiency sterilization, and smart home integration, achieve comprehensive interior coverage through optimized spray systems, and save **40%** of time than traditional soak-rinse methods, greatly reducing the washing duration. This product is integrated with WiFi for enhanced user experience.



Health and comfort



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Major New Awards of Gree Electric in 2024

China Appearance Design

	Gold Award	Excellence Awards	Appearance Design Excellence Award
1	2	1	

China National Light Industry Council

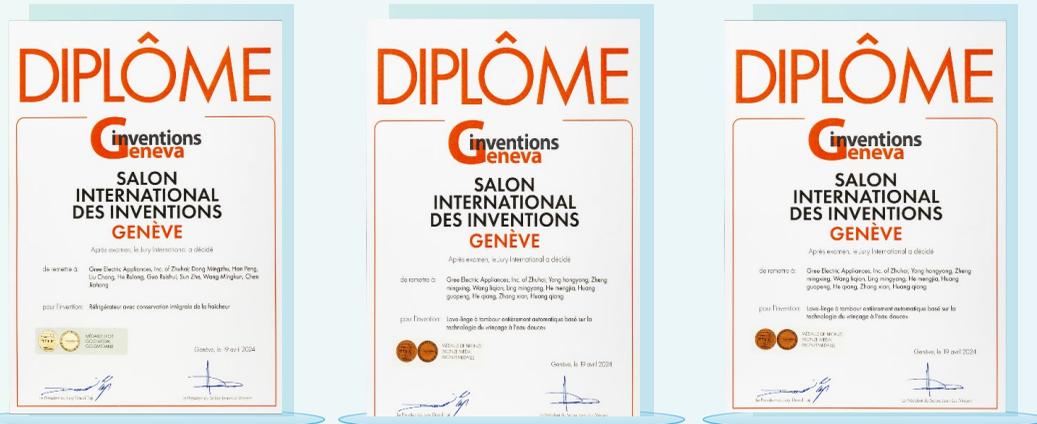
	Science and Technology Award
First Prize	

Technology Progress of Guangdong Science and Technology Progress Award

	First Prize	Second Prizes
1		2

49th Geneva International Exhibition of Inventions

	Gold Award	Silver Award	Bronze Award
1	1	1	



Certificate of Award of GREE at the 49th Geneva International Exhibition of Inventions

76th Nuremberg International Exhibition of Inventions (in Germany)

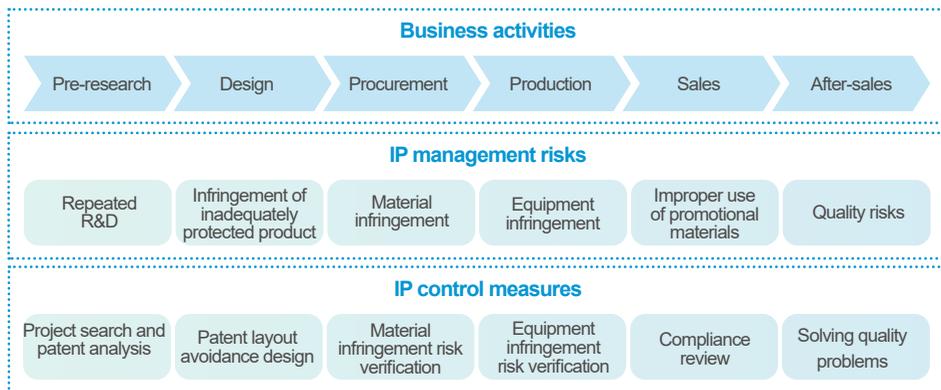
	Gold Awards	Silver Awards
2		3



Certificate of Gold Award of GREE at the 76th Nuremberg International Exhibition of Inventions in Germany

Intellectual Property Management

Aligned with its corporate vision, Gree Electric has established a comprehensive intellectual property (IP) strategy and management system, integrating IP planning into its overall business strategy. The Company actively promotes the development and implementation of its IP framework. In strict accordance with local IP regulations in all operational markets, and in combination with its IP strategy, the Company has formulated and implemented the Measures for Administration of Enterprise Intellectual Property, Measures for Administration of Patent, and Measures for Administration of Trademark to standardize the IP management. The Company has established a dedicated IP department with 500+ patent professionals assisting patent officers in technology-to-patent conversion.



Full Lifecycle IP Management System of Gree Electric

Gree Electric establishes itself as a leader in the IP sector

It is among the first national demonstration units for IP within enterprises and institutions.

Gree Electric

National Patent Operation Pilot Enterprise

National Intellectual Property Demonstration Enterprise

7 subsidiaries

National Intellectual Property Advantage Enterprise

17 subsidiaries

Gree Electric's IP training initiatives

The Company is dedicated to cultivating a robust IP culture within the organization, fostering an innovation protection ethos, enhancing patent quality awareness, and elevating IP management standards. In 2024, the Company launched a series of initiatives, including the “4.26 Intellectual Property Awareness Week”, comprehensive IP training courses, and patent quality enhancement programs, targeting technical personnel across its primary R&D units. These initiatives are designed to strengthen employees' IP protection awareness, solidify foundational IP knowledge, and enhance capabilities in patent technology innovation and protection by focusing on three key areas: awareness building, professional skill development, and quality improvement.



4.26 Intellectual Property Awareness Week



Company-level IP course training



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格力电器品牌维权公告

来源：格力微博 格力微博 2024年11月28日 17:20 广东



好电器·格力造

一段时间以来，我们注意到部分电商平台的店铺利用“格力”品牌关键词引流，但实际销售的并非格力品牌产品。这种行为不仅严重误导了消费者，也对格力电器的品牌声誉造成了不良影响。

公司坚决采取法律措施开展维权行动，2024年以来已提起空调、压缩机类维权案件民事起诉123起，目前已有32起案件结案，且全部胜诉，相关侵权主体已依法受到惩处。

未来，格力电器将继续加强对侵权行为的打击力度，坚定不移地运用法律武器维护消费者利益、保护自身合法权益。同时正告所有存在类似行为的主体，立即停止侵权行为，切勿以身试法，否则必将面临法律的严惩。

附图：典型案例展示

序号	被告	侵权类型/原告	案号	判决
1	宁波海曙格力电子商务有限公司、某某某	空调/压缩机侵权不正当竞争案系列纠纷	(2024)浙0402民初023448号	被告宁波海曙格力电子商务有限公司、被告某某某未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1225元。
2	宁波海曙格力电子商务有限公司	空调/压缩机侵权不正当竞争案系列纠纷	(2024)浙0402民初023449号	被告宁波海曙格力电子商务有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1075元。
3	厦门海曙格力电子商务有限公司	空调/压缩机侵权不正当竞争案系列纠纷	(2024)闽0402民初023209号	被告厦门海曙格力电子商务有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失100元。
4	安徽新加坡格力电器有限公司、佛山格凌电器设备有限公司(原告)、佛山格力电器设备有限公司(原告)、佛山格力电器设备有限公司(原告)、佛山格力电器设备有限公司(原告)	空调/压缩机侵权不正当竞争案系列纠纷	一审：(2023)粤0402民初121647号 二审：(2024)粤04民终32060号	一、被告新加坡格力电器有限公司、佛山格凌电器设备有限公司、佛山格力电器设备有限公司、佛山格力电器设备有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1000元。 二、被告新加坡格力电器有限公司、佛山格凌电器设备有限公司、佛山格力电器设备有限公司、佛山格力电器设备有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失2000元。 三、被告新加坡格力电器有限公司、佛山格凌电器设备有限公司、佛山格力电器设备有限公司、佛山格力电器设备有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1000元。
5	珠海格力电器电子商务有限公司	压缩机/空调侵权不正当竞争案系列纠纷	一审：(2023)粤0402民初121648号 二审：(2024)粤04民终32061号	被告珠海格力电器电子商务有限公司未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1000元。
6	珠海格力电器设备有限公司、珠海某某某	压缩机/空调侵权不正当竞争案系列纠纷	一审：(2023)粤0402民初121649号 二审：(2024)粤04民终32062号	一、被告珠海格力电器设备有限公司、被告某某某未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1000元。 二、被告珠海格力电器设备有限公司、被告某某某未经许可擅自使用原告享有知名商品特有名称“晶弘”“晶弘”“晶弘”等字样，构成不正当竞争，判令被告停止侵权并赔偿原告经济损失1000元。

• Intellectual Property Protection

As a critical element in the new wave of technological and industrial transformation, IP plays an increasingly vital role in economic development. As an industry leader, Gree Electric actively fulfills its responsibilities in the field of IP protection, demonstrating its commitment and leadership.

Respect for other's IP rights



GREE understands the challenges of innovation and has established a multi-tiered IP risk verification system to ensure that each product undergoes thorough IP risk assessment before leaving the factory, thereby safeguarding against infringement of others' patents.



Guiding the industry to respect IP



As a leading enterprise in the AC industry, GREE has formed the Intellectual Property Alliance of China Air Conditioning Industry to actively promote IP respect within the industry. The Company provides IP hosting and support to upstream enterprises to enhance patent quality and reduce infringement risks; for peer enterprises, GREE facilitates technology development through patent licensing and transfers; for downstream enterprises, patent licensing improves consumer experience.

Courageously defending its own IP



GREE advocates for “respecting others’ IP, safeguarding one’s own legitimate rights, and jointly fostering a favorable business environment”. To protect its rightful interests, GREE firmly pursues litigation against repeated and malicious infringements. The purpose of GREE’s IP litigation is not to seek compensation but to convey a message: Only by respecting IP can innovation be further stimulated.

• Intellectual Property Management Platform

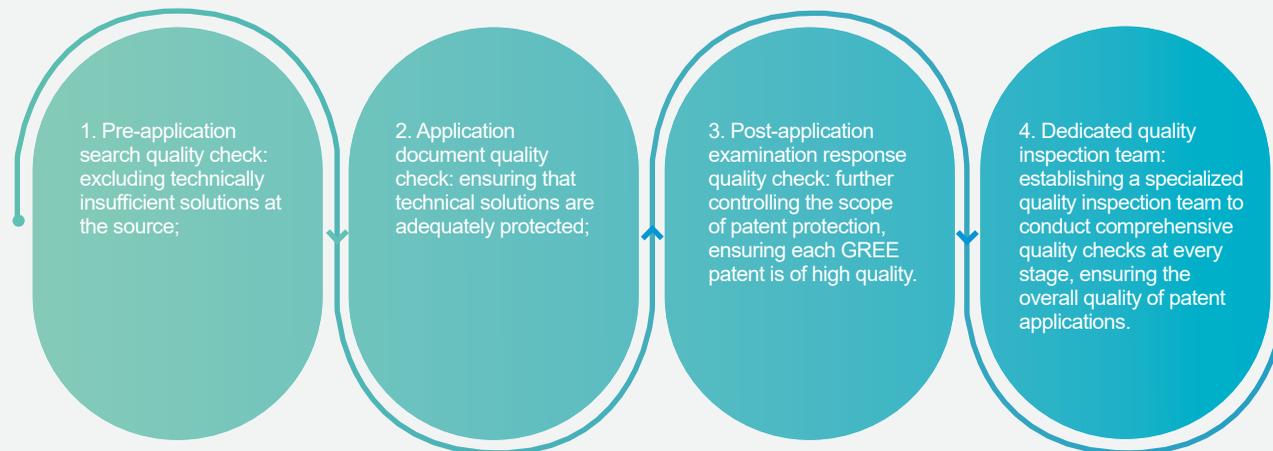
The Company has developed a comprehensive enterprise IP management system platform, integrating functionalities such as patent search, application and maintenance, value assessment, product patent navigation, and patent operation processes. This platform encompasses 16 management modules, spanning from the initial proposal to the termination of a patent’s lifecycle. It facilitates the electronic management of processes and IP documents, ensuring seamless integration with project management platforms, PDM management platforms, and patent agency platforms, significantly reducing the patent application cycle and elevating the overall IP management standards.

• Patent Applications

The Company has assembled a dedicated standard patent research team and established a robust innovation system. By leveraging IP protection and standard leadership, the Company enhances its influence in setting international and industry standards. It has led multiple international standard proposals for photovoltaics, driving the convergence of photovoltaic technology with household appliances, thereby contributing Chinese expertise. This initiative has also promoted the global application and dissemination of photovoltaic direct-drive inverter air conditioners and other photovoltaic direct-drive appliances. Furthermore, the Company has strategically focused on patent standardization, filing numerous related patents in the fields of photovoltaics and smart home technology.

Patent application process

Gree Electric prioritizes patent quality, implementing a multi-level patent quality inspection system to rigorously control patent quality and eliminate substandard patents



Patent application and granting



At the end of the reporting period
Gree Electric applied for a total of

129,524 patents

including

70,844 invention patents

and

25,883 granted invention patents



won

81 China Patent Awards in total

including

3 China Patent Gold Awards

and

4 China Appearance Design Gold Awards



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Lean Intelligent Manufacturing

Gree Electric adheres to the philosophy of "Pursuing Lean Excellence, Creating the Future with Smart Manufacturing", embedding this approach into every link of R&D, production, testing, and service. The Company leverages innovation to drive lean manufacturing, ensuring the stability and reliability of product quality. At the same time, it actively embraces the call for "digital transformation", accelerating the digitalization and smart manufacturing upgrades, and is dedicated to integrating digital technologies deeply into all aspects of its operations.

Innovation Driving Lean Manufacturing

Gree Electric focuses on innovation in its management systems and has established the GREE Lean Smart Manufacturing System integrating lean management with smart manufacturing technologies. During the reporting period, the Company took innovative measures in four key areas - management, design, production, and logistics, to enhance the efficiency and intelligence across the entire value chain, driving a comprehensive upgrade of its lean manufacturing capabilities.

Dual-Effect Management Innovation

The Company has developed its own intelligent management model, integrating HR, MES, ERP, and MPM systems to build a GREE Efficiency Management Information System. This system enables real-time data collection, computation, and analysis for dual-effect management, with data details refined down to the unit level, and data at the group, base, factory and unit are derived from the same source, with management efficiency upgraded to a system that enables minute-by-minute oversight, ensuring that dual-effect management is timely, accurate, transparent, and executed through to completion.

Lean Design Innovation

The Company has established a "Five Transformations, One Integration, Multi-Dimensional, Full Lifecycle" lean design innovation system. This system fosters comprehensive cross-departmental collaboration, driving innovation and improvements from the very source of design to significantly reduce later-stage change costs. The lean design system encompasses the entire product line, including air conditioners, home appliances, and refrigeration and washing products, leading to an average annual efficiency improvement of 10% for new products.

Production Technology Innovation

In terms of process innovation, the Company focuses on materials and process methods, and centers innovation efforts around lean organization and manufacturing models. Regarding automation innovation, the Company has achieved automation in assembly, testing, and production lines, and is advancing low-cost intelligent automation to reduce labor intensity for employees; in terms of smart manufacturing innovation, the Company starts with data structuring and leverages intelligent decision-making to optimize different production stages. It has also developed standards for intelligent factory systems, driving the production system toward flexibility, efficiency, and intelligence. Additionally, the Company has independently developed an automated production line for both the indoor and outdoor units of home air conditioners, improving model compatibility and automation rates for various positions. It has also launched the low-cost intelligent automation (LCIA) "Three Zeroes" project, achieving zero-turning, zero-bending, and zero-walking in its operations.

Logistics Technology Innovation

Guided by the "low inventory-high turnover" concept, with standardized material packaging as the foundation, the Company promotes efficient supply chains to reduce material inventory. It integrates various IoT technologies and has independently developed the "IoT Logistics Technology Application Service Platform", which is innovatively applied in the production logistics process. The platform has been rapidly deployed and promoted across the entire group, enhancing the digital management efficiency of the Company's logistics operations.



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Gree Electric awarded the first place for national enterprise management modernization innovation achievement

On December 31, 2024, the China Enterprise Confederation announced the list of the 31st National Enterprise Management Modernization Innovation Achievements. Gree Electric's project, *Building and Implementing a Lean Smart Manufacturing System for Large Home Appliance Enterprise Groups*, stood out from 1,033 entries and was awarded first prize. This project demonstrates the Company's innovative achievements in lean manufacturing systems and manufacturing technologies, highlighting its commitment to "mastering core technologies independently and empowering the high-quality development of the enterprise".



Digital Empowerment in Manufacturing

Based on the "multi-matrix nesting" concept, the Company has developed a lean and high-performance application platform encompassing core business areas such as production, supply chain, sales, and inventory. This platform breaks down data silos and enables end-to-end data integration and collaboration. The Company has also designed review and execution standards across all business segments. Through a systematic internal loop supervision mechanism, GREE continuously optimizes management evaluation models and platform functionalities, driving dynamic iteration and upgrading of the management system. This promotes the deep optimization and continuous improvement in the overall internal control system.

In the production system, the Company has achieved integrated data management across production, sales, and inventory. Real-time data monitoring and analysis enhance data transparency, ensuring consistency, accuracy, and reliability of data. By leveraging data-driven management transformation, the Company optimizes production and operation models, reduces operational costs, and improves production efficiency. Additionally, data empowerment supports precise market decision-making, enabling rapid responses to market demands and enhancing market competitiveness. Looking ahead, Gree Electric will continue to deepen its digital transformation, fostering the deep integration of intelligence, digitalization, and manufacturing to establish itself as an industrial leading digital benchmark.

Group business standardization and modeling, achieving "one-network unified management" of subsidiaries by headquarters

In 2024, Gree Electric made significant breakthroughs in group operation management by successfully launching the "Group Manufacturing Operation Decision Platform". This platform integrates key data such as material inventory, logistics status, production progress, and quality status from various production bases, enabling transparent and real-time management of over 70 production bases by the headquarters. This has significantly enhanced operational efficiency and decision-making accuracy. This initiative marks a new phase in Gree Electric's digital transformation and group control, laying a solid foundation for comprehensive management digitalization and real-time command. It also advances the fulfillment of green production and SDGs.



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Intelligent after-sales monitoring

In 2024, the Company developed a Multi-Split Unit Big Data Management System, establishing a comprehensive and intelligent after-sales quality monitoring system. This system not only enables real-time collection and analysis of AC unit operation data nationwide but also classifies, predicts, and diagnoses faults by intelligent means, ensuring rapid response and resolution, thereby improving after-sales service quality and efficiency.

