



# 2025

MIDEA GROUP  
ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE (ESG)  
REPORT

Stock Code:

000333.SZ

0300.HK



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# About the Report

The 2025 Midea Group Environmental, Social and Governance (ESG) Report (hereafter referred to as the "Report") is the fifth ESG Report issued by Midea Group Co., Ltd. (hereafter referred to as the "Company"). The Report elaborates on the sustainability management efforts and highlights of initiatives undertaken by Midea Group Co., Ltd. and its subsidiaries (hereafter referred to as "Midea Group", the "Group", or "we") in 2025.

## Reporting Scope

Except as otherwise specified in other sections, the scope of the disclosed information (including social data) in the Report is consistent with the consolidated financial statement scope of Midea Group, covering Midea Group Co., Ltd. and its subsidiaries. Environmental data only includes 8 business divisions<sup>1</sup> and Annto. The supply chain data covers material suppliers for the established industries under the 8 business divisions. If there is any inconsistency between the scope of sustainable indicators data and the scope of the Report, the notes in the main text of the Report shall prevail.

## Reporting Period

This is an annual report covering the period from 1 January 2025 to 31 December 2025 (hereafter referred to as the "Year" or the "Reporting Period"). Certain facts disclosed in the Report might fall before or after the Reporting Period but are still included for the sake of completeness. Special comments will be provided in this case for clarification.

## Basis of Preparation

The Report has been prepared in accordance with provisions of the *Environmental, Social and Governance Reporting Code (hereafter referred to as the ESG Reporting Code) in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereafter referred to as HKEX)* and the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) (hereafter referred to as the Sustainability Report Guideline or the Guideline)* published by the Shenzhen Stock Exchange (hereafter referred to as SZSE), with reference to IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)* and IFRS S2 *Climate-related Disclosures (IFRS S2)* issued by International Sustainability Standards Board (ISSB), *Sustainability Reporting Standards* (hereafter referred to as GRI Standards) issued by the Global Reporting Initiative (GRI), *the United Nations Global Compact (UNGC)*, and other relevant regulations.

<sup>1</sup> Midea Residential Air Conditioner Division, Midea Fabric & Floor Care Division, Midea Refrigerator Division, Midea Small Domestic Appliance Division, Midea Kitchen and Water Heater Appliances Division, Midea Microwave and Oven Appliance Division, Industrial Technology Business Division, Building Technology Division

## Preparation Principles

In preparing the Report, we strictly follow the four principles of "Materiality", "Quantitative", "Balance" and "Consistency" in the ESG Reporting Code to ensure objective and authentic ESG disclosure.

- **Materiality:** To address the practical concerns of stakeholders throughout the Group's operations, the Report prioritizes the disclosure of ESG issues that are of critical importance to investors and other stakeholders. With respect to Part D of the ESG Reporting Code, the Report discloses climate-related risks and opportunities that potentially affect the Group's short-, medium-, or long-term financial performance.
- **Quantitative:** The Report calculates and discloses key performance indicators with reference to applicable quantitative standards and practices. Information such as the calculation standards, methods, conversion factors and applicable historical data used has been explained in the corresponding sections. At the same time, we have also set quantitative and directional environmental targets to facilitate stakeholders in evaluating and verifying the Group's ESG performance.
- **Balance:** The Report is based on objective facts and seeks to present environmental, social and governance performance in an unbiased manner, avoiding statements that may unduly influence readers' decision-making or judgment.
- **Consistency:** The Report adopts consistent methodologies to allow a fair comparison of performance over time. For any significant changes compared with previous reports, we will provide explanations in the corresponding sections in the Report.

## Sources of Information

The information and data in the Report are primarily derived from official documents, reports, internal statistics and publicly available information. The Board of Midea Group is responsible for the authenticity, accuracy and completeness of the Report. The Report has been reviewed to avoid selective disclosure of information and to ensure that there are no false records, misleading statements, or material omissions. Every piece of information provided is consistent with legally required disclosures and does not mislead stakeholders. Unless otherwise explicitly stated, all financial data is denominated in RMB to ensure consistency.

We have commissioned SGS to conduct a limited assurance verification of the information and data disclosed in the Report in accordance with the AA1000 Assurance Standard v3 (hereinafter referred to as "AA1000v3"). For more detailed verification procedures and the full text of the verification report, please refer to Appendix IV "Assurance Statement" for the relevant information.