Data collection and analysis

Comprehensive data collection Gree Electric uses the Multi-Split Unit Big Data Management System to collect real-time operation data of AC units nationwide, ensuring data comprehensiveness and timeliness.

Intelligent analysis Leveraging advanced big data analysis technologies, the system conducts in-depth analysis of collected data, identifies potential issues, predicts possible faults, and takes preventive actions in advance.

Fault classification and uploading

Automatic classification The system automatically classifies fault information and uploads it in real-time to the after-sales maintenance system and design evaluation system, ensuring rapid response and resolution.

Closed-loop management The system seamlessly connects product development and after-sales processes, forming a closed-loop management system that enhances after-sales quality analysis and service feedback efficiency.

Real-time monitoring and diagnosis

Real-time monitoring The big data system monitors product operation status in real-time, promptly identifying abnormalities.

Intelligent diagnosis Utilizing intelligent fault diagnosis technology, the system quickly locates the root cause of issues, providing precise solutions and reducing fault resolution time.

• Honors in Intelligent Manufacturing

During the reporting period, the Company has received numerous national and provincial honors in the field of intelligent manufacturing:

During the reporting period

Jinwan GREE was awarded the national **“Excellence Level”** smart factory title

Luoyang GREE was recognized as a **provincial-level excellent intelligent application scenario**

Ganzhou GREE was designated as a **provincial-level intelligent manufacturing benchmark enterprise**

First Prize in the 31st National Enterprise Management Modernization and Innovation Achievements



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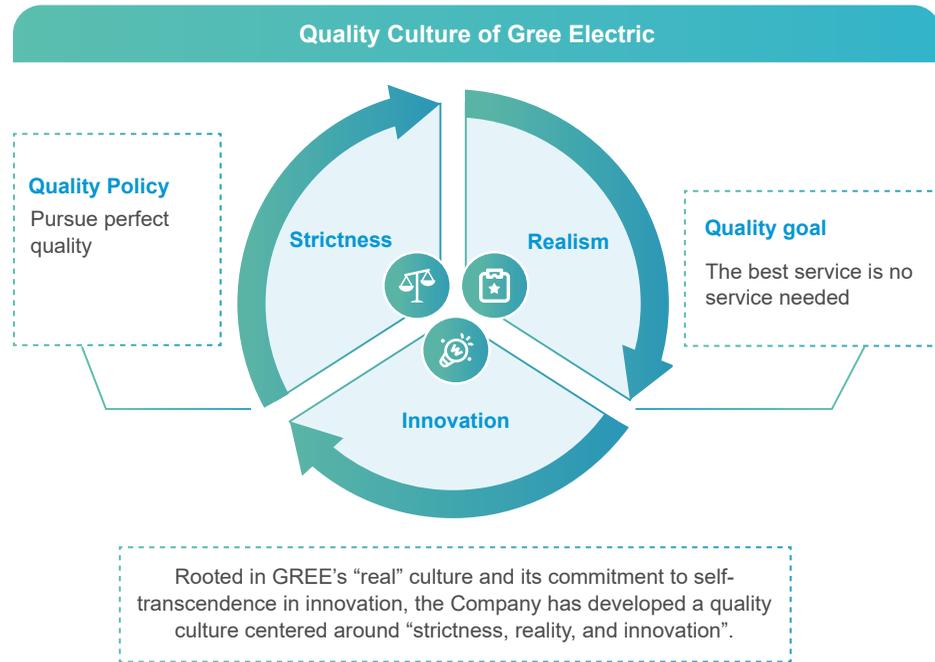
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Strive for Excellence in Quality

The Company strictly adheres to the Product Quality Law of the People's Republic of China, consistently positioning high-quality product strategy as one of its long-term strategies. Guided by the quality policy of "pursuing supreme quality, establishing an international brand, and building a century-old enterprise", the Company aims for "zero defects" and "the best service is no service needed" as its quality goals. It upholds a "strict, practical, and innovative" quality culture driven by customer needs and social responsibility.



Strictness

- Implement the Chief Quality Officer (CQO) system and the Quality Director (Factory Director) system, establishing a top-down quality responsibility structure;
- The Quality Control Department has complete and independent final authority to reject quality, implementing a "one-vote veto system" for quality;
- Launch the "Quality Inspection Action", encouraging all links and positions to adopt the mindset of "everyone is a quality inspector", and foster a courageous, self-reflective approach to rigorously manage quality.

Realism

- Seek truth from facts, stay grounded, and eradicate any tendency toward dishonesty or falsification in work;
- Establish company-level and branch-level quality meeting systems, held weekly, to thoroughly analyze the causes of quality incidents and implement corrective actions;
- Set up multiple company-level quality improvement teams in specialized areas, guided by customer needs, and integrate feedback from after-sales quality information to drive systematic quality improvements.

Innovation

- Adhere to independent innovation, continuously innovate in management concepts, quality technologies, quality methods, etc., to achieve rapid and sustained quality level progress;
- Combine the positive five-step quality method with the reverse quality innovation-driven loop to create the pioneering PQAM (Perfect Quality Assurance Model) that makes the world love "Made in China" GREE products, focusing on proactive prevention and post-incident quality control.

Quality Management System

The company aims for “zero defects” and is committed to becoming a benchmark enterprise for high quality in the global household appliance industry. Through precise control throughout the entire product lifecycle, it has established a comprehensive product quality management system. The Company places great emphasis on managing product production quality. It has established and strictly implements the Measures for Administration of Product Quality Inspection and Production Process Quality, effectively standardizing the inspection and management of product quality at each branch factory to ensure high-quality products flow into the market. Currently, all of the Company’s production factories have obtained ISO 9001 quality management system certification. Regular system audits are conducted annually to promptly identify issues and make improvements, ensuring continued compliance with standards to maintain certification validity. During the reporting period, the Company also obtained the ISO 10012 measurement management system certification, further ensuring the accuracy and reliability of product measurement data and improving product quality consistency. This also enhanced customer trust in the brand, optimized internal operational efficiency, and reduced measurement errors and costs.



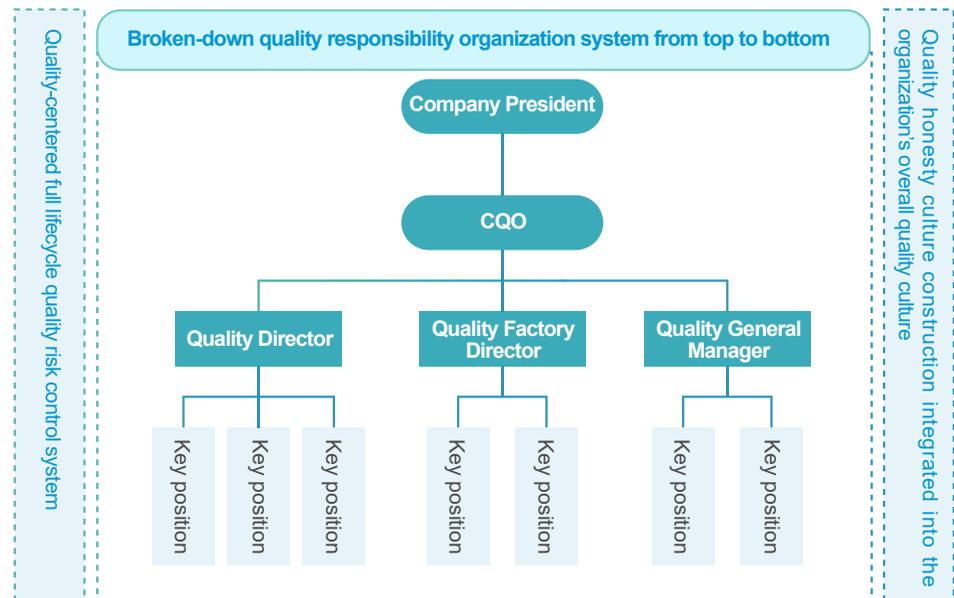
ISO 9001 Quality Management System Certificate



ISO 10012 Measurement Management System Certificate

Gree Electric has built a full lifecycle quality risk management system centered on products. Through a multi-level quality management structure, the Company ensures that every step from design to production is strictly controlled. The Company President, as the highest authority for product quality, oversees the work, with a CQO responsible for implementing quality management. The Quality Director, Quality Factory Director, and Quality General Manager supervise and manage key quality positions, regularly reporting to the CQO. Additionally, the Company has established a quality leadership constraint mechanism, implementing a “one-vote veto system” for quality, with quality responsibilities broken down from top to bottom. This enables effective identification and management of quality risks, continually improving product quality and customer satisfaction.

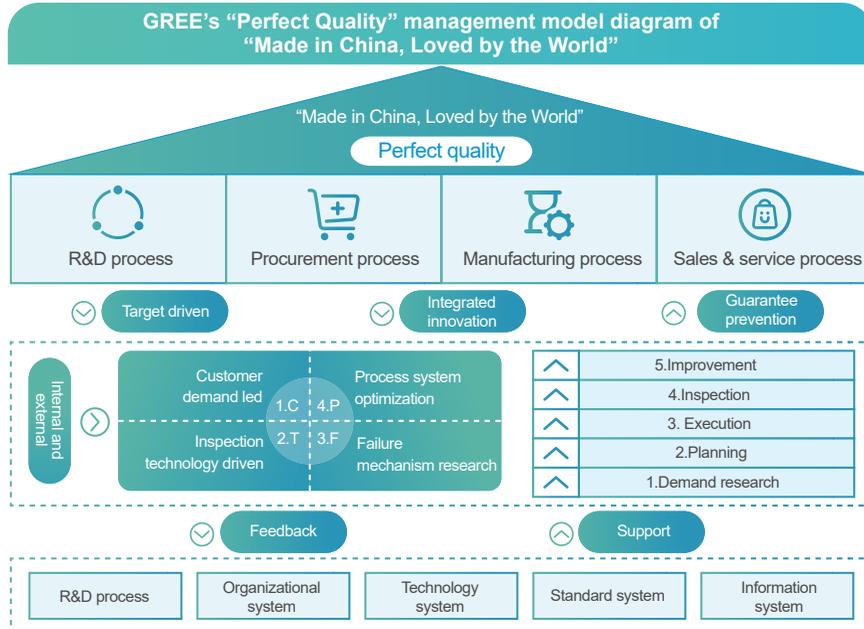
Full lifecycle quality risk control structure



Product Quality Improvement

The Company is committed to achieving perfect quality as its mission, adhering to honest business practices. With national and international standards as the baseline and consumer needs as the highest standard, the Company relentlessly strives to “Made in China, Loved by the World” and contribute to China’s grand goal of becoming a manufacturing and quality powerhouse.

The Company employs the “Five Steps to Quality Prevention” which drives quality plans positively through quality objectives. This method involves five steps: demand research, planning, execution, inspection, and improvement. It ensures strict process control over the value creation stages such as R&D, procurement, manufacturing, and after-sales service, eliminating quality issues before products reach consumers. The “D-CTFP Quality Technology Innovation Cycle” is a reverse quality-driven approach guided by customer needs. By collecting and analyzing customer demands (C), and implementing actions such as inspection technology driving (T), failure mechanism research (F), and process system optimization (P), it forms a closed-loop around standards. This approach continually drives quality technology innovation to meet customer demands. Both systems are interlinked and organically combined to jointly promote the steady improvement of the Company’s product quality.



• Strengthening Product Testing Capabilities

In its quality management practices, the Company has established a quality responsibility system, clearly defining quality management responsibilities at every level, from workshop workers, department staff, and department heads to quality supervisors and ultimately the Chairwoman of the Board. This ensures that quality activities have designated responsible individuals and that quality issues are promptly addressed.

Enhancing production process quality control

The products of the Company undergo inspection by hundreds of quality control staff at every stage, including material procurement, assembly line production, and delivery. This includes inspections of appearance, performance, and type testing for outsourced materials upon arrival at the factory, quality inspections during final assembly and production at supporting factories, and tests for performance, noise, reliability, and safety compliance during laboratory testing. These comprehensive quality testing processes ensure high-quality products.

Strengthening quality testing during product use

The Company has independently developed the Tianwang Intelligent Monitoring System, which is equipped with remote monitoring software and high-definition display technology to enable remote, real-time monitoring of the product testing process. Quality test data is aggregated, categorized, and analyzed on a unified quality data platform and automatically uploaded to the quality data management system, enabling remote real-time monitoring and data sharing.

• Product Quality Improvement Actions

Gree Electric actively responded to the national “Quality Month” initiative and carried out the “Quality Month” and Fourth Quarter Quality Improvement Special Campaign from October to December 2024. The aim was to comprehensively enhance the quality levels of all product categories and services, reduce after-sales failure rates and repair costs, and improve market competitiveness and customer satisfaction.

Each participating unit diligently advanced according to the plan, successfully completing 249 quality improvement projects, significantly enhancing both product quality and service levels. The campaign resulted in expected effect, with exemplary projects being selected and awarded.

Key Performance



During the reporting period the Company **did not experience any** major safety quality accidents related to product services



and there were **no related** economic losses



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Product Traceability and Recall

The Company has established the Measures for Administration of Product Traceability and Recall Control, which define the traceability and recall processes for Company products. These measures ensure traceability from raw materials to finished products and effectively control product recalls and proper handling. The management system covers all stages from suppliers to product sales to consumers, ensuring traceability throughout the product's lifecycle.

Product Traceability Management

- All raw materials and components must have traceability records and markings, including batch numbers, production dates, specifications, and suppliers;
- 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 have been 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's Quality Control Department 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.

Product Recall Management

The Company has established a product recall management system in accordance with the Interim Provisions on Consumer Product Recall Management. This system enables the Company to quickly and effectively recall any batch of non-conforming or safety-risk products from the market when necessary. The Company clearly defines that when any of the following issues occur with products already sold in the market or to distributors, a recall must be initiated:

- Products that do not comply with relevant laws and regulations in the sales region;
- Products with dangerous quality defects that could harm the safety of users or others' personal or property safety;
- Products with mass quality issues;
- Products that, after delivery, show HSF non-compliance and require a recall according to laws, regulations, or customer requirements.

For recalled products, the Quality Control Department, Technical Department, Production Department, Operations Department, and Customer Service Center coordinate to determine the product handling strategy, including repair, rework, or disposal. In addition, the Company's Customer Service Center conducts regular follow-up visits with users of recalled products, gathers feedback, and maintains user satisfaction records.

Product Recall Drills

The Company conducts at least one simulated drill of the product traceability and recall system annually to ensure traceability and recallability from raw materials to finished products.



Gree Electric's "simulated" product recall drill

In 2024, to ensure the effectiveness of the product recall process and the Company's ability to respond to sudden quality issues, Gree Electric organized a "simulated" product recall drill. The drill simulated a failure caused by insufficient strength of the internal valve plate of the compressor, involving cross-departmental collaboration. During the drill, each department responded swiftly, strictly following the process from customer complaint reception, issue verification, recall confirmation to product quarantine and information dissemination, ensuring the smooth execution of the exercise. Through this drill, Gree Electric further enhanced its product quality management and emergency recall response capabilities, laying a solid foundation for safeguarding customer interests and maintaining the Company's reputation.



Enhancing User Experience

Gree Electric is committed to “customer satisfaction” as its service purpose, adhering to the service philosophy that “Your satisfaction is our top priority”, and establishing the concept of “service without limits”. The Company provides comprehensive training for service personnel, including technical skills, behavioral norms, and service safety, to achieve refined management and professional service. The goal is to achieve “zero complaints in after-sales service”.

Customer Service Management System

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and the *Implementation Regulations of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests*. It continuously upgrades service policies and standards to better safeguard consumer interests, eliminate users' concerns regarding after-sales services, and set higher demands for product quality.

During the reporting period, the Company received CRAA installation and maintenance service certification for centralized refrigeration air conditioning equipment (Class A), air purifying air conditioning equipment (Class B), and domestic (commercial) refrigeration air conditioning equipment (Class D), with service level certification rated at six stars.



Class A Certificate

Class B Certificate

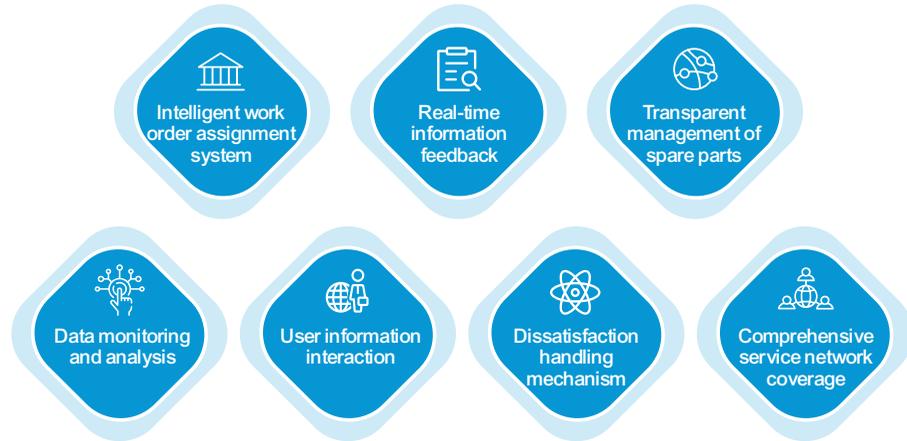
Class D Certificate

Optimizing Customer Service Actions

The Company continuously optimizes services across all stages including pre-sale, in-sale, and after-sale, committed to providing customers with quality-first pre-sale consultations, a welcoming in-sale experience, and worry-free after-sale services.

Implementation of Smart Customer Service

During the reporting period, the Company launched several information technology projects, including intelligent work order assignment, service personnel mobility analysis, and system logic optimization, significantly improving the efficiency and quality of after-sales service and enhancing user satisfaction and loyalty.



• Service Management Innovation

In 2024, the Company launched its self-developed B2B e-commerce platform - the GREE Online Bulk Ordering System. This platform aims to comprehensively integrate the entire supply chain for distributors, including procurement, warehousing and logistics, terminal sales, and after-sales services, through digital solutions. It addresses the issue of fragmented distribution channels and promotes deep integration between online and offline channels. The system provides distributors with a one-stop service, including online ordering, logistics delivery, project management, and business analysis functions. This helps businesses efficiently manage products, orders, shipments, settlements, and customer relationships, enabling the digitalization and automation of the sales process.



GREE Online Bulk Ordering System

• Value-Added Services

The Company pays close attention to the increasingly refined service needs of users. To address challenges such as air conditioner cleaning difficulties and pricing issues, GREE has introduced initiatives like the “GREE Spring Breeze in March” campaign. This campaign offers free air conditioner inspections and testing services to hundreds of thousands of consumers, as well as on-site maintenance services, including cleaning air conditioner filters and exterior components. Additionally, GREE engages with consumers through the “GREE Service” WeChat public account, offering interactive activities such as air conditioner cleaning knowledge quizzes and special promotions, enhancing customer satisfaction and engagement.

“Spring Breeze in March” service campaign

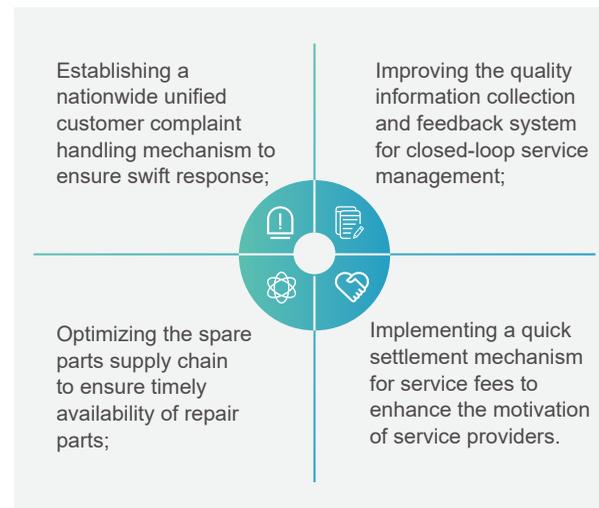
For many years, Gree Electric has organized nationwide “3.15” (March 15) activities or off-season “Spring Breeze” service campaigns, offering free filter cleaning, maintenance, and inspections. These initiatives have significantly enhanced users’ long-term service experiences.



Strengthening After-Sales Service

Gree Electric has established a comprehensive after-sales service system that radiates the entire country and extends deeply into urban and rural areas. By the end of the reporting period, the Company had set up customer service centers at sales companies in 31 regions across the country, with over 15,000 authorized after-sales service points, achieving 100% service network coverage. The Company has assembled a service team of more than 110,000 professional service personnel, ensuring timely and professional service, effectively enhancing service efficiency and quality, and continuously improving customer satisfaction. This strong after-sales service infrastructure provides robust support for the market competitiveness of GREE products.

The Company has implemented a “Four-Hub” strategy - refining the service network, standardizing service processes, professionalizing service personnel, and digitizing service management, to establish an efficient after-sales service system. Specific measures include:



• Handling of Customer Complaints

The Company strictly adheres to the “three guarantees” policy (repair, replacement, and return), ensuring quick response and resolution for customer complaints and negative feedback, thus protecting customer rights. Additionally, the Company has developed and implemented the *Measures for Administration of Rapid Response to Customer Service*, authorizing customer service representatives to provide remedies such as store credits, extended warranty services, or free cleaning when necessary to enhance customer satisfaction. For special customer complaints, personalized consolation plans are offered to effectively alleviate customer dissatisfaction. During the reporting period, the Company implemented a 24-hour rapid response standard to customer inquiries, successfully resolving client issues, with a customer feedback response rate of 99.99%.

The Company values customer complaints and feedback, considering them valuable insights for the high-quality development of the business, with multiple communication channels, including phone, WeChat public account, online platform customer service, email, and postal mail available to protect consumer rights.

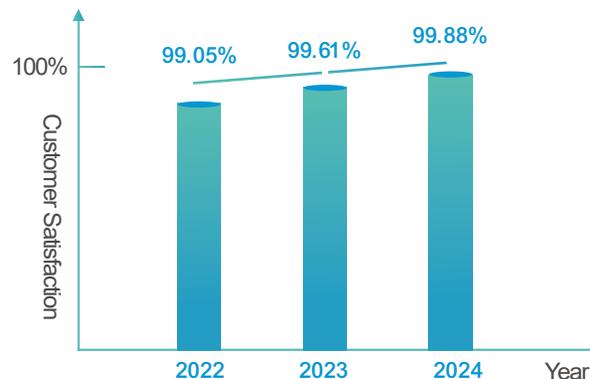
Furthermore, the Company has established a standardized customer service information handling process, creating a closed-loop management system that includes problem reception, classification, tracking and supervision, and result feedback, ensuring that every complaint is resolved promptly and effectively.

• Improvement in Professional After-Sales Service

Professional after-sales service personnel are the fundamental guarantee of product quality and service. With years of experience and a strong installation team, along with a rigorous supervision system, the Company ensures the effective guarantee of GREE air conditioner installation quality. During the reporting period, the Company strengthened the promotion and education of installation standards, enhancing the installation skills and professional ethics of installers; implemented a quality inspection and supervision mechanism, with sales companies and service points assigning inspectors to conduct irregular inspections to ensure installation quality. The headquarter compiles and reviews the after-sales service performance KPIs of nationwide sales companies and service points on a monthly basis, providing commendations or critiques based on the results.

• Customer Satisfaction

The Company regularly conducts statistical analysis of complaint data to identify service gaps and continuously optimizes service processes to enhance customer satisfaction. In addition, it conducts annual customer satisfaction surveys, with results showing that customer satisfaction has remained above 99% for three consecutive years, demonstrating a consistent year-on-year improvement trend.



Awarded “National Enterprise (After-Sales Service) Competitiveness 5A Benchmark Unit” title

In March 2024, at the “First National Standard Enterprise Competitiveness Evaluation Norms Promotion Conference and New Era Enterprise Competitiveness Development Forum”, Gree Electric was awarded the title of “National Enterprise (After-Sales Service) Competitiveness 5A Benchmark Unit”.



In terms of enhancing the professional skills of after-sales service personnel, the Company develops management documents each year, including the *On-Site Service Manual and Technical Guidance Manual for New Products*, to guide after-sales service teams across various regions in keeping up with new products, technologies, and requirements. The Company organizes irregular technical skills training sessions nationwide every year to enhance service capabilities. Additionally, through the "GREE After-Sales Engineer" WeChat public account, the Company provides frontline service personnel with self-service features such as national standards, product services, installation specifications, and fault handling. The platform also periodically releases materials on product introductions, installation guidance, and more, empowering service personnel to engage in self-learning and skill improvement, ultimately offering higher-quality service to end customers.

• Customer Service Awards

2024中国服务品牌100强
珠海格力电器股份有限公司

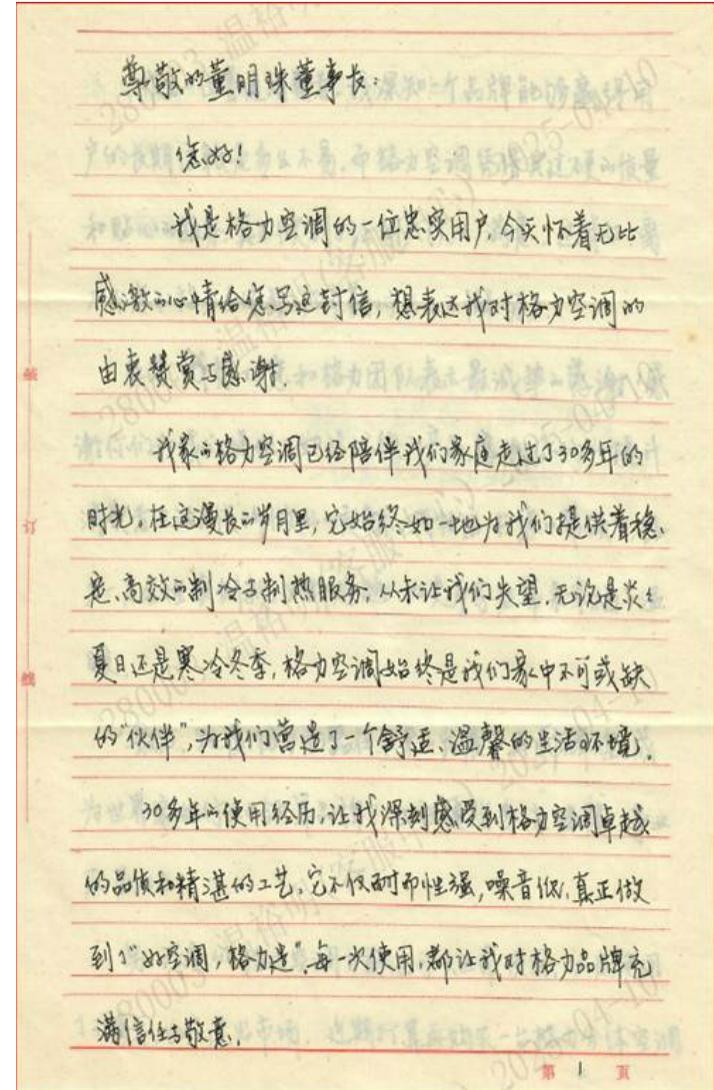
2024 Annual Household Appliance Industry User Satisfaction Index: "GREE After-Sales Satisfaction Ranked First"

2023 Household Appliance After-Sales Service Leading Enterprise Certificate

2024 Top 100 Chinese Service Brands

National Standard Five-Star After-Sales Support Enterprise

National Top 10 After-Sales Support Enterprises



A Letter from Consumer to Dong Mingzhu

Building Sustainable Supply Chains

The Company adheres to the principles of sustainable development and is committed to building an efficient, green, and responsible supply chain system to enhance social and environmental well-being. Through continuous optimization of supply chain management processes, the Company aims to improve resource utilization efficiency, reduce environmental impact, and actively fulfill its social responsibilities, respects and safeguards labor rights, and collaborate with suppliers to create a sustainable future.

Supplier Management

To fully guarantee the Company's production and satisfy customer needs as much as possible, the Company has established and improved the supplier lifecycle management system encompassing admission assessment, categorization control, regular audit and elimination. It also has established and strictly follows the Measures for Administration of Suppliers, controlling the supply chain from the source to ensure stable product quality and supply chain

• Admission of Suppliers

The Company has implemented a robust supplier admission system, conducting comprehensive evaluations through strict assessments, on-site inspections, and other methods. It thoroughly assess factors such as product quality control capability, production capacity, technical level, and pricing. Additionally, the Company analyzes potential risks in supplier partnerships, including supply stability and financial health, and formulates appropriate risk management strategies to address potential challenges.

• Supplier Categorization

The Company has established the Measures for Administration of Supplier Quality Evaluation to implement a tiered management approach for suppliers, ensuring that their quality performance meets the Company's requirements. Adhering to the principles of comprehensiveness and fairness, the Company regularly evaluates suppliers' performance across different dimensions, including quality, delivery, and service. This effectively monitors supplier performance and ensures the stability and high quality of the supply chain. For underperforming suppliers, the Company provides specific improvement recommendations and support to help them enhance management levels and product quality.

• Supplier Audit

The Company enforces a strict periodic audit and elimination mechanism, conducting annual reviews and human rights risk audits for high-risk suppliers, as well as some Tier 2 (components) and Tier 3 (raw materials) suppliers to ensure continued compliance with the Company's requirements, demonstrating its commitment to protecting product quality and consumer rights. Through reviews, the Company identifies and addresses issues with suppliers in a timely manner, ensuring the stability and sustainability of the supply chain. For suppliers failing to meet requirements, the Company will take corrective actions and, if necessary, initiate the elimination process to maintain the overall quality of the supply chain.



Conflict Minerals Management

The Company strictly prohibits any involvement in or initiation of activities that contribute to human rights violations or environmental degradation caused by armed conflicts. To this end, the Company adheres to and requires its suppliers to comply with both domestic and international conventions, regulations, and industry initiatives regarding responsible minerals. It has developed and published Gree Electric Conflict Mineral Policy, pledging to not using minerals directly or indirectly sourced from conflict-affected and high-risk areas in its products, including but not limited to minerals such as tin, tantalum, tungsten, and gold (3TG). The Company has communicated to its suppliers and require them to comply with it. In addition, it mandates that suppliers provide written declarations and establish a raw material traceability system to ensure that the products supplied to the Company do not contain the above mentioned conflict minerals.

The Company conducts annual conflict minerals due diligence on suppliers of products containing conflict minerals, following the Conflict Minerals Reporting Template (CMRT/EMRT) provided by the Responsible Mineral Initiative (RMI). Suppliers are required to perform due diligence on their upstream suppliers concerning conflict minerals; by regularly disclosing the results of its due diligence investigations, the Company continuously enhances the transparency of its conflict minerals due diligence outcomes. During the reporting period, the Company investigated a total of 652 suppliers and traced 360 smelters and refineries, of which over 40% have obtained RMAP certification.

Sustainable Supply Chains

The Company places significant emphasis on the sustainable development of its supply chain. The agreements with suppliers incorporate clauses covering environmental protection, labor practices, and other areas to promote the growth of a green supply chain. In addition, the Company actively promotes integrity, signing integrity agreements with suppliers and providing channels for feedback. In addition, it strengthens the management of conflict minerals, establishing a traceability system to ensure the compliance of raw materials. Through various communication activities, the Company fosters in-depth interactions with suppliers, striving for mutual benefits and shared development.

The Company is committed to building an efficient, energy-saving, and environmentally-friendly supply chain system, actively promoting green manufacturing and sustainable development. By the end of the reporting period, five of the Company's subsidiaries have been included in the Ministry of Industry and Information Technology's list of green supply chain management enterprises, including GREE (Shijiazhuang) Electric Appliances Co., Ltd, GREE Changsha HVAC Equipment Co., Ltd and GREE (Zhongshan) Small Home Appliances Co., Ltd.

During the reporting period



The Company investigated a total of **652** suppliers



Traced **360** smelters and refineries



Of which over **40%** have obtained RMAP certification



• Supplier ESG Management

The Company places significant importance on the ESG performance of its suppliers and has issued the *Supplier Code of Conduct*, which outlines specific management requirements for suppliers regarding business ethics, health and safety, employee rights protection, and environmental protection. The Company conducts comprehensive environmental and social impact assessments for all suppliers. Additionally, 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 on social responsibility, labor rights, and environmental protection, thus promoting the sustainable development of the supply chain.

During the reporting period



The Company **did not** reject any potential suppliers or terminate relationships with any suppliers due to non-compliance with environmental or social requirements.



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The *Supplier Code of Conduct* includes the following social responsibility-related content:

- Environmental and social responsibility system certification:** Acquisition of ISO 14001 and ISO 45001 certifications is one of the manifestations of a company's responsible behavior. Furthermore, holding certificates such as SA8000 (Social Responsibility), BSI (Business Social Indicators), and C-TPAT (Customs-Trade Partnership Against Terrorism) further demonstrates the company's efforts in social responsibility.
- Compliance with labor laws and regulations:** This includes, but is not limited to, the prohibition of any form of forced labor, ensuring that employees' fundamental human rights are respected. The use of child labor should be avoided, and it must be ensured that all workers are at least 16 years old. Furthermore, there should be no discrimination based on factors such as age, gender, race, religious belief, sexual orientation, or physical condition during processes such as recruitment and promotion.
- Workplace health and safety:** Providing a safe and healthy working environment is a fundamental requirement. This includes, but is not limited to, providing necessary personal protective equipment, implementing special protective measures for toxic or hazardous jobs, conducting regular health check-ups to monitor employee health, establishing effective accident prevention and management systems, regularly inspecting special equipment and maintaining relevant records, ensuring fire safety and fully equipped facilities, and conducting fire evacuation drills.
- Working hours and rest/leave system:** Companies shall comply with national regulations regarding working hours, reasonably arrange for employee rest and leave, and abide by local labor laws regarding paid overtime to ensure proper compensation for overtime work.
- Working hours and rest/leave system:** Companies shall cover social insurance for employees, ensure that each employee's income meets or exceeds the local government's minimum wage standard, and provide relevant wage structure and payment records as proof.
- Freedom of association:** Companies shall respect employees' rights to freedom of association and collective bargaining.

Note: Under the same conditions, the company will give priority to suppliers who meet the aforementioned labor management requirements and ensure that employees' rights and interests are fully protected.



The *Supplier Code of Conduct* includes the following environmental protection-related content:

- Environmental protection requirements**

 - Evidence of compliance with environmental laws and regulations:** Suppliers are required to provide documents or reports demonstrating their compliance with national and regional environmental regulations, including compliance with wastewater discharge, air emissions, waste disposal, and other related aspects.
 - Plans and objectives to reduce environmental impact:** Suppliers must provide specific improvement plans and objectives, such as reducing carbon footprints, improving energy efficiency, and minimizing waste generation.
- Toxic and hazardous substance control**

 - Presence of toxic and hazardous substances in products:** Suppliers are required to provide relevant test reports proving that their products contain no toxic and hazardous substances regulated by laws such as the EU RoHS (Restriction of Hazardous Substances).
 - Hazardous substance testing equipment:** Suppliers must possess necessary hazardous substance testing equipment or send samples to third-party accredited testing agencies for testing and provide corresponding test reports.
- Warehouse, materials handling, and production line management**

 - Identification and segregation of toxic and non-toxic substances:** Suppliers must ensure that toxic and non-toxic substances are clearly identified and stored separately in warehouses, material handling areas, and production lines to prevent cross-contamination.
 - Identification of pollution risks in the production process:** Suppliers must identify potential environmental pollution points in the production process and implement corresponding control measures.
- Green supplier management**

 - Green supplier certification process and list:** Suppliers should have a clear green supplier certification process and maintain a list of certified green suppliers.
 - Hazardous substance control agreement:** Suppliers must sign hazardous substance control agreements with green suppliers or require the suppliers to provide relevant commitment letters, ensuring that these suppliers are provided with effective third-party accredited test reports on hazardous substance content filed.