## Access to the Report

The Report is published in Simplified Chinese version on the Company's website ([www.midea.com.cn](http://www.midea.com.cn)) and the China Information Disclosure website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and is published in both Traditional Chinese and English versions on the Company's website and the website of the HKEX (<http://www.hkexnews.hk>). In case of any conflicts or discrepancies in interpretation among the three versions, the Simplified Chinese version shall prevail. For any questions or suggestions regarding the content of the report, please contact us via email at [ir@midea.com](mailto:ir@midea.com) for further explanations and assistance.

# Letter from the Management

## Create with Responsibility, Protect with Technology

In 2025, amid the deepened globalization, Midea Group has stayed true to the Group's vision of "Bring Great Innovations to Life". We have integrated ESG principles into the core of operations and fulfilled corporate responsibilities through integrity and innovation. This year, Midea has achieved significant progress in authoritative ESG ratings and moved steadily toward industry leadership, thanks to the joint efforts of all the Group's employees and the trust and support of our partners, investors, and the broader community.

### Governance as the Foundation

Sustainable development is underpinned by robust governance. In 2025, we further optimized the four-level ESG governance structure with the Board of Directors as the highest accountable body. Through the Work Rules of the ESG Committee and cross-functional collaboration mechanisms, we integrated sustainability into the entire process of strategy decision-making and business operations. Upholding three cornerstones: "Progressiveness of Corporate Governance, Updated Values, and the Growth of Management's Mental Model", we build consensus through monthly constructive dialogues among senior executives, mitigate strategic risks with transparent and standardized governance, providing solid assurance for the systematic ESG advancement.

Our governance effectiveness has been validated by the market. Midea Group was selected for both the S&P Sustainability Yearbook (China Edition) 2025 and the Global Sustainability Yearbook 2026; we scored 62 in the 2025 S&P Global CSA assessment, ranking first among Chinese peers in the industry, marking market recognition of our efforts and implying expectations for the future commitments.

### Green as the Core

Against the era of global climate change where green transition is both a duty and a necessity, we drive low-carbon transformation across the full value chain through technological innovation. By the end of March 2026, the Hefei Washing Machine Factory obtained ISO14068-1:2023 carbon neutrality certification, becoming the Group's first carbon-neutral factory. We operate 8 world-class lighthouse factories, 13 national-level green supply chain factories, and 5 AWS International Water Stewardship-certified factories, setting benchmarks for green production.

For products, we focus on life-cycle carbon reduction, promote green design and standard-setting, and achieve full coverage of carbon footprint accounting for major smart home appliances. The launch of our "RMB 8-billion Green Initiative – Trade-in Program" has not only popularized green consumption but also advanced the recycling of resources, supporting low-carbon transition in the society. In the ToB business, our green products such as the Ultra-High Temperature Two-Stage Inverter Centrifugal Industrial Heat Pump have won industry gold awards, empowering energy conservation and efficiency in industry through technology.

## Responsibility as the Driving Force

Corporate value is rooted in society. In 2025, guided by the mission of "Building Harmonious Communities and a Co-creating a Prosperous Ecosystem", we made steady progress in employee care, community engagement, and industrial chain collaboration. We have built career development platforms for over 40,000 global employees, in which entrepreneurship is widely fostered and contributors are respected and rewarded.

For the community, we support education and STEM development in Shunde and partner with East China Normal University and the local government to build a complete K-12 education system, promoting high-quality regional development. Along the supply chain, we established a supplier social responsibility evaluation system to drive sustainable development of upstream and downstream partners. Notably, Annto Logistics was recognized as a national model for reducing logistics costs by the National Development and Reform Commission.

### Vision for a Shared Sustainable Future

Every milestone in 2025 reflects our long-term commitment. Facing a complex global landscape, Midea will deepen its reform, increase investment in green technologies, expand renewable energy application, and enhance ESG disclosure and governance. We will continue to integrate sustainability into operations in over 200 countries and regions, bring green technology to over 500 million users worldwide, and strengthen industrial chain collaboration to build a new model of sustainable development.

Midea believes that the resonance of commercial and social value sustains long-term growth. With firm determination and concrete actions, we will forge ahead on the ESG journey, creating a better life with responsibility and protecting the blue planet through the power of technology, so as to live up to the trust of the times and all stakeholders.