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• Supplier Integrity Construction

The Company is committed to fostering an open, fair, healthy, and transparent competitive environment within its supply chain. To this end, the Company has established a self-recommendation platform for suppliers and requires both suppliers and relevant internal personnel to sign Integrity Agreement, Self-Discipline Declaration, and Commitment Letter. Additionally, the Company regularly conducts anti-corruption and anti-bribery awareness campaigns and training, reinforcing the foundation of business ethics.

• Feedback Channels



Complaint Hotline: (0756)8669807



Complaint E-mail:

jiancha@gree.com.cn;
caigoujicha@cn.gree.com

• Supplier Communication and Training

The Company places a high value on empowering its suppliers. For suppliers identified as having risks during regular evaluations, the Company proactively assists them with corrective actions. Additionally, the Company regularly organizes supplier training and communication activities, promoting continuous improvement in suppliers' quality control and sustainability awareness and capabilities.



Gree Electric Hosts Offline Training on Hazardous Substances for Suppliers

In 2024, the Company organized an offline training session for suppliers focused on hazardous substances, aiming to enhance suppliers' understanding and implementation capabilities regarding global hazardous substance control laws and regulations, ensuring that the supply chain meets green and environmental standards. The training incorporated detailed explanations of international regulations such as the EU RoHS Directive, key REACH compliance requirements, new packaging material TPCB requirements, updates on France's mineral oil legislation, POPs management regulations, the US Toxic Substances Control Act (TSCA), and the Battery Act. The training also included a comprehensive introduction to GREE's own restricted substances environmental requirements. The training received significant attention and support from suppliers, with 120 suppliers participating. After the training, the Company conducted an assessment, with 245 participants taking the exam. The pass rate was 91%, indicating that the majority of suppliers had mastered the core knowledge covered in the training.



During the reporting period, in terms of supplier training, the Company

held
30 training sessions

the cumulative training duration was
30 hours

covering
26 suppliers

with more than
1,300 participant



Industry Collaboration and Development

In the ever-changing waves of the industry, the Company has been adhering to the philosophy of openness, cooperation, and mutual benefit, considering industry collaboration as a key engine to drive both its own development and the advancement of the industry. The Company actively engages in different industry seminars and conferences, sharing experiences and exchanging ideas with peers, exploring new pathways for industry development. It proactively establishes deep strategic partnerships with upstream and downstream enterprises, collaborating closely across various aspects such as raw material supply, product research and development, and market expansion, achieving efficient resource integration and complementing each other's advantages. The Company also actively participates in the formulation of industry standards, contributing to the regulation of market order and the improvement of the overall industry level.

Gree Electric Co-hosts Technical Exchange Conference within the Industry

To thoroughly implement the decisions made by the Central Government, State Council, and provincial and municipal governments regarding large-scale equipment updates and the replacement of old consumer goods, the Company, together with the Sichuan Energy Conservation Association and Sichuan Construction Technology Association, co-hosted the "Sichuan Province 2024 Large-Scale Equipment Update and HVAC Industry Technical Exchange Summit", aiming to explore methods for equipment upgrades in the HVAC and refrigeration sectors within existing buildings, promote technological advancements, and encourage the transformation and upgrading of key industries, thus driving high-quality development in the HVAC sector.



"Sichuan Province 2024 Large-Scale Equipment Update and HVAC Industry Technical Exchange Summit"

Gree Electric Participates in the SNEC 17th International Photovoltaic Power Generation and Smart Energy (Shanghai) Conference

In June 2024, Gree Electric participated in the SNEC 17th International Photovoltaic Power Generation and Smart Energy (Shanghai) Conference & Exhibition at the National Exhibition and Convention Center in Shanghai. At the event, Gree Electric showcased a variety of green products, including the PEDF system, energy storage temperature control, and industrial and commercial energy storage solutions. The Company also held presentations centered on GREE's PEDF technology and engineering cases related to photovoltaic-storage AC applications. Additionally, the Company was invited to participate in the "Top Ten Highlights" presentation event, where it shared the standout technologies of the GREE PEDF Air Conditioning System and the GREE PEDF Zero-Carbon+ system. The "GREE PEDF Zero-Carbon+" system won the "Terawatt Diamond Award", while the "GREE PEDF Energy Station" was awarded the "Energy Storage Application Excellence Award". These accolades received high praise from industry experts and attendees, further showcasing Gree Electric's technological strength in the photovoltaic-storage sector.



The SNEC 17th International Photovoltaic Power Generation and Smart Energy (Shanghai) Conference



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Zhuhai GREE Intelligent Equipment Co., Ltd. establishes strategic partnership with Omron

In July 2024, Gree Electric's subsidiary, GREE Intelligent Equipment, signed a strategic partnership agreement with Omron Automation. Both parties will collaborate in various fields, including rail transportation, automotive, electronics, photovoltaic lithium batteries, robotics applications, automation engineering system integration, and smart warehousing logistics.

By combining GREE Intelligent Equipment's R&D capabilities with Omron's automation technologies, both parties will leverage their respective strengths to jointly provide efficient, reliable, and professional smart manufacturing solutions. This partnership aims to drive automation upgrades across industries and support the high-quality development of China's manufacturing sector through "precision craftsmanship".



Scene of signing ceremony of strategic partnership

Standard Formulation

As of the end of the reporting period, Gree Electric has formulated 14,000 corporate standards and has shared over 3,600 GREE component standards with the industry chain. The Company has led or participated in the formulation and revision of 873 national and international standards, including 64 international and foreign standards. Additionally, the Company actively undertakes or participates in 153 domestic and international standardization organizations, including 40 foreign standardization organizations. It holds 37 expert positions in organizations such as ISO and IEC. In 2024, GREE participated in and released 73 new standards.

Standard Formulation and Revision of Gree Electric

Type of Standard	Quantity (Nos)
International and foreign standard	64
National standard	341
Industry standard	186
Group standard	24
Group standard	258
Total	873



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On September 10, 2024, Chairperson Dong Mingzhu, as the first entrepreneur from China's refrigeration industry to serve as the Chairman of the Refrigeration Compressor Subcommittee, held the 13th plenary meeting of the International Refrigeration Compressor Subcommittee (ISO/TC86/SC4) in Hefei. The meeting was attended by 32 representatives from 8 countries, including China, the United States, Japan, Germany, and the United Kingdom. The Company presented its first proposal for a standard on Compressor Vibration and Noise Evaluation.



In May 2024, Gree Electric was awarded the Guangdong Province Standardization Outstanding Contribution Award for Standard Organization with a high score. At the same time, the Company's leadership in formulating the standards GB/T 38356-2019 Quality Management - Guideline for Customer-Oriented Innovation Cycle and GB/T 37227.1-2018 Evaluation Method and Testing Method for Energy Performance of Refrigerating Systems - Part 1:Energy-Storage Air Conditioning Systems earned the Second and Third Prizes, respectively, in the Guangdong Province Standardization Outstanding Contribution Award for Standard Projects.



On June 27, 2024, the Company was approved to establish the Guangdong Provincial Advanced Photovoltaic, Energy Storage, Direct Current System Quality Standard Laboratory.

In July 2024, the Company earned the title of "Leading Standardization Enterprise in Guangdong Province."



On December 25, 2024, the Company was honored with the title of "Outstanding Contribution to Standardization in 2024" by the National Technical Committee on Refrigeration and Air Conditioning Equipment Standardization.



GREE Was Selected for 38 National Standard Verification Points Approved for the First Time

The Company's national standard verification point for refrigeration equipment energy conservation has been included in the list of approved verification points, making it one of the 38 national standard verification points approved for the first time in the country. It is also the only company from the refrigeration industry to be included. This marks another achievement in the Company's implementation of the "Standardization Leadership Strategy", further contributing to the high-quality development of the industry.



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Gree Electric always prioritizes talent development as a key driver of growth, attracting talent through excellence, nurturing talent through independent innovation, and supporting talent with generous benefits. The Company treats talent development as one of its most important responsibilities, placing great emphasis on protecting employees' rights, continuously improving their work motivation and sense of belonging, and creating a positive work environment. In addition, GREE actively fulfills its social responsibilities by fostering communication and collaboration with various stakeholders. It encourages employees to participate in volunteer activities and carries out public welfare and charitable activities, such as rural revitalization and community co-building. Through these actions, GREE gives back to society and demonstrates its commitment as a corporate citizen.



Talent Recruitment and Employment

The Company, in strict accordance with the relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Provisions on the Prohibition of Using Child Labor*, has established a comprehensive employment management system to ensure compliance in recruitment, hiring, termination, compensation and benefits, working hours, holidays, and other employment matters.

Compliant Employment

The Company is committed to respecting and caring for every employee. It has revised and implemented the Measures for Administration of Employee Recruitment, standardizing the management of employees across the Company and its subsidiaries. Adhering to the principles of "open recruitment, equal competition, and merit-based selection", it ensures equal employment opportunities, equal pay for equal work, and is committed to preventing the use of child labor or forced labor. It also actively works to avoid any form of discrimination based on nationality, race, religion, ethnicity, gender, age, disability, marital or parental status, and respects employees' rights to freely assemble and associate in accordance with the law. This guarantees that each employee can thrive in a diverse, equitable, and inclusive work environment.

Furthermore, the Company ensures that labor contracts are signed based on equality and willingness. It strictly follows legal provisions and contractual agreements when performing, renewing, or terminating labor contracts, thereby ensuring that all employment practices are compliant with laws and regulations.

During the reporting period

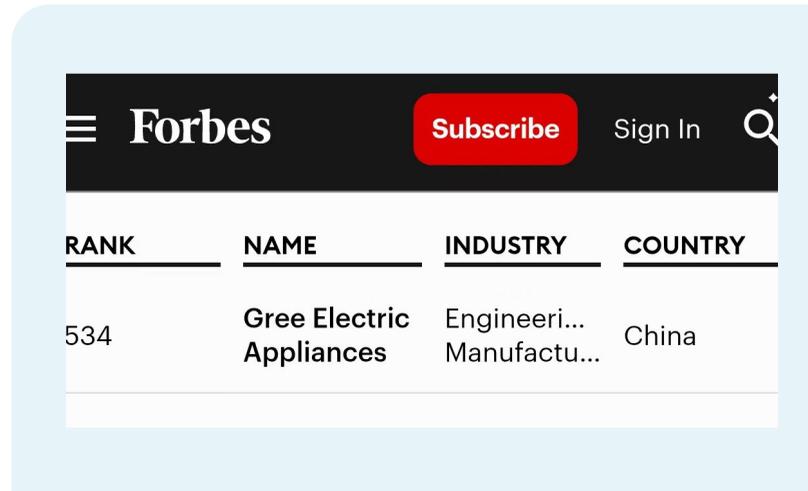
The Company did not experience any incidents of employment discrimination, harassment, child labor, or forced labor that violated labor human rights policies

 The employee labor contract signing rate was **100%**

 and the social insurance coverage rate for employees was also **100%**

no strikes or lock-outs in the last three years

• Employer Honors



RANK	NAME	INDUSTRY	COUNTRY
534	Gree Electric Appliances	Engineeri... Manufactu...	China

Named to Forbes' 2024 List of the World's Best Employers



• Collective negotiation

Gree Electric places great emphasis on collective negotiation, continuously improving negotiation skills and capabilities, strengthening the development of a professional workforce, and promoting the efficient implementation of collective bargaining activities. These efforts effectively protect the legal rights and interests of employees, ensuring mutual benefit and collaboration between the Company and its workforce, laying a solid foundation for the establishment of harmonious and stable labor relations. The Company has been recognized as a model for enterprise labor and capital communication and negotiation in Guangdong Province in 2023, a typical enterprise for collective bargaining in Zhuhai City in 2022, and has won the first prize for excellent cases in collective bargaining. Upon deliberation and voting for approval at the employees' representative congress, the collective agreements were signed by the legal representatives of both parties, achieving 100% coverage of the collective agreements.



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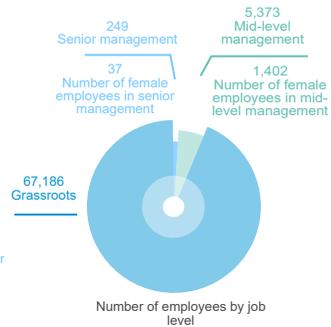
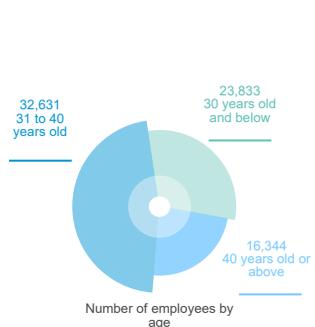
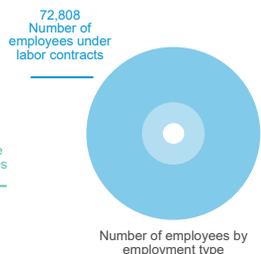
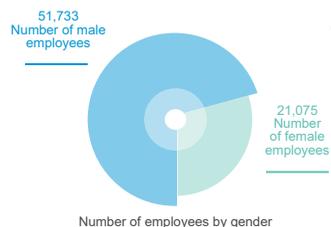
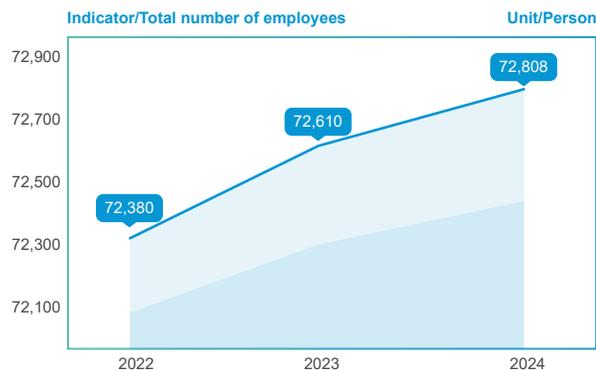


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Conclusion

• Employee Structure



Remuneration Management

The Company adheres to the concept that “talent is the primary resource”, establishing a scientific remuneration management system and continuously promoting employee stock ownership plans, offering special benefits for high-tech talents. Through a scientifically structured remuneration system and incentive mechanisms, it effectively stimulates employee enthusiasm, helping both employees and itself grow together and share development achievements, achieving a win-win result.

• Remuneration Management System

The Company strictly complies with national laws and regulations and, in line with its actual situation, has developed the Measures for Administration of Wages, establishing a standardized and systematic salary management system that ensures employees to receive the legal and rightful remuneration for their labor. It is committed to building a fair and competitive remuneration system consisting of fixed and variable income. The variable portion of the salary is linked to personal performance assessments and other dynamic factors, and this salary structure covers all employees.

In addition, the Company continues to advance its talent incentive policies, fully leveraging the role of outstanding employees as role models. To this end, the company has established a diverse bonus system, including awards for technological progress, management innovation, rationalization suggestions, performance, and year-end bonuses. It also organizes various honors activities, such as selecting outstanding individuals, worker pioneers, gold medal employees, distinguished employees, and skill model workers, to encourage employees to innovate and demonstrate their strengths.



• Employee Stock Ownership Plan

The Company has established a long-term, effective incentive mechanism, continuously implementing the ESOP to attract and retain outstanding talents. This plan aims to incentivize and stabilize the retention of middle and senior management and backbone employees, forming a community of interest between employees and the Company, thereby enhancing employee cohesion and the Company's competitiveness. Since 2021, the Company has successively launched the first, second, and third phases of its ESOP. The incentive scope of all three phases includes company directors (excluding independent directors), supervisors, senior management, and middle-level managers and key employees identified by the Board of Directors as having an important role in the Company's overall performance and medium- to long-term development.

As of the end of the reporting period

the number of employees covered by the Company's ESOP is as follows The first phase of the ESOP covered employees **4,513**

The second phase of the ESOP covered **3,170** employees

The third phase of the ESOP covered **5,141** employees

Employee Development and Training

The Company has always considered talent development as the core strategy for its business growth, continuously performing comprehensive training programs and effectively promoting the quality building of talent teams. By carrying out all-encompassing training, implementing scientific performance evaluations, and ensuring smooth promotion channels, it fully unleashes employees' potential. At the same time, it deepens cooperation with universities and industries, promoting the integration of production and education to reserve innovative forces for the Company's development.

Employee Training

The Company fosters a learning organization and promotes mechanisms such as regular learning for grassroots management cadres to facilitate the inheritance of management experience, the sharing of R&D technology, and the enhancement of skill levels. For key groups, it focuses on key programs such as the "Cornerstone Program" for supervisor training camps, the "Spark Program" for team leader training camps, and the university talent development program, providing comprehensive and multi-level training support for grassroots managers and fresh graduates. Relying on the national high-skilled talent training base construction project, the Company continues to nurture high-skilled professionals, further enhancing its core competitiveness.