# 2025 Highlights

## Protect the Blue Planet

The Earth appears blue for its vast oceans; it is our shared home, and today it faces multiple challenges—including climate change, resource scarcity, and ecological degradation—that require us all to work together to protect it.

### Six pillars of Midea's Green Strategy



## 2025 Key Performance

- **100%** of the Group's global manufacturing bases<sup>2</sup> are certified to both ISO 14001 and ISO 50001
- Our 8 business divisions have implemented a total of **1,390** energy-saving projects, yielding annual energy savings of **RMB 156 million**
- A total of **5** factories have obtained the International Water Stewardship Standard (AWS Standard) certification
- A total of **19** factories have achieved Zero Waste to Landfill certification

<sup>2</sup> Refers to the main manufacturing bases that distribute products globally with stable operation.

## Use of Renewable Energy

Midea Group has set renewable energy usage targets: by 2030, the proportion of green electricity will increase to **30%**, with self-generated green solar power accounting for **over 20%** of that total, and the total installed capacity of distributed solar power systems across all manufacturing bases will reach **over 500 MW**. By the end of the reporting period, we have completed the construction of distributed solar power systems at **38 factories**; in 2025, solar power generation reached approximately **376 million kWh**, with a total installed capacity of about **412 MW**, and the self-generated green solar power accounted for **11.79%** of the total electricity consumption.

## Sustainable Water Resources Management

Midea Group is advancing its water resource management improvement project with a focus on “sustainable water abstraction and watershed protection, water resource recycling, tracking the water footprint of products, and promoting healthy water use in communities.” As of the end of the reporting period, **17** of the Group's factories had completed water conservation evaluation, further refining their water balance sheets. At the same time, we have implemented **an intelligent water twin system** at pilot factories, leveraging IoT technology to achieve efficient monitoring and control of water consumption.



## Build Harmonious Communities

Communities serve as vital platforms for mutual growth and prosperity between companies and society that connect employees, residents, partners, and various stakeholders. Only through joint efforts and shared benefits can we achieve harmonious coexistence and development.

### 2025 Key Performance

- Investments in employee continuing education exceeded **RMB 8.665 million**
- The Employee Support Fund provided support to 134 employees, disbursing a total of **RMB 11.262 million**
- The lost workday rate was **0.04**, a **34%** decrease from 2024

### Human Rights Statement

Midea Group have publicly released the *Human Rights Statement*. Through comprehensive, multi-dimensional human rights risk assessments, we identify and assess the potential impacts and risks associated with key human rights issues—such as forced labor, human trafficking, and child labor—across all the Group's self-operated businesses, suppliers, and joint ventures. During the Reporting Period, we conducted human rights compliance reviews of Midea Group and its subsidiaries and found no instances of human rights violations.

### Talent Recruitment and Review

We have established a recruitment system comprising campus recruitment, external recruitment and internal recruitment, leveraging a diverse recruitment network to reach a wide range of talent. We established a standardized talent review system based on the core of “positioning reviews as the cornerstone for talent pipeline development”. Based on this system, the Group systematically conducts organizational and talent assessments to accurately identify talent needs for key positions and gaps in core talents, and strategically advances talent pipeline development based on the assessment results.

### Employee Engagement Survey

Midea Group annually conducts a company-wide employee engagement survey. The results are systematically analyzed across eight key dimensions, including company reputation and senior management. Based on the results, the Group develops and implements a series of targeted optimization and improvement initiatives to effectively enhance organizational agility and employee productivity.

## Practice Technological Excellence

Technology is a vital force driving progress. We should adhere to original mission of doing good, putting people first, serving society and the environment, in order to create a more sustainable future through responsible innovation.

### 2025 Key Performance

- Independently completed the environmental footprint calculations for **4** split cassette air conditioners and **1** heat pump water heater, and passed the French PEP Ecopassport® certification
- Smart Home Solutions Business Unit calculated the carbon footprint of the product use phase for **41.30%** of its key product categories, covering **19** typical products
- Recycled a total of **5.05 million** units of obsolete household appliances, including air conditioners, refrigerators, washing machines, televisions and computers, amounting to around **180,000** tons
- Promoted the national subsidy-backed trade-in program, covering **100,000** offline stores, serving approximately **830,000** customers

### Product Carbon Footprint Management Platform

Midea Group officially launched its self-developed Product Carbon Footprint Management Platform, becoming the first enterprise in the industry to achieve a fully integrated, closed-loop process encompassing “platform development, evaluation system construction, evaluation accreditation, calculation and application, and product carbon footprint certification.” The platform expands its management perspective from “carbon” to the “entire environmental,” covering **37** environmental impact categories. It supports multi-dimensional information disclosure under mainstream international frameworks such as EPD (Environmental Product Declaration) and PEP (Product Environmental Profile), meeting global compliance requirements and customer demands for transparency in environmental information. The Platform has received certificates of evaluation and recognition from two authoritative certification bodies, TÜV SÜD and CVC.

### Midea Green Recycling Industrial Park

Midea Group constructed its first Green Recycling Industrial Park. With a total investment exceeding **RMB 1 billion**, the industrial park covers an area of 155,000 square meters and features a total floor area of over 170,000 square meters. It forms a modern industrial cluster integrating “green recycling, smart manufacturing, and intelligent logistics.” In the future, the Midea Green Recycling Industrial Park will integrate the entire value chain of “old appliance recycling and resource regeneration to consumption upgrading”, provide Midea's solutions for the home appliance recycling industry, and further assist in the research and development of green recycling technology in the home appliance industry.

## Co-creating a Prosperous

The healthy development of the industrial and commercial ecosystem depends on the collaborative efforts of the industrial chain, the supply chain, and all partners. Only through open mindset, mutual benefit, and collaboration can we achieve long-term stability and resilient prosperity.

### 2025 Key Performance

- **100%** attendance rate at Board meetings for all directors
- The number of global authorized patents reached over **13,000**, including over **5,000** invention patents.
- Conducted conflict minerals screenings for over **5,000** materials suppliers

### Business Code of Conduct Audit

The Board's Audit Committee oversees business ethics audits. Every three years, we conduct audits of potential business ethics risk points across all business operations, adhering to international frameworks and standards such as the ISO 26000 Social Responsibility, the ISO 37001 Anti-Bribery Management System, and the Social Accountability 8000(SA8000), while strictly complying with internal policies and regulations including the Employee Code of Conduct, the Anti-Commercial Bribery Policy, and the Gift and Hospitality Management Regulations.

### Conflict Minerals Management

We have established the Midea Group Conflict Minerals Management Policy, committing to neither procuring nor supporting the use of any conflict minerals that directly or indirectly finance armed conflict. We have established a conflict minerals due diligence framework based on the five-step framework outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Since 2021, we have conducted annual due diligence on the Group's suppliers to identify, assess, and manage conflict minerals risks. We require suppliers to trace the origin of minerals in their products and to submit mineral origin information on a regular basis.

### Supplier Training

We conduct **13** supplier ESG training sessions throughout the year, covering topics such as the communication of the requirements in the Supplier Code of Conduct, best ESG practices sharing, energy conservation and carbon reduction, conflict minerals management, hazardous substances management, environmental compliance, and anti-corruption. We also share best ESG management practices of the suppliers.

# About Midea Group

## Introduction to Business

Midea Group Co., Ltd. (listed on the Main Board of SZSE, stock code: 000333.SZ, and on the Main Board of HKEX, stock code: 0300.HK), founded in 1968, is a global leading technology group comprising Smart Home Solutions, Industrial Technology, Building Technology, Robotics and Automation, New Energy, Healthcare, and Smart Logistic. We have boasted a diversified brand portfolio including but not limited to Midea, Little Swan, WAHIN, COLMO, Toshiba, KUKA, Welling, Hiconics, CLOU, WDM and WINONE. Every year, Midea Group provides products and services to more than 500 million users around the world, including important customers and strategic partners in various fields. To date, Midea Group has over 600 subsidiaries, 41 R&D centers, and 65 main manufacturing bases worldwide, with operations business more than 200 countries and regions.

Guided by the philosophy of "Creating a Better Life Through Technology," Midea upholds four strategy focuses: "Technology Leadership, Direct Access to Users, Digital Intelligence Driven, and Global Breakthrough." We actively fulfill the Group's responsibilities toward environmental and social sustainability, contributing through innovative products and services to jointly create a better life and future.