During the reporting period



the total training hours for all employees reached nearly

1.18 million hours

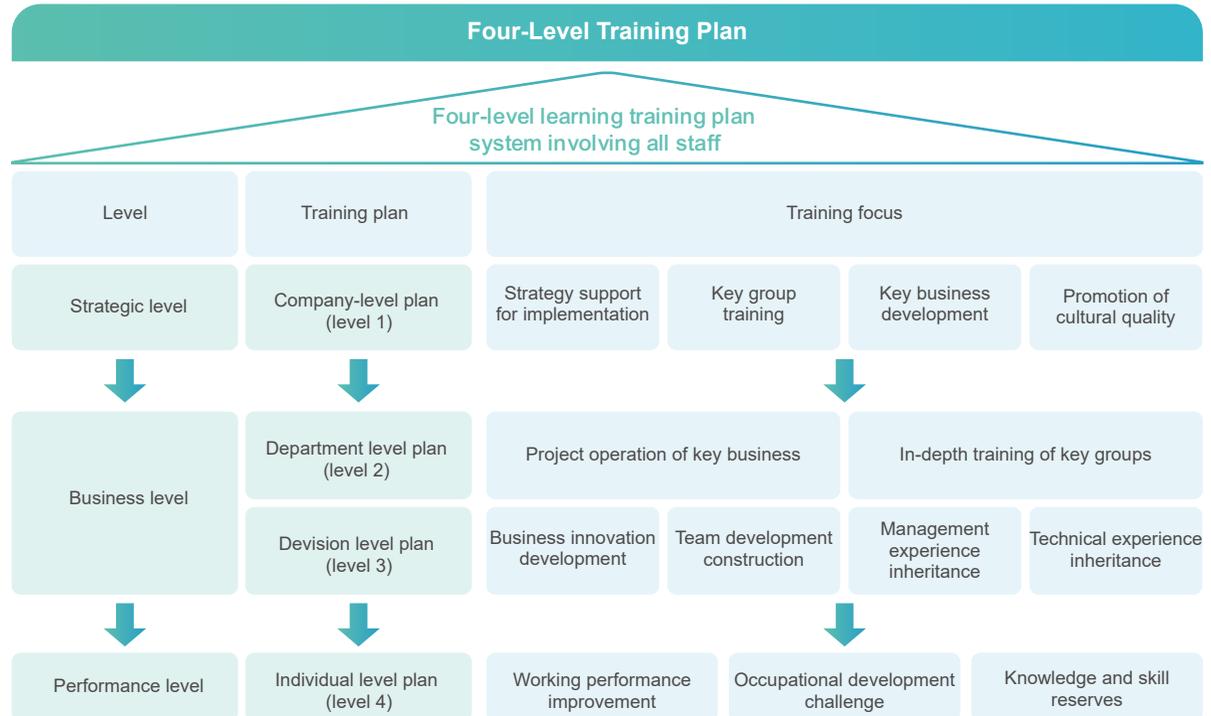


with the average training hours per employee over

50 hours

• Training Plan System

The Company is committed to creating a comprehensive growth platform for employees, building a practical and efficient talent culture, and consistently adhering to the concept of self-driven talent development. To support the Company's strategic goals and the business development needs of each unit, the Company has formulated and implemented a company-wide learning and development plan, covering four levels: company-level, department-level, office-level, and individual-level. The annual training demand survey is conducted from four dimensions: organizational strategy, business development, personnel skills, and cultural literacy. It adopts a "dual-track linkage" approach at both the Company and unit levels. This method helps identify training needs for the strategic goals from top to bottom, while also refining training requirements for business skills improvement from bottom to top, finally resulting in a four-level training plan. The content of the training plans at each level complements each other and focuses on key areas, ensuring that the learning and development objectives of "connecting strategy with performance" are effectively implemented. This framework provides strong support for both the Company's strategic implementation and the enhancement of employee capabilities.



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• Training Program Construction

The Company continues to deepen its talent development strategy by empowering employee growth and business development through a systematic and efficient training system. During the reporting period, the company-level training plan focused on five core dimensions, namely the strategic implementation support, key group training, building a learning organization, business development priorities, and system management operations. These plans were jointly boosted and implemented by the HR Department and various units. During the training implementation process, the Company places great emphasis on the practical application and transformation of the training outcomes. Each project is assigned a dedicated person for supervision, and the Company strictly adheres to the Plan-Do-Check-Act (PDCA) cycle management mechanism to ensure continuous improvement in the training effectiveness.

As of the end of the reporting period



the Company successfully completed

54 level 1 training programs



training over

43,000 participants



with an average annual training satisfaction rate of

96.85%

“Cornerstone Program” Supervisor Training Camp

In 2024, Gree Electric's supervisor training camp was targeted and problem-oriented, focusing on 160 grassroots backbones across 68 units within the Company. By establishing a unique training model and reconstructing the course system, the camp emphasized three main directions: “solidifying fundamental management knowledge, fostering a sense of responsibility and accountability, and learning risk avoidance methods”. The program adopted a blended learning approach, combining both online and offline activities, including team-building exercises, management experience seminars, and visits to well-known enterprises, to comprehensively enhance supervisors' overall competence. The purpose of this training camp is to build a grassroots management team “aware of positioning, skilled in management, excels in team performance, and strong in compliance knowledge”. This serves as a solid talent guarantee for fulfilling the Company's strategic goals and ensuring its sustainable development.



“Cornerstone Program” supervisor training camp of 2024



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• New Employee Training

The Company always adheres to the concept of “self-cultivating talent” and views fresh graduates as the driving force for the Company’s future development. To help new employees quickly fit in and become competent in their roles, the Company has developed a systematic and comprehensive training plan. At the beginning of their employment, new employees undergo centralized training covering corporate culture, management systems, and core business processes to help them fully understand the Company’s operations. Additionally, the HR Department closely collaborates with relevant departments to design departmental training plans based on the competency models for each role. The Company also employs mentorship programs and “master-apprentice” systems to accelerate new employees’ learning and transformation, helping them to quickly acquire the necessary skills in performing their work duties effectively.

“Starry GREE” Class of 2024 College Graduate Onboarding and Training Program

In response to the Company’s rapid development needs and to foster high-quality talent deeply aligned with the Company’s culture and strong in professional abilities, Gree Electric launched the “Starry GREE” class of 2024 college graduate training program. This program targets all newly graduated college students at the Company’s headquarters and subsidiaries. The program includes specialized, customized, and distinctive training projects, and organizes onboarding ceremonies to enhance the sense of occasion and fulfillment for new employees, helping graduates transition from campus life to becoming part of the GREE family, facilitating their smooth integration into the workplace.



Scene of Class of 2024 Graduates’ Onboarding Training

• Educational and Professional Qualification Support

The Company highly values the personal growth and development of its employees, actively encouraging them to enhance their educational qualifications and professional certifications. It has established the Measures for Administration of Training Funds, specifying that employees who have obtained a diploma (associate, bachelor’s, or master’s degree) or earned a professional qualification certificate related to their current job from the national vocational qualification directory may apply for reimbursement of the related expenses after meeting the eligibility requirements through the approval process.

During the reporting period

the Company provided reimbursement support for educational and skill level improvement expenses to over **1,100** employees



with a total reimbursement amount exceeding



CNY **1** million



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Performance Evaluation and Promotion

Gree Electric has established a scientific and transparent performance evaluation and promotion system based on fairness and justice, motivating employees to make continuous improvement. In addition, it places great emphasis on the enhancement of feedback and appeal mechanisms to ensure that employees receive timely and effective feedback during the performance evaluation process.

• Performance Evaluation

To standardize and strengthen employee performance management, improve work performance and capabilities, and drive the realization of the Company's strategic goals, GREE has revised and implemented the Measures for Administration of Employee Performance. Additionally, each user department has formulated its own secondary performance management guidelines to better address specific management requirements.

Employee performance evaluations are conducted on a monthly and annual basis, focusing on goal achievement and work outcomes, with actual performance output as the core criterion for evaluation. The results are distinctly differentiated and objectively reflect the performance differences among employees. This forms a basis for applying results such as "rewarding the top performers and penalizing underperformers", while motivating continued improvement in both organizational efficiency and employee competence.

• Performance Feedback and Appeals

If employees have any objections to the current performance evaluation results, they can first provide feedback and communicate with their immediate supervisor; if after communication, an agreement is not reached, employees may submit a written appeal to the corresponding user department during the performance announcement period. The user department receiving the appeal should promptly communicate with the employee and provide feedback on the handling of such matter to ensure proper resolution.

If employees have concerns regarding the fairness or impartiality of the performance management process by their department or supervisor, they may submit a written request to the HR Department for review. The HR Department will conduct an investigation, verify the facts, and take fair and appropriate action based on the findings, ensuring transparency and credibility in the performance management process and safeguarding the legal rights of employees.

• Promotion Channels

The Company has always regarded talent as its most valuable asset and is committed to building a scientific and well-structured talent pipeline system. For technical and management employees, the Company has innovatively created three career development pathways: "Professional, Administration, and Comprehensive Development", offering employees a diversified range of growth options. For frontline employees, the Company has established a comprehensive skills grading mechanism to encourage them to refine their skills and enhance their professional expertise. At the same time, for employees with excellent performance, the Company will prioritize the provision of promotion opportunities or support for them in applying for internal competitions, ensuring that outstanding talent is recognized and can emerge successfully. This system aims to achieve a win-win situation where both individual career development and the Company's strategic objectives are met.



University-Enterprise Cooperation

The Company actively explores a new model of university-enterprise cooperation based on “resource sharing and mutual integration”, establishing a comprehensive and multi-level industry-academia-research collaboration ecosystem. Currently, the Company has built deep partnerships with over 40 key universities, regularly hosting university-enterprise exchange conferences to establish efficient communication channels between both parties; in addition, the Company has partnered with several universities to jointly develop specialized courses integrating cutting-edge industry technologies into educational practices, deepening the integration of industry and education. This collaboration aims to foster versatile talents that meet the demands of the industry. Furthermore, the Company successfully hosted its first “University Student Innovation Practice Camp”, attracting hundreds of outstanding students from across the country to the Company headquarters for in-depth exchanges and practical explorations, igniting innovative thinking. Through diverse campus recruitment collaborations, the Company has proactively identified and reserved a pool of high-quality and innovative talents, ensuring a continuous infusion of energy into the Company’s long-term development.



Key Universities and Enterprises Exchange Meeting



Class of Special Courses

Gree Electric’s 2024 College Student Innovation Practice Camp, empowering 100 students’ career development

In August 2024, Gree Electric held the “Create and Share” GREE Week - the 2024 College Student Innovation Practice Camp - in Xiangzhou District, Zhuhai. This event gathered 100 outstanding students from top universities across China, including Shanghai Jiao Tong University, Xi’an Jiaotong University, Huazhong University of Science and Technology, and Zhejiang University. The practice camp included activities such as exhibition hall visits, hands-on workshops, technology innovation courses, career planning sessions, and one-on-one (1v1) interviews, helping the students clarify their career plans and providing opportunities for exceptional students to be recruited through campus recruitment. In addition, the event allowed the students to gain in-depth knowledge of GREE’s product portfolio, technological capabilities, and corporate culture. Gree Electric will continue to provide a broad development platform for young talents passionate about innovation and contribute to the high-quality development of the manufacturing industry by injecting continuous vitality.



University Student Innovation Practice Camp



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Occupational Health and Safety

The Company places great emphasis on occupational health and safety, continuously improving its management systems by reinforcing responsibility implementation, optimizing processes, and enhancing technical measures. These efforts comprehensively elevate the work safety standards, safeguarding the health and safety of employees.

Occupational Health and Safety System

The Company strictly complies with legal and regulatory requirements and has developed and implemented a series of policies, including the *Measures for Administration of Work Safety Responsibility*, *Measures for Administration of Work Safety Inspection and Assessment*, *Measures for Administration of Occupational Disease Prevention*, and *Measures for Administration of Occupational Health and Safety Education*. The Company adheres to the management philosophy of “equally emphasizing safety and production” and works on addressing weaknesses and strengthening areas in safety responsibility, standards, technology, and safety competence. It actively advances the systematization and standardization of work safety, with the goal of building a solid “safety culture”. During the reporting period, the Company and its subsidiaries have all received the Occupational Health and Safety Management System certificate.



The Company has been certified to ISO 45001 Occupational Health and Safety Management System

Work Safety Responsibility Management

The Company adheres to the occupational health and safety policy of “people-oriented, work safety, health protection, and life care”. It has established a Work Safety Committee, led by the Chairwoman of the Board of Directors, to oversee, guide, and supervise all work safety activities. The Company strictly follows the principles of “graded responsibility and local management” and “whoever is in charge is responsible, whoever approves is responsible” ensuring the implementation of the “dual responsibility” work safety system. The Company conducts an annual review, revision, and improvement of the *EHS Responsibility Agreement* and ensures that all organizational levels sign such agreement. This process reinforces safety accountability at all levels, ensuring that responsibilities are assigned, measures are implemented, and robust protections are in place for the health and safety of employees. During the reporting period, the Company organized the signing of the *EHS Responsibility Agreement* by the primary safety responsibility holders across all units, totaling 105 copies. At the unit level, internal agreements were signed based on specific job roles to ensure the safety responsibility implementation.

Safety Risk Identification and Management

The Company has established and implemented the *Measures for Administration of Hazard Source and Environmental Factor*, which systematically identifies, assesses, and controls internal hazards (sources) and environmental factors according to the safety risk identification and management process. For identified risks, the Company adopts multi-level control measures such as elimination, substitution, engineering controls, labeling/warning/administrative controls, and personal protective equipment. For significant or critical hazards that cannot be eliminated or substituted, it develops specialized control plans. To ensure the continuous effectiveness of hazard source management, the Company conducts annual reviews of hazard source/environmental factor identification, risk assessments, and control measures, and promptly updates the evaluation results. This ensures that hazard sources remain under control, safeguarding the health and safety of employees.



Safety Risk Identification and Management Process Flowchart

• Hidden Hazard Identification and Elimination

The Company has established a dual prevention system for safety risk classification and hazard identification. Each year, it organizes the identification and classification of potential hazards, and updates and maintains the hazard source registry. It also draws a four-color safety risk distribution chart prominently displayed in the workshops to help employees identify and understand risk points, thereby fostering a culture of heightened safety awareness. In addition, the Company conducts hazard investigations regularly at the company, department/factory, and workshop levels, based on the risk levels. It shares findings through corrective action notices, and timely conducts follow-up inspections to ensure compliance, forming a closed-loop management system for hazard identification, rectification, and verification, thereby ensuring comprehensive work safety across the organization.

During the reporting period

Highlights of hidden hazard identification and elimination of the Company during the reporting period:

Preparation and Publication of the Safety Management Manual

To effectively guide the safety management efforts across the Company and establish a unified set of safety management standards, the Company's safety management team was tasked with developing and releasing the Safety Management Manual to strengthen the professionalization and standardization of safety management. This manual is divided into two sections: General Standards and Specialized Standards, encompassing a total of **257** safety management standards.

珠海格力电器股份有限公司·安全管理手册

安全管理手册 1.0



Safety Management Manual

Enhancement of dust explosion prevention and intrinsic safety

To prevent dust explosion accidents, the Company invested CNY **5.8** million to upgrade the powder coating lines with explosion-proof upgrades and renovations. By implementing explosion venting, explosion isolation, and other control measures, it additionally installed flame arresters, one-way explosion isolation valves, and monitoring control systems; set up real-time monitoring and automatic interlock shutdown alarms to monitor temperature, wind pressure difference, blowing gas pressure, and lock-air ash unloading status, ensuring work safety on the powder coating lines.



Dust explosion prevention device

Improvement of "Four High" positions

The Company has continued its work to improve positions with "high risk, high noise, high temperature, and high labor intensity", implemented a total of **361** improvement projects, utilizing automation technologies, ventilation system installation, and self-initiated modifications to address challenges on the production site. These efforts have optimized working conditions, reduced labor intensity, and enhanced the overall working environment for employees.



Improvement of ventilation at workshop



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• Occupational Disease Prevention and Health Checks

The Company places great emphasis on occupational disease prevention management and has formulated the *Measures for Administration of Occupational Disease Prevention*. For employees working in occupational hazard positions, the Company provides appropriate personal protective equipment, such as safety shoes, earplugs, protective masks, AED automatic defibrillators, and first aid kits. In addition, it organizes annual occupational health checks and job-specific hazard assessments to effectively prevent occupational risks and injuries, maximizing the protection of employees' physical health and safety. Additionally, in response to the *Implementation Plan for Promoting Employee Mental Health Services by the Guangdong Provincial Federation of Trade Unions*, the Company's Labor Union, in collaboration with the Qianshan Sub-district Office in Zhuhai's Xiangzhou District, established an Psychological Well-being Station for employees in the first half of 2024. This initiative aims to support employees in maintaining both physical and mental health, cultivating positive psychological resilience.

Key Performance



During the reporting period, the Company achieved a **100%** employee health check rate



maintained a **100%** coverage of employees' work injury insurance



Six AED installation points in Gree Electric (partially displayed)



Safety Culture Construction

The Company actively promotes the construction of safety culture and organizes regular, specialized, and phased work safety-related activities, such as fire-fighting skills competitions, emergency drills, work safety knowledge contests, work safety month series of activities, comprehensive safety training, and theoretical fire safety training for new employees. These initiatives aim to universally enhance employees' safety awareness and improve their emergency response capabilities, with a particular focus on improving the organizational and command skills of key leaders and safety officers and their ability to execute safety measures effectively.



Scene of fire-fighting skill competition

• Safety Emergency Drills

To standardize the management and response procedures for production safety accidents, clearly define the rescue responsibilities of each unit, and enhance employees' ability to handle unexpected incidents, the Company has developed a comprehensive emergency plan along with seventeen specialized contingency plans. These plans were reviewed and validated through internal discussions and expert evaluations before being filed with the emergency management department. In response to issues identified during drills, such as insufficient professionalism, low participant engagement, and lack of practicality, the Company has made improvements across four key areas: personnel organization, resource utilization, command methods, and process documentation, aiming to improve drill effectiveness and refine the emergency response framework.



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Key Performance



During the reporting period, the Company organized **130** emergency drills in total



with **15,461** participants



Emergency response drill in factory



Emergency response drill for accident

• Work Safety Training

The Company places a high priority on work safety training and has established a multi-tiered safety training system. During the reporting period, the Company conducted several key safety training programs, including training for key personnel and safety management staff aiming to enhance senior management's ability to control and make decisions regarding safety production; safety management backbone training camp focusing on developing practical safety management skills for middle management; "GREE Safety Cup" Work Safety Knowledge Competition organized to encourage all employees to engage in safety knowledge learning, creating an environment that fosters a culture of safety.

Training Program for Key Personnel and Safety Management Staff

During the reporting period, the Company organized targeted training for different groups, including leadership, safety officers, and team leaders, covering various aspects such as work safety, occupational health, and fire safety. A total of 86,000 training hours were completed for key personnel and safety management staff.



Training for key personnel and safety management staff

Safety Management Backbone Training Camp Program

To strengthen the foundation of work safety management and build a high-quality safety management team that ensures high-level safety to support the Company's high-quality development, the Company organized a safety management backbone skills enhancement training camp during the reporting period, aiming to improve the professionalism of the team, strengthen leadership responsibility, implement key control measures, advance the standardization of safety management, and develop a group-wide safety information management system.