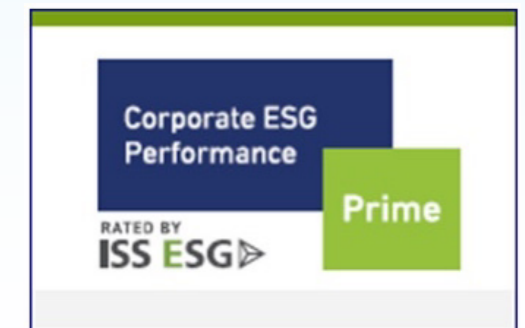
- 46<sup>th</sup> Brand Finance Tech 100 Rankings
- 246<sup>th</sup> Fortune Global 500, 63<sup>rd</sup> Fortune China 500, selected for 2025 Fortune China ESG Impact List
- 184<sup>th</sup> Forbes Global 2000, recognized as in Forbes 2025 World's Top Companies for Women a second time



- Credit ratings: S&P A+ / Moody's A2 / Fitch A

### Midea's ESG Performance:

- The S&P Global Corporate Sustainability Assessment (CSA)
  - Scored 62 in 2025 CSA Assessment
  - Selected for the Sustainability Yearbook 2025 (China Edition)
  - Selected for the Global Sustainability Yearbook 2026 and awarded with Industry Mover
- Hang Seng Indexes ESG Rating: A-
- ISS ESG: "Prime"



## Corporate Culture

### Midea Philosophy

#### Mission:

Integrate with the World and Inspire the Future

#### Vision:

Bring Great Innovations to Life

#### Value:

#### Embrace what's next

- Aiming High
- Customer First
- Transformation and Innovation
- Tolerance and Partnership
- Dedication and Commitment



# Sustainability Management

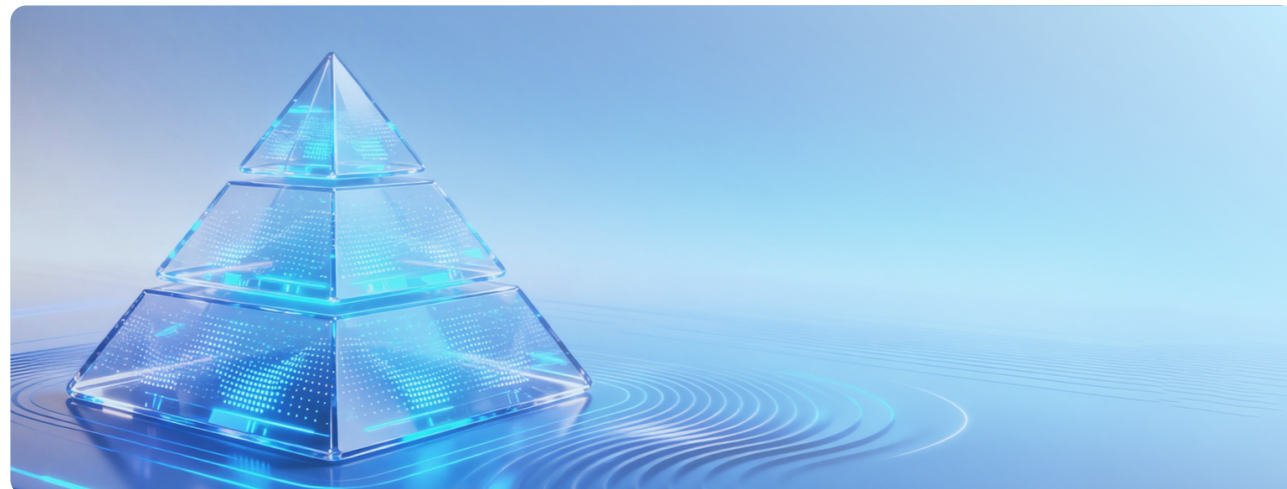
Guided by the United Nations' 2030 Sustainable Development Goals (SDGs) and the requirements of the *Sustainability Report Guideline* published by the SZSE, we actively manage the environmental and social impacts of our manufacturing and operational activities from four dimensions: "governance," "strategy," "impact, risk, and opportunity management," and "metrics and targets."