Safety management backbone training camp

"GREE Safety Cup" Work Safety Knowledge Competition

During the reporting period, the Company organized a company-wide work safety knowledge competition that lasted 42 days, participated in by over 40,000 employees. Through this competition, which encouraged learning through competition and application through learning, the Company enhanced employees' work safety knowledge while strengthening their practical work safety abilities, effectively combining work safety theory with practice.



"GREE Safety Cup" Work Safety Knowledge Competition



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Employee Care and Activities

The Company has always adhered to an employee-centered approach, actively promoting the development of humanistic care. Through the establishment of effective communication and feedback mechanisms, the creation of a competitive benefits system, and the development of diverse cultural activities, the Company continuously enhances employees' sense of well-being and recognition, injecting sustainable energy into the Company's sustainable development.

Employee Benefits

The Company places great emphasis on employee well-being, aiming to enhance employees' happiness and sense of belonging. It offers a competitive benefits system that incorporates statutory benefits such as public holidays, social insurance, and housing provident fund, as well as non-compensation benefits such as housing, shuttle buses, special cafeterias, and customized work uniforms, ensuring comprehensive support for employees' living needs.

The Company continuously strives to "create a comprehensive employee benefits system", constantly improving and enhancing it. To address issues such as employee transportation, housing, healthcare, and children's education, the Company has invested in building well-equipped facilities such as the GREE Leisure Park Phase I and Phase II projects, and is in the process of constructing GREE Hospital; in 2018, the Company established GREE School, effectively resolving the issue concerning employee children's education. In daily life, the Company provides cafeterias offering a variety of regional cuisines to accommodate the dining needs of all employees across the group; it also provides fully equipped employee dormitories for convenient "move-in ready" accommodations, and free shuttle buses covering Zhuhai City and the locations of all subsidiaries to ensure convenient commuting. Additionally, it offers benefits such as customized work uniforms, comprehensive communication packages, and health checkups. These efforts collectively create a fulfilling life for GREE employees, covering all aspects of clothing, food, housing, transportation, and daily needs, significantly enhancing employee satisfaction and sense of belonging.

Benefit system of Gree Electric

Statutory benefits

- Statutory holidays
- Statutory leaves
- Social insurance
- Housing provident fund

Non-compensation benefits available for all employees

- Security housing for employees
- Employee dormitory
- Free shuttle bus
- Communication package
- Customized work uniforms
- Staff canteen
- Health checkup
- Consolation benefit
- Cultural development activity
- Seniority pay
- Working meal allowance
- Transportation allowance

Conditioned non-compensation benefits

- Science and technology progress award
- Proposal improvement award
- Skill allowance



Employee living quarter



Staff book house



New GREE School's teaching building



Staff canteen offering cuisines in both north and south flavors



GREE's huge shuttle system



Customized work uniforms



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Employee Communication and Democratic Management

The Company adheres to the principle of “people-centered” and is committed to promoting labor-management communication and negotiation. By establishing and improving labor-management communication mechanisms and expanding channels for employee feedback, the Company listens to employees’ voices through various methods, such as Employees’ Congress, smart Labor Union, democratic life meetings, and employee satisfaction surveys. These efforts foster mutual understanding and support between the Company and its employees, laying a solid foundation for the stable corporate development.



Employees' Congress



Democratic Life Meeting

• Employee Satisfaction Survey

The Company conducts an annual employee satisfaction survey, focusing on such aspects as work and career development, team management, work compensation, logistical support, company operations, and party-building activities, in combination with both online and on-site methods to gather feedback. In response to areas with lower satisfaction scores, the Company takes a series of targeted improvement measures, including enhancing the working environment and office resources for frontline staff, diversifying employee training formats and content, upgrading shuttle bus routes and improving the quality of employee accommodations and meals, as well as organizing a variety of enriching cultural and recreational activities that promote physical and mental well-being. These initiatives aim to significantly improve the employee experience and support mutual growth between employees and the Company.

Support for Employees in Need

• Normalization of Care for Employees in Need

The Company consistently implements the care system of “visiting all who are injured, comforting all who are seriously ill, and caring for all who are hospitalized”, making support and warmth a normal, frequent, and everyday occurrence. It actively explores effective ways and measures to assist employees in need, ensuring precise and dynamic management, ensuring that “support is provided to those who need it, with precision, and with dynamic management”.

• Precise Support for Employees in Need

The Company places great importance on providing assistance to the families of employees in need. For employees facing hardship due to unforeseen events, accidents, major illnesses, disabilities, or challenges like their children’s education, the Company has implemented precise support measures. This includes building a support file before offering assistance, ensuring the work is targeted and effective. During holidays and festivals, the Company organizes visits and support activities, distributing consolation funds and consolation items to families in need, offering warmth and care. For employees in difficulty suffering from serious illnesses, the Company also applies for major illness assistance, further alleviating their financial burdens.



Caring for employees in need



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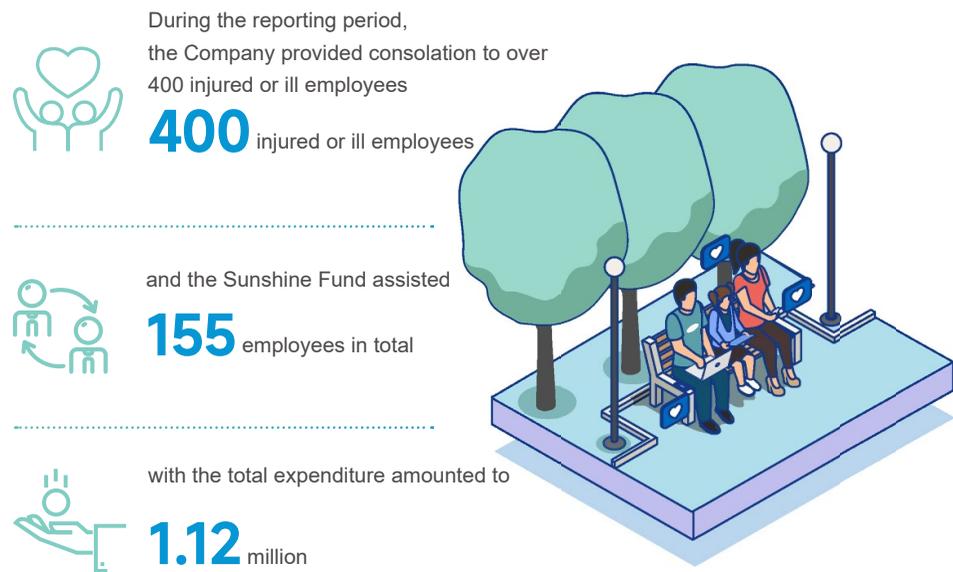


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• Sunshine Fund System

The Company has established the Sunshine Mutual Aid Fund (the “Sunshine Fund”) system. In addition to the precise support provided through the establishment of support files, the Company’s labor unions at all levels actively monitor the living conditions and status of employees facing financial difficulties due to illness, offering support through the Sunshine Fund policy. The “Sunshine Fund” was established by Gree Electric in the second half of 2009 to safeguard the health of GREE’s employees and to build and improve the employee major illness medical assistance system. The Labor Union reviews the Sunshine Fund materials for employees on a monthly basis. For employees, their spouses, and children under the age of 18 who require outpatient or inpatient treatment due to illness, the Fund provides secondary reimbursement following social security insurance reimbursements, in accordance with the Implementation Rules of Measures for Administration of Sunshine Mutual Aid Fund of Gree Electric. This system enhances employees’ sense of gain, happiness, and satisfaction, ensuring that employees in need truly feel the warmth of their “family”.

Key Performance



Care for Female Employees

The Company strictly adheres to the Law on the Protection of Women’s Rights and Interests and the Regulations on Prohibited Labor for Female Employees, ensuring that female employees are not assigned to work prohibited by national laws. The Company legally provides female employees with maternity check-up leave, pregnancy check-up leave, special breastfeeding time, dedicated transportation services for “caring mothers”, and flexible work benefits, while also reducing the workload for breastfeeding employees.

For female employees during the breastfeeding period, the Company actively promoted and successfully established two caring mother’s rooms at the municipal level and above. These rooms are equipped with essential maternal and child supplies and a comfortable breastfeeding environment, offering female employees a private, safe, and warm space to rest during this special period. The two caring mother’s rooms have respectively been awarded the titles of “Guangdong Province Caring Mother’s Room” and “Zhuhai City Caring Mother’s Room”, fully reflecting the Company’s tangible actions in caring for its employees and its emphasis on protecting the rights and interests of female employees.



Guangdong Province Caring Mother's Room



Zhuhai City Caring Mother's Room



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Employee Activities

The Company advocates for a healthy and happy work-life balance and strives to create a relaxed and dynamic working environment to enhance employees' sense of happiness at work. Tailoring to its own situation, the Company has organized various unique cultural and sports activities for employees.



"Green Future, Building Dreams with Childlike Hearts" - Gree Electric 2024 Children's Day Parent-Child Outing Activity



2024 "GREE Cup" Sports Festival Closing Ceremony



"United in Celebrating the National Day, Striving for the New Era" Grand Chorus



"Auspicious Serpent Brings Blessings, Welcoming the Spring" - Spring Couplets Distribution Activity



Healthy Walk Socializing and Friendship Event



10th "GREE Cup" Fun Sports Games

To enrich employees' cultural life and strengthen team cohesion, Gree Electric held the 10th "GREE Cup" Fun Sports Games on December 1, 2024, attracting over 600 employees from 31 departments. Through six fun competition events, employees worked together, demonstrating the spirit of GREE people with their enthusiasm, teamwork, and perseverance. This event not only enhanced employees' teamwork and sense of collective honor but also deepened their sense of identity with the corporate culture and their sense of belonging, injecting vitality into the Company's sustainable development.



10th "GREE Cup" Fun Sports Games



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Social Contribution and Public Welfare

As a company with a strong sense of social responsibility, Gree Electric not only pursues business excellence but also actively participates in public welfare and charity activities, contributing to rural revitalization and giving back to society through tangible actions.

Charity and Public Welfare Practices

The Company actively engages in various public welfare activities, focusing on charitable causes, and supporting education undertaking, environmental protection, and cultural and sports projects. This demonstrates the social responsibility expected of a large-scale enterprise.

During the reporting period

The Company provided a batch of portable air conditioners for the Paris Olympic Village, offering a cool breeze made in China to Paris.

The Company launched the “GREE Greater Bay Area (Hong) Kong Scholarship” aimed at promoting the development of talent in Hong Kong’s innovation and green sectors.

2024 GREE UCI World Tour - Tour of Guangxi successfully held

From October 15 to 20, 2024, the 2024 GREE UCI World Tour - Tour of Guangxi was held across six cities in the Guangxi Zhuang Autonomous Region: Fangchenggang, Chongzuo, Baise, Hechi, Laibin, and Nanning. The event aimed to showcase the region’s natural beauty, cultural heritage, local culture and tourism resources, while promoting the development of the tourism industry and local economy. As an “advocate for green living”, Gree Electric promotes the concepts of environmental protection, health, and innovation through cooperation with this world-class top-tier event. This collaboration not only demonstrated Gree Electric’s commitment to fulfilling its social responsibility but also infused new vitality into the local economy by integrating sports events with green technology.



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“GREE Cup” 2024 Zhuhai-Macau University Students Football Championship, promoting cultural and sports exchange in the Greater Bay Area

On October 26, 2024, to celebrate the 25th anniversary of Macau’s return to China and to promote cultural and sports exchange between Zhuhai and Macau, the “GREE Cup” 2024 Zhuhai-Macau University Students Football Championship, sponsored by Gree Electric, officially kicked off at the Zhuhai Campus of Beijing Institute of Technology. Through sponsoring this event, Gree Electric demonstrated its active support for sports, youth exchange, and utilized the platform to spread its brand philosophy of “eco-friendly, low-carbon, and healthy”. In the future, this event will be held annually, further strengthening sports and cultural exchanges between Zhuhai and Macau and contributing to the development of the Guangdong-Hong Kong-Macau Greater Bay Area.



“GREE Cup” 2024 Zhuhai-Macau University Students Football Championship

Supporting Rural Revitalization

As a leading enterprise in China’s manufacturing industry, Gree Electric has been adhering to the philosophy of “For the Clearer Sky and Greener Earth”, committed to promoting green development through innovative technology. In recent years, with the country’s strong push for the rural revitalization strategy, Gree Electric has actively responded to the call and is exploring new pathways to empower rural development through technology.

During the reporting period, Gree Electric continued its role as the exclusive partner of the third season of Homes in Beautiful China. Through visits to beautiful rural villages, the program showcases the ecological beauty, cultural charm, and development changes in rural areas in the new era. Gree Electric provided high-efficiency, energy-saving green technology products, such as photovoltaic air conditioners and smart equipment, helping improve living conditions in rural areas, reduce energy consumption, and promote sustainable development. At the same time, through the program’s wide influence, it further tapped into rural unique resources, supporting rural tourism, agricultural product promotion, and the development of specialty industries, injecting new vitality into the rural economy.

Gree Electric donates AC equipment to improve teaching environments in Zunyi primary and secondary schools

On July 2, 2024, Gree Electric, through the Zhuhai Mingzhu Charity Foundation, donated a batch of AC units to Zhongxin Primary School in Daozhen County and the Second Middle School of Chishui City in Zunyi. The donation aims to improve the schools’ teaching environments, providing students and teachers with comfortable learning conditions, warm in winter and cool in summer. The event was attended by key leaders, including Huang Zhihao, Deputy Secretary of the Zhuhai Municipal Committee and Mayor, and Dong Mingzhu, Chairwoman of Gree Electric. The donated AC units were transported by special vehicles, covering over a thousand miles to reach Zunyi. This initiative not only demonstrates Gree Electric’s social responsibility but also promotes east-west cooperation and paired assistance, contributing to rural revitalization and the development of education undertaking.



Gree Electric’s Donation of AC equipment to Zunyi Primary and Secondary Schools



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Green Development, Leading with Low Carbon

Against the backdrop of escalating global climate change and environmental challenges, Gree Electric, as a leader in the household appliance industry, bears the responsibility of spearheading the low-carbon revolution in the industry. The Company is committed to achieving this by means of technological innovation, management model upgrading, full practice of a circular economy, and promotion of the widespread use of clean energy, thereby contributing to the realization of the national “dual carbon” strategy goals. On the path of low-carbon transformation, Gree Electric not only focuses on energy-saving and environmentally friendly product designs but also considers pollution prevention as a key component of its corporate social responsibility. It has built a comprehensive green system spanning the entire lifecycle, from production to recycling. By setting a benchmark for the sustainable development of the industry, GREE is making a significant contribution to the global ecological civilization.



Environmental Compliance Management

In its production and operation processes, the Company implements the *Environmental Protection Law of the People's Republic of China*, the *Law of People's Republic of China on Environmental Impact Appraisal*, as well as national and local environmental protection regulations and emission standards, including the *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations* and the *Emission Standards for Odor Pollutants*. The Company has formulated environmental protection management systems, including the Measures for Administration of Environmental Protection Responsibility. This system clarifies the environmental protection responsibilities of each department, ensuring the full implementation of environmental protection responsibilities. The Company is committed to improving the group's environmental management level and steadfastly fulfilling its environmental responsibilities.

Environmental Management Goals

The Company has set an annual environmental management goal of "zero environmental pollution incidents and zero administrative penalties". During the reporting period, Gree Electric and its subsidiaries did not experience any environmental pollution accidents or administrative penalties, achieving its annual goals.

Environmental protection investment of Gree Electric in 2024

Investment Type	Investment Amount (in CNY'0000)
Total Investment in Environmental Protection	13,479.44
Including: investment in energy-saving technology upgrading	4,580.82

The Company continues to improve its environmental management system and actively advances the certification and audit processes for the system, ensuring the effective implementation of environmental management efforts. As of the end of the reporting period, Gree Electric and its subsidiaries have successfully obtained ISO 14001 environmental management system certification for a total of 17 entities. To assess the practical operation of the Company's environmental management system and identify areas for improvement, the Company conducted an annual internal audit of the environmental management system and an annual supervisory audit by an external third-party certification body. The audit covered environmental, health, and safety (ESH) process control, compliance of documentation and records, pollutant treatment levels, and environmental protection training. It promptly addressed all non-conformities identified, ensuring strict compliance with environmental management practices and safeguarding the effective operation of the Company's environmental management system.

Environmental Risk Factor Management

The Company is committed to effectively reducing environmental risks and improving overall environmental protection performance. Through a series of measures, the Company aims to prevent and mitigate potential environmental risk incidents, including identifying key environmental factors related to operations and activities, establishing environmental protection documents for operational control to ensure compliance with environmental protection requirements, and monitoring environmental factors such as on-site and factory boundary noise, toxic and harmful smoke and vapors, radiation, heat radiation, high temperatures, waste gas emissions, wastewater discharges, and inspections of special equipment. It has established an environmental management plan and emergency

response plans to address potential environmental issues and offers environmental safety training to enhance employee's awareness and response capabilities regarding environmental risks.

Emergency Management of Sudden Environmental Incidents

To ensure a timely, orderly, efficient, and proper response to sudden environmental incidents, protect the safety of employees, and minimize property damage, the Company strictly implements the requirements of the national *Measures for Emergency Management of Sudden Environmental Incidents* and related laws and regulations. It has also developed an *Emergency Response Plan for Sudden Environmental Incidents*, carried out emergency drills and training activities focused on themes such as "fire and explosion", "excessive emissions of waste gases", "excessive discharge of wastewater", "chemical leaks", and "hazardous waste leaks". During the reporting period, the Company organized 197 emergency drills in total for various types of sudden environmental incidents across its units.



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Environmental Protection Training

The Company develops and implements an annual environmental protection training plan tailored to different employee groups. For new employees, the focus of the training is on basic environmental protection knowledge. For current employees, the Company conducts environmental protection training for key personnel, including primary environmental protection heads, environmental specialists, and general employees. The training content primarily covers environmental protection laws and regulations, typical social cases, and issues found in the Company's management processes.

Environmental "Three Wastes" compliance management training

In June 2024, the Company organized an environmental "Three Wastes" compliance management training session, attended by 24 environmental protection heads from various units of the Company. This training, in conjunction with the Company's Measures for Administration of Environmental Protection Responsibility, focused on topics such as solid waste management, waste gas treatment management, and wastewater treatment management. The session aimed to further enhance the environmental management capabilities of each responsible person.



Scene of Environmental Protection Training



Green Factory

Gree Electric focuses on driving the intelligent and green transformation of traditional industries through technological innovation. During the reporting period, the Company and its subsidiaries continued to make green factory certification efforts, with 4 new units achieving certification. Notably, the Company's headquarters was selected as both a national "Green Factory" and a "Green Supply Chain Management Enterprise", highlighting GREE's strong technological capabilities and leadership in the green manufacturing sector. As of the end of the reporting period, the Company had obtained a total of 20 green factory certifications, including 10 national-level green factory certifications, 6 provincial-level certifications, and 4 municipal-level certifications.

During the reporting period



the Company had obtained
a total of **20** green
factory certifications

including
10 national-level green
factory certifications

6 provincial-level
certifications

4 municipal-level
certifications



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Efficient Resource Utilization

The Company places great emphasis on resource conservation and integrates the concept of sustainable development throughout its entire production process. Through process optimization, technological transformation and equipment upgrades, the Company implements standardized and systematic management measures to continually improve the efficiency of energy, water resources, and other resources, actively promoting green development principles.

Energy Management

The Company actively implements the national "Dual Carbon" strategy, and in accordance with relevant laws and regulations, it has developed systems such as the *Measures for Administration of Energy and Resource Conservation*, and created a comprehensive and robust energy management system by reference to the ISO 50001: 2018 Energy Management System standard. This is part of the Company's strong commitment to promoting energy conservation, reducing energy consumption, and advancing green development. During the reporting period, the Company obtained the ISO 50001 Energy Management System Certificate.



ISO 50001 Energy Management System Certification Certificate

Energy Management Goals and Achievements

The Company has set a goal to improve energy efficiency. In 2024, the Company aims to reduce energy consumption per unit of output by **3%** compared to 2023.

Through the implementation of energy-saving technological transformation projects, the Company's energy consumption per CNY10,000 of output value decreased by **3.1%** compared to 2024.

The Company consistently adheres to the energy management philosophy of "every drop of water, every sheet of paper", aiming to reduce fossil fuel consumption and lower carbon dioxide emissions. It has implemented a dual approach to carbon reduction, with a strong focus on promoting photovoltaic power generation projects to continuously increase the proportion of green electricity; at the same time, the Company continues to invest in energy-saving technological upgrades and deepens efforts in resource recycling and regeneration processes, effectively reducing the total carbon emissions.

To improve the energy utilization efficiency



During the reporting period, the Company carried out **392** energy-saving technological upgrades



saving **58.344** million kWh of electricity



saving **28.5** cubic meters of natural gas



and reducing carbon dioxide equivalent emissions by **31,925** tons

Independent technological transformation of compression heat for externally heated dryer

The Company has carried out a comprehensive technological transformation on its high-energy-consuming blower-based externally heated dryer. This transformation involved the independent design of an electrical control system, a pneumatic drive control system, and process flow optimization. By recovering compression heat and reducing gas consumption during the processing stage, the project significantly lowers the energy consumption of the compressed air system. According to statistics, this project is expected to save 1.57 million kWh of electricity annually, resulting in a reduction of approximately 842 tons of carbon dioxide emissions.



this project is expected to save **1.57** million kWh of electricity annually



resulting in a reduction of approximately **842** tons of carbon dioxide emissions



Energy efficiency improvement from compression heat technology transformation project for externally heated dryer

Energy efficiency improvement of injection molding air conditioning system at Zhuhai park area

The Company replaced the low-efficiency air-cooled units with high-efficiency water-cooled units and implemented variable frequency water pumps to dynamically adjust the operating speed based on actual cooling loads, achieving precise cooling and effectively avoiding energy waste; the AC system is equipped with an intelligent group control system, additionally fitted with inverters and variable frequency control cabinets to address issues such as excess cooling capacity, high energy consumption of units, and low overall system efficiency. As a result, the comprehensive energy efficiency ratio of the injection molding machine room at the park area increased from 3.2 to over 6.5 in 2024. This improvement saves 3.09 million kWh of electricity annually and reduces carbon dioxide emissions by approximately 1,658 tons.

the comprehensive energy efficiency ratio of the AC system at the headquarters increased from **3.2** to over **6.5** in 2024

This improvement saves **3.09** million kWh of electricity annually

reduces carbon dioxide emissions by approximately **1,658** tons



Energy efficiency improvement of injection molding air conditioning system at Zhuhai Park Area

Green assembly process project

In 2024, the Company implemented a new process for the co-planar welding of controllers, focusing on innovative changes in the overall process layout. By integrating flip-chip technology and adjusting reflow soldering techniques, the process allows for double-sided, one-time reflow soldering of the PCBA board, completing the soldering and fixation of all surface-mounted components. According to statistics, the application of this technology saves approximately 285,000 kWh of electricity annually.

saves approximately **285,000** kWh of electricity annually



Co-planar welding process innovation project for controller

Water Resource Management

Water Resource Management Goals and Achievements

The Company set a water-saving goal of reducing water usage by 3% in 2024, using 2023 as the baseline year. Through the implementation of water-saving projects, the actual reduction achieved was **4.1%**

The Company, in strict accordance with the *Water Law of the People's Republic of China* and other national and local laws and regulations, has established an overall water resource management policy, objectives, and action plan. The Company actively implements water-saving measures, introduces and applies advanced technologies and processes to minimize water consumption intensity, and effectively reduces water withdrawal through water recycling.

Cooling water supplementation softening improvement project

Previously, the cooling towers maintained proper water quality by adding chemicals, which required large amounts of water to be discharged in order to keep the conductivity within the normal range. By introducing soft water equipment to supplement soft water, the input of calcium and magnesium ions was reduced, thereby lowering the discharge of cooling water. This project has been implemented across various production bases through group promotion, including in Zhuhai, Shijiazhuang, Ganzhou, and Changsha. The annual water savings from this initiative amount to 50,000 tons.



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Promotion of Pollutant and Waste Prevention and Control

Electronic Waste Management

Our Commitment

The Company is committed to complying with international environmental and waste transportation conventions, agreements, and local laws and regulations, and respects and actively adheres to the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, which strictly prohibits the direct or indirect export of electronic waste for disposal and recycling from Organization for Economic Co-operation and Development (OECD) countries or the European Union (EU) to non-OECD or non-EU countries through intermediaries.



The Company is committed to improving the recycling system for used home appliances, enhancing the convenience of trade-in programs, promoting resource recycling, and contributing to the high-quality development of the home appliance industry while supporting the fulfillment of the “dual carbon” goals. As a diversified, technology-driven global industrial manufacturing group, Gree Electric has always adhered to the strategic philosophy of balancing environmental protection with production. It has established a “green design - green manufacturing - green recycling” circular development model, providing consumers with integrated services for “delivery, installation, and collection” of home appliances. This approach promotes a green, circular, and sustainable development model.

Electronic waste (e-waste) take-back program management measures of Gree Electric

Scope of electronic waste take-back program	Disused household appliances of all brands are eligible for collection and recycling.
Cost or incentives to the consumer of e-waste take-back program	Consumers can make an appointment through the website, submit the relevant information to obtain the price of recycling, and the staff will provide door-to-door service; Provide consumers with a credit for a trade-in.
Means available for returning end-of-life electronics	Adopt diversified means for recycling, including setting up recycling points, mail recycling, door-to-door recycling, trade-in recycling, “Internet +” recycling, and regional central site recycling, to realize the e-waste recycling across all channels.
Facilities that handle recycling of collected electronics	The recycling is carried out by in-house facilities and third-party recycling suppliers. All the collected e-waste is transported to recycling plants for environmentally friendly and harmless dismantling.
Third-party recycling supplier management	The Company conducts annual audits and verification of third-party recycling suppliers to ensure compliance with internal management requirements, with a 100% supplier audit rate.

Leveraging its strong after-sales system, the Company has set up electronic waste collection points at its stores nationwide. In cities such as Zhuhai, Changsha, Shijiazhuang, Zhengzhou, Wuhu, and Tianjin, it has established recycled resource bases responsible for the collection and recycling of electronic waste in the provinces and cities where they are located, as well as in surrounding areas. This initiative aims to achieve resource utilization from waste materials such as plastics.

Responsibility for electronic waste recycling by each subsidiary divided by regions

Zhuhai Renewable Resources	Guangdong
Shijiazhuang Renewable Resources	Hebei, Beijing, Tianjin, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang
Wuhu Renewable Resources	Fujian, Anhui, Jiangsu, Zhejiang, Shanghai, Hainan
Hunan Renewable Resources	Guangxi, Yunnan, Chongqing, Sichuan, Guizhou, Jiangxi, Hunan
Zhengzhou Renewable Resources	Henan, Hubei, Gansu, Shaanxi

Highlights of Electronic Waste Recycling Programs

Expansion of the trade-in and recycling channels

Centered around the trade-in program, the Company aligns with nationwide trade-in policies, leveraging the advantage of dispersed sales that are easily accessible for centralized collection. This enables the creation of a comprehensive trade-in and recycling network and establishment of an integrated reverse logistics system that combines “new product delivery with old product collection”, to achieve the full industry chain coverage for GREE’s home appliance sector, from the production of new appliances to the recycling of old appliances at the end of their lifecycle.

Optimization of the reverse logistics recycling model for old appliances and improvement in the offline recycling system

GREE has established its own secondary distribution centers in Zhengzhou, Changsha, and Wuhu. Targeting end consumers, it directly engages with customers to carry out the recycling of all categories of old home appliances, meeting the actual needs of users.

Establishment of the online “Internet+ recycling” channel

In line with the commitment to green development and promoting sustainable development, GREE has launched a specialized platform for the recycling of old home appliances, “Mingzhu Green Loop Recycling”. This platform, in collaboration with GREE’s offline after-sales service network, has created a recycling and processing network covering 95% of provinces, cities, and towns across the country. The platform has attracted over 130,000 registered users, with total orders surpassing 10,000.

Innovation of urban waste resource recycling and utilization model based on the integration of two networks

In collaboration with sanitation enterprises, GREE has established a highly efficient “2+1” recycling and utilization model for urban household waste. This model integrates an “Internet Big Data Smart Cloud Platform” and an “Ecological Resource Utilization Center” to create a “Resource Circular Closed Loop System”. By leveraging information technology to empower resource recycling, and expanding the industrial chain through technological R&D, GREE aims to address challenges such as the difficulty of transporting, processing, and utilizing recyclable materials.



Electronic waste recycling achievements of Gree Electric

Investment Type	2022	2023	2024
Recycling and disposal of waste electrical and electronic products (unit: '0000 units/sets)	670	995	813
Conversion of recycled copper, iron, aluminum, and plastics (unit: 10,000 tons)	8.30	15.34	15.76

Note: The amount of electronic waste recycled is the electronic waste generated by the Company itself.

As of the end of the reporting period

Green Renewable Resources Recycling Co., Ltd. had cumulatively processed over 64.77 million units/sets of various waste electrical and electronic products, effectively avoiding potential environmental harm caused by discarded appliances. In the future, the Company will continue to focus on further processing, efficient resource recycling, and the implementation of the producer responsibility system for recycling, driving the healthy and sustainable development of the home appliance industry.



Saving an estimated **2.932** billion kWh of energy (360,100 tons of standard coal equivalent)



saving **4.715** million cubic meters of water



reducing carbon dioxide emissions by **1.092** million tons (555 million cubic meters)



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Management of Three Wastes

The Company strictly adheres to environmental protection laws, regulations, and requirements such as the pollutant discharge permit, establishing a comprehensive three wastes operation management system. It has formulated a waste management and monitoring plan, and invests in environmental protection equipment and facilities as needed. Additionally, it commissions professional third-party organizations to conduct regular monitoring of pollutants such as exhaust gases, wastewater, and noise. Monitoring results indicate that the emissions of all pollutants comply with national and regional discharge standards.



In accordance with the environmental protection requirements of construction projects, the Company has installed corresponding wastewater treatment facilities and assigned dedicated environmental management, operation, and monitoring personnel. During the reporting period, the Company's wastewater treatment facilities operated normally, with discharge indicators remaining stable and meeting the standards, without any instances of excessive discharges.



The Company implements corresponding pollution control measures at various stages, including source collection, process control, and end treatment. This includes the installation of pollution control systems such as injection molding exhaust gas treatment systems, drying equipment exhaust gas treatment systems, and spray painting exhaust gas treatment systems. During the reporting period, the Company's waste gas pollution control facilities operated normally, and the exhaust gas monitoring indicators met national and local emission standards, with no instances of excessive emissions.



The Company implements a hazardous waste classification and collection system and entrusts qualified disposal units with the treatment of hazardous waste; it classifies general industrial solid waste within the factory and then sends to resource recycling companies for proper recycling and disposal, with no instances of illegal disposal.

GREE (Chongqing) RTO project

To enhance the purification efficiency of the drying exhaust gas treatment equipment and reduce the emissions of volatile organic compounds, GREE (Chongqing) replaced the original Phase I drying exhaust gas treatment equipment with a "Filtration + RTO (Regenerative Thermal Oxidation)" treatment process for in-depth treatment. The equipment were installed during the reporting period, with a total investment of CNY2.3 million.



RTO Treatment Equipment



The Company has invested a total of CNY **39.1** million in **17** sets of RTO treatment equipment



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Circular Economy

The Company actively promotes the recycling and reuse of waste materials, cooperates with recycled copper plants and scrap steel recycling manufacturers on processing the recovered and dismantled scrap metal through smelting for reuse, thereby reducing resource waste and supporting the achievement of circular economy goals. At the same time, it continues to innovate in recycling technologies, obtaining multiple patents and participating in the development of standards. This has enabled the transformation of technological achievements in plastic recycling, metal recovery, and other areas, driven the product iteration and updating, and fostered market consumption growth.

Recycling and reprocessing of waste plastic products

Green Renewable Resources Recycling Co., Ltd. obtains recycled materials by collecting and reprocessing discarded plastic products. The use of Post-Consumer Recycled (PCR) material plastic helps reduce the demand for new plastics, thereby lowering resource consumption and carbon emissions. Currently, PCR-PP materials are extensively used in AC grilles, with a total supply of 5,944.1 tons for the year. The Company has also obtained PCR certification from the European Union and the Global Recycled Standard (GRS) certification.

Clean Technology R&D

Automatic crushing and sorting technology for waste electrical and electronic equipment
 In 2024, Green Renewable Resources Recycling Co., Ltd. developed a crushing and sorting technology for waste electrical and electronic equipment. Using a “multi-stage crushing + sorting” method, the technology enables the automated dismantling of waste electrical and electronic equipment. The purity of the crushed copper produced by this technology can reach over 99%, nearly without copper contamination in the crushed aluminum.

Complete set of deep processing equipment
 Green Renewable Resources Recycling Co., Ltd. introduced a complete set of deep processing equipment, which has been applied in the recycling resources facility in Changsha. The material purity after sorting is over 98%, significantly enhancing the efficiency of resource recycling and utilization.

Green Product Design

Since 2013, when the Company proposed the environmental protection concept of “For the Clearer Sky and Greener Earth”, it has consistently integrated green design principles into the entire product development and production process. The Company has established and implemented corporate standards such as the *Green Product Design Specifications*, rigidly regulating the design and development of green products in areas such as raw material selection, component selection, process equipment, energy consumption, performance requirements, and the use of auxiliary materials.

Highlights of Gree Electric's green product design

Set specific management indicators for product recyclability and reuse/recycling rates	Use non-toxic or low-toxic materials
Prioritize materials with high recyclability and reusability	Improve the standardization and versatility of components
Adopt easily removable and modular designs	Utilize green technologies and processes
Reduce the quantity and variety of raw materials	Give priority to clean and renewable energy

As of the end of the reporting period

 a total of **61** products from Gree Electric have received national certification as “Green Design Products”

GREE's self-developed internationally leading AI dynamic energy-saving technology

GREE's self-developed AI dynamic energy-saving technology for air conditioners is a great combination of AI and air conditioning. Its powerful computing capability ensures energy efficiency, and the air conditioners equipped with this technology achieve outstanding energy-saving performance. The technology enables a dynamic improvement in energy efficiency of over 15.8% annually, helping consumers reduce electricity consumption by more than 13.6% throughout the year. It functions without being limited by environmental conditions, duration, temperature, wind speed, or wind direction. Upon startup, the system automatically identifies the optimal energy-saving path, breaking through the traditional single-condition energy-saving evaluation standards in the industry, and providing real-time dynamic energy-saving across all operating conditions.

格力真省电 用AI省上加省

国际领先AI动态节能科技
13.6% 全年省电13.6%

- 自主学习: 实时学习, 动态调节
- 主动服务: 线上问诊, 故障预判提醒
- 动态节能: 万千场景, 最小能耗节能运行

不限条件随时用 万千情境皆省电

格力自主研发空调专用AI节能芯片 强大算力为节能护航, 不受使用环境、时长、模式限制 开机即自动寻找最优节能路径运行 不限条件真省电, 越用越省电

- 开机即省电: 无需手动开启
- 不限季节: 制冷热都省电
- 不限时长: 24h全天都省电
- 不限温度: 各种温度都省电
- 不限风速: 多种风速都省电
- 不限风向: 不直吹也省电

AI dynamic energy-saving technology of GREE

After more than a decade of technological R&D, the Company has revolutionized AC by transforming it from a simple electrical appliance into an integrated system for power generation, storage, and usage. It has pioneered the world's first "zero-carbon source" photovoltaic energy storage AC system. This system boasts exceptional low carbon emissions, economic benefits, and scalability, aligning perfectly with the national "Dual-Carbon" goals. It has received the highest award at the Global Refrigeration Innovation Awards and the first-ever China Patent Gold Award in the home appliance industry. By the end of 2024, the "zero-carbon source" photovoltaic energy storage AC system series has expanded to 15 categories and 101 models, successfully addressing the technical challenges of on-site photovoltaic power consumption and peak shaving and valley filling in electricity. The application of this technology has been included in the Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Comprehensive Green Transformation of Economic and Social Development. As the leading entity for international standards in photovoltaic energy storage AC, Gree Electric has provided a Chinese solution for achieving the global "Dual-Carbon" goals.