## Governance

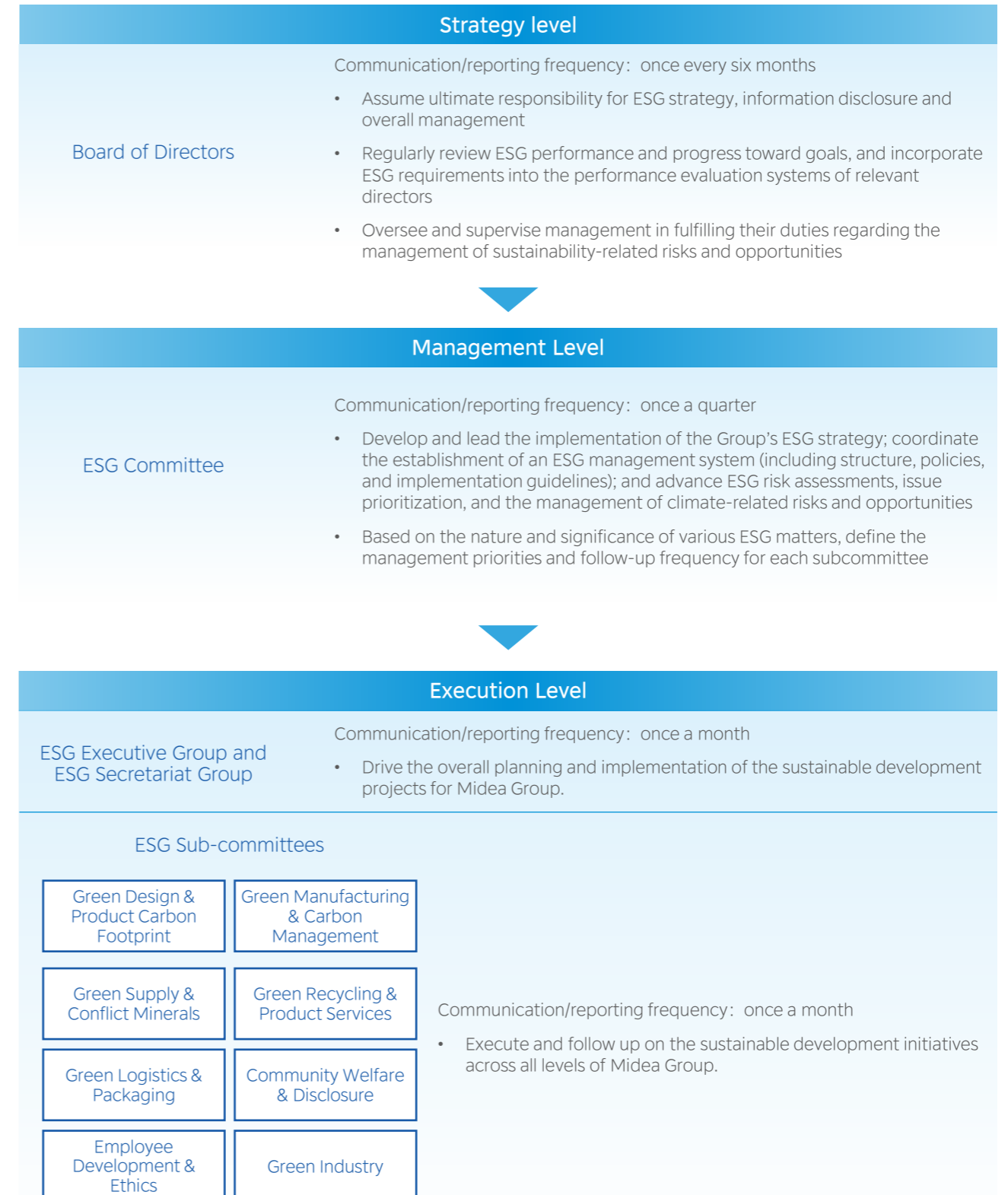
Targeting at the management and oversight on sustainability-related impact, risk and opportunities, Midea Group has established a 4-tier ESG governance structure in which the Board shall be the authority with the highest responsibility and formulated the *Working Rules of the ESG Committee* and corresponding coordination mechanism to drive sustainable development mindset from the top down.

To strengthen the capacity-building of the Board of Directors and members of the ESG management structure, we conduct ESG training on an irregular basis. We engage external experts to train the Group's subcommittee and all members of the Board regarding the regulations on climate-related disclosures of listed companies, industry trends regarding climate-related risks and opportunities, and key considerations for sustainability practices in business contexts. In the future, we will continue to strengthen the promotion of ESG concepts and effectively integrate sustainable development concepts into the Group's strategic planning and daily operations.