格力光储空 用空调不再要电费

光伏发电 智能储能 直流供电 柔性交互

Photovoltaic energy storage AC system

Addressing Climate Change

Global warming is an environmental crisis faced by human society as a whole. The Company deeply understands the far-reaching impact of climate-related risks on its business and supply chain and actively responds to the national “Dual Carbon” strategy. It is committed to promoting the clean and low-carbon transformation of energy used in production and operations, creating a healthy and green quality of life for consumers and society.

In recent years, it has continuously conducted greenhouse gas emissions verification at the corporate level. During the reporting period, the Company verified the Company’s 2023 greenhouse gas emissions data in accordance with the ISO 14064-1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals, ISO 14064-3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements, and other applicable laws, regulations, and standards. The verification process resulted in the issuance of a verification certificate. This verification helps GREE better identify climate change-related risks (such as policy changes or market pressures), detect hotspots in greenhouse gas emissions, set scientifically based emission reduction goals, develop effective reduction measures, improve energy efficiency, and promote the implementation of its sustainable development strategy.



Climate Change Risks and Responses

The Company supports the Task Force on Climate-related Financial Disclosures (TCFD) initiative and, in reference to its disclosure recommendations and framework, actively conducts climate risk management analysis. It has identified potential physical risks and climate transition risks and assessed their impact on the Company’s operations and other aspects. Based on the actual business development direction, the Company has developed targeted risk response strategies. To strengthen climate change risk management, the Company’s Board of Directors and environmental management units are also actively making preparation, including establishing an organizational framework for climate change risk management, studying and learning scenario analysis methods, and organizing climate-related training activities.

Climate risk identification and response of Gree Electric		
Risk Type	Risk Description and Impact	Risk Response Strategy
 Physical risks	Acute risks High temperature: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	Chronic risks Rising sea levels: <ul style="list-style-type: none"> Operations in coastal areas may need to relocate inland, and fixed assets may be damaged or prematurely decommissioned, leading to increased production costs. 	<ul style="list-style-type: none"> 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.



Risk Type	Risk Description and Impact	Risk Response Strategy
<p>Transformation risks</p> 	<p>Stricter carbon emission management policies and regulations:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Monitor the dynamic changes in carbon policies and regulations in operational locations to respond appropriately to policy and legal updates; 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; Strengthen carbon reduction across the entire production, operations, and logistics processes; Use clean electricity. 
	<p>Transition to low carbon emission technologies:</p> <ul style="list-style-type: none"> 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. 	
	<p>Customer preferences shifting toward energy-efficient products:</p> <ul style="list-style-type: none"> 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. 	
	<p>Social attention to the Company's response to climate change and sustainable development:</p> <ul style="list-style-type: none"> As a leading manufacturing enterprise, stakeholders expect the Company to assume on more emission reduction responsibilities. If the Company does not initiate low-carbon transformation planning in advance, it may suffer reputation damage. 	



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Greenhouse gas emissions of Gree Electric in 2022-2024*

Indicator	Unit	2022	2023	2024
Total emission of greenhouse gases	tCO ₂ e	1,450,080	1,314,438	3,173,251
Direct (scope 1) greenhouse gas emission	tCO ₂ e	709,422	726,654	2,682,418
Direct (scope 2) greenhouse gas emission	tCO ₂ e	740,658	587,784	490,833
Greenhouse gas emission intensity	tCO ₂ e/CNY'0000 revenue	0.0767	0.0641	0.1670

Clean Energy Utilization

As of the end of the reporting period



the company's total installed capacity of photovoltaic power stood at

121.3 MW



with **56.9** MW of new

photovoltaic power generation projects constructed in 2024

During the reporting period



the Company generated **96.85** million kWh of photovoltaic electricity

accounting for **5.6%** of the Group's total electricity consumption

achieved a carbon dioxide emission reduction of approximately **51,969** tons

*Note: 1. The carbon dioxide emission factor for electricity is the national average carbon dioxide emission factor for electricity of 0.5366 tCO₂/MWh, as published by the Ministry of Ecology and Environment and the National Bureau of Statistics on December 23, 2024.
2. The scope of data accounting in 2024 includes the Company's headquarters and all its subsidiaries, whereas the scope of data accounting for the years 2022-2023 was limited to the company's headquarters.

Increasing the proportion of clean energy: In 2024, the Company used **709** million kWh of nuclear power and generated **96.85** million kWh from photovoltaic power, representing a **245%** increase in photovoltaic generation compared to 2023, resulting in a carbon dioxide emission reduction of **51,969** tons. It also utilized its self-developed titanium acid lithium storage cabinets for peak shaving and valley filling, with a total energy storage capacity of **180** MWh, and accumulated peak-shaving of **75** million kWh of electricity.



Photovoltaic generation project of Ganzhou Base



Photovoltaic generation project of Hangzhou Base



Photovoltaic generation project of Nanjing Base



Photovoltaic generation project of Changsha Base



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Looking to the Future, Gree Electric will unswervingly implement the strategy of green development, continuously practice green principles, and empower the improvement of product quality and factory efficiency, striving to become a pioneer in green manufacturing. In the meantime, the Company will build on the foundation of “green factories” and “green supply chain management”, sharing high-quality experiences to better empower the industry, co-build ecosystems, and contribute to the overall transformation and upgrading of China’s manufacturing industry.



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Appendix I: Table of Key Performance Indicators

Economic Performance

Indicator	Unit	2022	2023	2024
Total operating revenue	CNY'0000	19,015,067.25	20,501,812.38	19,003,807.16
Net profit attributable to shareholders of listed companies	CNY'0000	2,450,662.38	2,901,738.76	3,218,457.04
Total cash dividends (tax included)	CNY'0000	1,122,768.32	1,314,222.59	1,675,541.62
Cash dividends for every 10 shares	CNY	20.00	23.80	30.00

Governance Performance

Board of Directors, Board of Supervisors and Senior Management

Indicator	Unit	2022	2023	2024
Total number of board members	Person	9	9	9
Including: number of female directors	Person	2	2	2
Including: number of executive directors	Person	5	5	5
Including: number of independent directors	Person	4	4	4
Number of board meetings convened	Session	12	6	6
Attendance rate of board members	%	100	100	100

Indicator	Unit	2022	2023	2024
Number of sessions of General Meeting of Shareholders	Session	4	1	2

Business Ethics

Indicator	Unit	2022	2023	2024
Anti-commercial bribery and anti-corruption training	Session	47	40	32
Number of employees signing the Integrity Commitment Letter	Person	6,959	7,123	10,332

Environmental Performance

Energy Usage

Indicator	Unit	2022	2023	2024
Comprehensive energy consumption	tce	214,216.38	256,892.14	265,978.03
Direct energy consumption	tce	51,463.99	56,461.33	54,550.32
Including: natural gas	'0000 m ³	2,960.93	3,341.40	3,167.66
Including: liquefied petroleum gas	Ton	7,048.72	7,012.02	7,245.20
Indirect energy consumption	tce	162,752.39	200,430.81	211,427.71
Including: electricity	'0000 kWh	129,871.68	160,278.47	162,347.31



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Indicator	Unit	2022	2023	2024
Consumption of self-generated and self-consumed renewable electricity	'0000 kWh	2,555	2,806	9,685
Consumption of renewable energy (photovoltaic power generation)	'0000 kWh	2,555	2,806	9,685
Consumption of renewable energy (nuclear power consumption)	'0000 kWh	0	57,212.7	70,876.3
Proportion of renewable energy consumption	%	1.5	28.7	37.2

• Greenhouse Gas Emissions

Indicator	Unit	2022	2023	2024
Total emission of greenhouse gases	Ton (CO ₂ equivalent)	1,450,080	1,314,438	3,173,251
Direct (scope 1) greenhouse gas emission	Ton (CO ₂ equivalent)	709,422	726,654	2,682,418
Indirect (scope 1) greenhouse gas emission	Ton (CO ₂ equivalent)	740,658	587,784	490,833
Greenhouse gas emission intensity	Ton (CO ₂ equivalent)	0.0767	0.0641	0.0641

• Waste Discharge

Indicator	Unit	2022	2023	2024
Total general solid wastes	Ton	323,848.72	466,865.10	474,261.15
Total hazardous waste	Ton	15,375.74	17,571.34	15,614.13
Recycled and processed waste electrical and electronic products	'0000 tons	670	995	813
Conversion of recycled copper, iron, aluminum, and plastics	'0000 units/sets	8.30	15.34	15.76

• Wastewater Discharge

Indicator	Unit	2022	2023	2024
Total wastewater discharge	m ³	3,042,655.05	3,526,745.37	3,147,635.11
Chemical oxygen demand (COD)	mg/L	79.01	76.56	54.34
Five-day biochemical oxygen demand (BOD5)	mg/L	30.84	32.68	23.79
Suspended matter	mg/L	23.11	22.60	23.64
Ammonia nitrogen	mg/L	7.51	8.00	8.10
Total phosphorus	mg/L	1.01	1.16	1.12
pH	-	7.57	7.54	6.45

• Waste Gas Emissions

Indicator	Unit	2022	2023	2024
Total waste gas emissions	m ³	28,284,810,418.03	28,114,666,183.08	34,534,420,049
Particles	mg/m ³	5.40	5.52	6.09
Non-methane hydrocarbon	mg/m ³	8.49	6.11	5.17
Nitrogen oxide	mg/m ³	18.32	17.55	16.01
Sulfur oxides	mg/m ³	4.31	4.79	2.27
VOC emissions	mg/m ³	3.45	5.20	2.32

• Water Resource Utilization

Indicator	Unit	2022	2023	2024
Total Water Consumption	m ³	9,374,763	10,191,754	10,435,347

• Environmental Management

Indicator	Unit	2022	2023	2024
Number of incidents penalized for violations of environmental protection laws and regulations	Times	0	0	0

Product Performance

• Product Responsibilities and Services

Indicator	Unit	2022	2023	2024
Number of product recalls	Piece	0	0	0
Proportion of product recalls	%	0	0	0
Amount involved in the damage caused by major liability accidents related to product and service safety and quality in the year	CNY'0000	0	0	0
Complaint resolution rate	%	100	100	100
Customer satisfaction	%	99.05	99.61	99.88

• Intellectual Property and Innovation

Indicator	Unit	2022	2023	2024
R&D investment	CNY'0000	642,970.21	700,649.74	714,685.00
Total number of patents held (granted)	Nos.	61,601	68,055	77,898
Total invention patents held (granted)	Nos.	16,159	19,568	25,883
Total software copyright patents held (granted)	Nos.	10	86	98
Annual increase in patents (granted)	Nos.	8,650	6,454	8,130
Number of patents under examination	Nos.	32,806	33,845	28,179

Employee Performance

Employee Composition

Indicator		Unit	2022	2023	2024
Total number of employees		Person	72,380	72,610	72,808
Number of employees by gender	Male	Person	50,829	51,923	51,733
	Female	Person	21,551	20,687	21,075
Number of employees by employment type	Labor contract	Person	72,380	72,610	72,808
	Labor dispatching	Person	0	0	0
	Other	Person	0	0	0
Number of employees by age	30 years old and below	Person	/	/	23,833
	31 to 40 years old	Person	/	/	32,631
	40 years old and above	Person	/	/	16,344
Number of employees by job level	Senior management	Person	/	/	249
	Number of female employees in senior management	Person	/	/	37
	Middle management	Person	/	/	5,373
	Number of female employees in middle management	Person	/	/	1,402
	Grassroot	Person	/	/	67,186

Employee Turnover Rate

Indicator		Unit	2024
Employee turnover rate*		%	12.85
Employee turnover rate by gender	Male	%	13.13
	Female	%	12.18
Employee turnover rate by age group	30 years old and below	%	19.80
	31 to 40 years old	%	9.53
	40 years old or above	%	5.75

Employee Training and Development

Indicator		Unit	2024
Total training hours		Hour	1,183,968.65
Training hours per capital		Hour	55.13

Occupational Health and Safety

Indicator		Unit	2022	2023	2024
Health and safety training and drill	Total duration of training on occupational health and work safety	Hour	101,346	74,612	86,720
	Number of safety drills (such as fire, toxic gas leakage, etc.)	Session	19	14	23
Work safety investment		CNY'0000	2,406.3	2,325.7	2,458.1
Employee casualties	Number of employees injured at work (with minor injuries or above)	Person	5	4	4
	Number of work-related deaths	Person	0	0	0
	Number of working days lost due to work-related injuries	Day	3,539	3,079	1,997
	Occupational disease incidence rate	%	0	0	0

*Employee turnover rate = Number of employees who left at the end of 2024 / Number of employees at the beginning of 2024

Appendix II: Report Standard Index

Sustainability Report Index	GRI Content Index	Location in Report and Description
Environmental Information Disclosure		
Section I Addressing Climate Change		
Addressing Climate Change	Article 20, Article 21, Article 22, Article 23, Article 24, Article 25, Article 26, Article 27, Article 28	GRI 201: Economic Performance 2016, GRI 302: Energy 2016, GRI 305: Emissions 2016
		Addressing Climate Change Annex I: Table of Key Performance Indicators
Section II Pollution Control and Ecosystem Protection		
Pollutant Emissions	Article 29, Article 30	GRI 2: General Disclosures 2021, GRI 303: Water Resources and Wastewater 2018
		Promotion of Pollutant and Waste Prevention and Control, Annex I: Table of Key Performance Indicators
Waste Disposal	Article 29, Article 31	GRI 306: Effluents and Waste 2020
		Promotion of Pollutant and Waste Prevention and Control, Annex I: Table of Key Performance Indicators
Ecosystem and Biodiversity Conservation	After assessment by the Company, this topic is neither of finance materiality nor impact materiality	

Sustainability Report Index	GRI Content Index	Location in Report and Description
Environmental Compliance Management	Article 29, Article 33	GRI 302: Energy 2016, GRI 303: Water Resources and Wastewater 2018, GRI 306: Effluents and Waste 2020
Section III Resource Utilization and Circular Economy		
Energy Utilization	Article 34, Article 35	GRI 302: Energy 2016
		Efficient Resource Utilization, Annex I: Table of Key Performance Indicators
Water Resource Utilization	Article 34, Article 36	GRI 303: Water Resources and Wastewater 2018
		Efficient Resource Utilization, Promotion of Pollutant and Waste Prevention and Control, Annex I: Table of Key Performance Indicators
Circular Economy	Article 34, Article 37	GRI 306: Effluents and Waste 2020
		Promotion of Pollutant and Waste Prevention and Control, Annex I: Table of Key Performance Indicators
Social Information Disclosure		
Section I Rural Revitalization and Contribution to Society		
Rural Revitalization	Article 38, Article 39	GRI 203: Indirect Economic Impacts 2016
		Social Contribution and Public Welfare



Sustainability Report Index	GRI Content Index	Location in Report and Description
Contribution to Society	Article 38, Article 40	GRI 203: Indirect Economic Impacts 2016 Social Contribution and Public Welfare
Section II Innovation Driven Development and Science & Technology Ethics		
Innovation Driven Department	Article 41, Article 42	/ Innovation-Driven Transformation, Annex I: Table of Key Performance Indicators
Science & Technology Ethics	Not involved. The Company's core business does not involve scientific research, technological development and other activities in sensitive fields such as life sciences and artificial intelligence ethics.	
Section III Suppliers and Customers		
Supply Chain Safety	Article 44, Article 45	GRI 308: Supplier Environmental Assessment 2016, GRI 414: Supplier Social Assessment 2016 Building Sustainable Supply Chains
Equal Treatment of Small and Medium-Sized Enterprises	Article 46	/ Adherence to Business Ethics
Safety and Quality of Products and Services	Article 44, Article 47	GRI 416: Customer Health Safety 2016, GRI 417: Marketing and Labeling 2016 Pursuing Perfect Quality, Improving User Experience, Annex I: Table of Key Performance Indicators
Data Security and Customer Privacy Protection	Article 44, Article 48	GRI 418: Customer Privacy 2016 Protection

Sustainability Report Index	GRI Content Index	Location in Report and Description
Section IV Employees		
Employees	Article 49, Article 50	GRI 401: Employment 2016, GRI 403: Occupational Health and Safety 2018, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, GRI 406: Non-Discrimination 2016, GRI 409: Forced or Compulsory Labor 2016 Talent Recruitment and Employment, Employee Development and Training, Occupational Health and Safety, Employee Care and Activities, Annex I: Table of Key Performance Indicators
Sustainability Related Governance Information Disclosure		
Section I Sustainability Related Governance Mechanism		
Due Diligence	Article 52	/ Strict Risk Management
Stakeholder Communication	Article 53	GRI 2: General Disclosures 2021, GRI 3: Material Topic 2021 Focus on Sustainable Development
Section II Business Conduct		
Anti-Commercial Bribery and Anti-Corruption	Article 54, Article 55	GRI 205: Anti-Corruption 2016 Adherence to Business Ethics, Annex I: Table of Key Performance Indicators
Anti-Unfair Competition	Article 54	GRI 206: Anti-Competitive Behavior 2016 Adherence to Business Ethics



Appendix III: Readers' Feedback

Dear readers,

Hello!

Thank you for taking your time to read this report. In order to provide more comprehensive, professional, and valuable ESG information to you and other stakeholders, and to improve the quality of our ESG report, we sincerely invite you to assist us by completing the relevant questions in the feedback form. Your valuable insights would be greatly appreciated.

1. Are you satisfied with this report on overall?

Yes Average No

2. Do you think this report comprehensively reflects Gree Electric's significant impacts on the ESG?

Yes Average No

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

Yes Average No

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

Yes Average No

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

Yes Average No

6. Are you satisfied with the overall design of this report?

Yes Average No

7. Any other comments or suggestions regarding the 2024 Environmental, Social, and Governance Report of Gree Electric are welcome.

If you have any questions, suggestions, or comments regarding this report, please contact us at:

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