To ensure the effective implementation of Midea Group's ESG strategies and goals, we have established an evaluation mechanism for senior executives that incorporates sustainable development indicators into the performance evaluation, including compliance management and quality management, etc. We will also continuously optimize the setting and evaluation mechanism of sustainable development indicators, aligning with the Group's sustainable development strategy and strengthening sustainable development management.



## The ESG Governance Structure of Midea Group



# Strategy

Midea Group identifies "Progressiveness of Corporate Governance, Updated Values, and the Growth of Management's Mental Model" as the 3 cornerstones of sustainable development. Guided by 4 aspects of "Protect the Blue Planet, Build Harmonious Communities, Practice Technological Excellence, and Co-creating a Prosperous", we adhere to technological innovation, promote the construction of a green, low-carbon, and recyclable ecosystem, enhance Midea Group's governance level and fulfill its social responsibilities, contributing to achievement of global sustainable development.

## 01 Protect the Blue Planet

The Earth is our shared home. We may follow the vision of a community with a shared future for mankind and pitch in to tackle climate and other environmental challenges and protect the blue planet.



## 02 Build Harmonious Communities

Committed to a people-centered approach, we strive to build harmonious communities that is diverse, fair and inclusive, so that all of our employees can feel at home.



## 04 Co-creating a Prosperous

We expand the radius of green and low-carbon development, and work together with our partners towards a greener, more efficient, smarter and better industrial future.



## 03 Practice Technological Excellence

Adhering to the strategy of Technology Leadership, we practice the vision of "Bring Great Innovations to Life". We are devoted to contributing to the society through innovative products and services, and to creating a better life and future together.



## Stakeholder Engagement

We have established a regular communication mechanism and documented policies tailored to the needs and preferences of the Group's stakeholders. We aim to engage with stakeholders through more targeted and diversified communication methods, respond to their needs promptly, and actively create value for all parties.

Stakeholders	Issues of Concern	Communication Channels	Responses
 <p>Investors and shareholders</p>	<ul style="list-style-type: none"> <li>Value chain compliance management</li> <li>Corporate governance</li> <li>Shareholder rights</li> <li>Employee management</li> <li>Address climate change</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Company announcement, such as Annual Report</li> <li>Investor hotline</li> <li>Investor conference call</li> <li>Roadshow</li> <li>"EasyIR"</li> </ul>	<ul style="list-style-type: none"> <li>Enhance risk management</li> <li>Promote green strategies</li> <li>Optimize governance</li> <li>Release periodic reports and company announcements</li> <li>Investor Relations Record Form</li> <li>"EasyIR" reply</li> </ul>
 <p>Customers</p>	<ul style="list-style-type: none"> <li>Innovation and R&amp;D</li> <li>Data security and customer privacy protection</li> <li>Product quality and safety</li> <li>Consumer experience</li> </ul>	<ul style="list-style-type: none"> <li>Company official website</li> <li>Store staff</li> <li>400 hotlines</li> </ul>	<ul style="list-style-type: none"> <li>Enhance technological innovation</li> <li>Improve product quality and after-sales service</li> <li>Establish systems and processes to protect customer privacy</li> <li>Optimize customer service processes and improve shipping and installation efficiency</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>Employee training and development</li> <li>Employee health and safety</li> <li>Employee rights &amp; diversity</li> </ul>	<ul style="list-style-type: none"> <li>Midea talk</li> <li>Staff seminars</li> <li>"Chairman's Direct Line"</li> <li>Whistleblower email and hotline</li> </ul>	<ul style="list-style-type: none"> <li>Build a perfect career progression channel</li> <li>Promote measures to ensure employees' safety and health</li> <li>Protect employees' rights and interests</li> <li>Respect the diversity of the workplace</li> <li>Provide competitive remuneration and benefits</li> </ul>
 <p>Governments and regulators</p>	<ul style="list-style-type: none"> <li>Anti-commercial bribery and anti-corruption</li> <li>Anti-unfair competition</li> <li>Promote industry development</li> <li>Social contribution</li> </ul>	<ul style="list-style-type: none"> <li>Meetings of government</li> <li>Regular visits</li> <li>Field inspection by the government</li> </ul>	<ul style="list-style-type: none"> <li>Abide by business ethics, laws and regulations</li> <li>Network with industry associations</li> <li>Engage in charitable activities</li> </ul>
 <p>Suppliers</p>	<ul style="list-style-type: none"> <li>Supply chain management and security</li> <li>Promote industry development</li> </ul>	<ul style="list-style-type: none"> <li>Supplier conference</li> <li>Regular one-to-one communication</li> <li>GSC platform</li> <li>Reporting email and hotline</li> </ul>	<ul style="list-style-type: none"> <li>Improve the supplier admission review mechanism</li> <li>Review and empower supplier ESG management</li> <li>Strengthen cooperation and communication</li> </ul>
 <p>Other partners</p>	<ul style="list-style-type: none"> <li>Promote industry development</li> <li>Intellectual property protection</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>Share development achievements</li> <li>Participate in the development of industry standards</li> </ul>
 <p>Media and NGOs</p>	<ul style="list-style-type: none"> <li>Employee Rights and Diversity</li> <li>Employee Health and Safety</li> <li>Anti-Bribery and Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Company Website</li> <li>Company WeChat Official Account</li> </ul>	<ul style="list-style-type: none"> <li>Respect the diversity of the workplace</li> <li>Provide competitive remuneration and benefits</li> <li>Promote measures to ensure employees' safety and health</li> <li>Abide by business ethics, laws and regulations</li> </ul>

## Double Materiality Assessment


Midea formulates the process of double materiality assessment based on the requirements in *Sustainability Reporting Guideline* issued by the Shenzhen Stock Exchange and the *ESG Reporting Code* by HKSE, as well as the definition and methods of assessment on material issues proposed in IFRS S1 and GRI 3 Material Topics 2021. We invite internal and external stakeholders to participate in the Group's survey in materiality assessment which is also incorporated into the Group's risk management process, aiming to fully understand stakeholders' priorities and concerns and continuously improve the effectiveness of the Group's ESG management.

Midea assesses material issues through the following steps:




Background Research

Through internal interviews, stakeholder engagement, and desk research to form a comprehensive understanding of the Group's business activities, products, and services, as well as the sustainability-related risks, opportunities, and impacts that may arise from the external environment, and identify the key stakeholder groups affected.




Identification

Aligning with the 21 issues outlined in Sustainability Reporting Guideline, we review and revise the list of issues tailored to the industry characteristics, industry development stage, the Group's own business model and position in the value chain. In 2025, a total of 24 ESG issues<sup>3</sup> were identified, in consistency with those of 2024, across three categories of environmental, social, and governance.



Assessment

Internal and external stakeholders were invited to assess the 24 material issues through a questionnaire survey. The results of the survey were discussed with internal and external experts in sustainability-related fields to determine whether the issues on the list were financial materiality or impact materiality, and to establish a ranking of their materiality.



Review

We integrate the results of the double materiality assessments and summarize the analysis processes, methodologies, and conclusions. The results of the materiality assessments will serve as the basis for Midea's ESG management, planning, and disclosure priorities, and will be disclosed in the Report after review and approval by the Board of Directors, the ESG Committee, and other relevant bodies.

## Impact Materiality Assessment

Following steps are adopted in the impact materiality assessment of related issues:

- Identify the potential positive and negative impacts of the 24 issues, determine the factors for assessing impact significance—including likelihood of occurrence, scale, scope, and irremediable character—and establish scoring ranges for each factor.
- Identify key stakeholders that may be affected and invite them to rate the issues based on “likelihood of occurrence” and “severity of impact (including scale, scope, and irremediable character)” through a questionnaire survey, then aggregate the results.
- Establish thresholds to determine whether each issue is of impact materiality; compare the composite scores of each issue against these thresholds to identify issues of material significance to the economy, society, and the environment, along with their corresponding rankings.

This year, the Group's survey covered 7 stakeholder groups: employees, investors/shareholders, suppliers, customers, government and regulators, the media, and industry associations. The results show that all 24 issues on the list are of impact materiality, with the top three issues being Product Quality and Safety, Innovation and R&D, and Consumer Experience.

## Financial Materiality Assessment

Following steps are adopted in the financial materiality assessment of related issues:

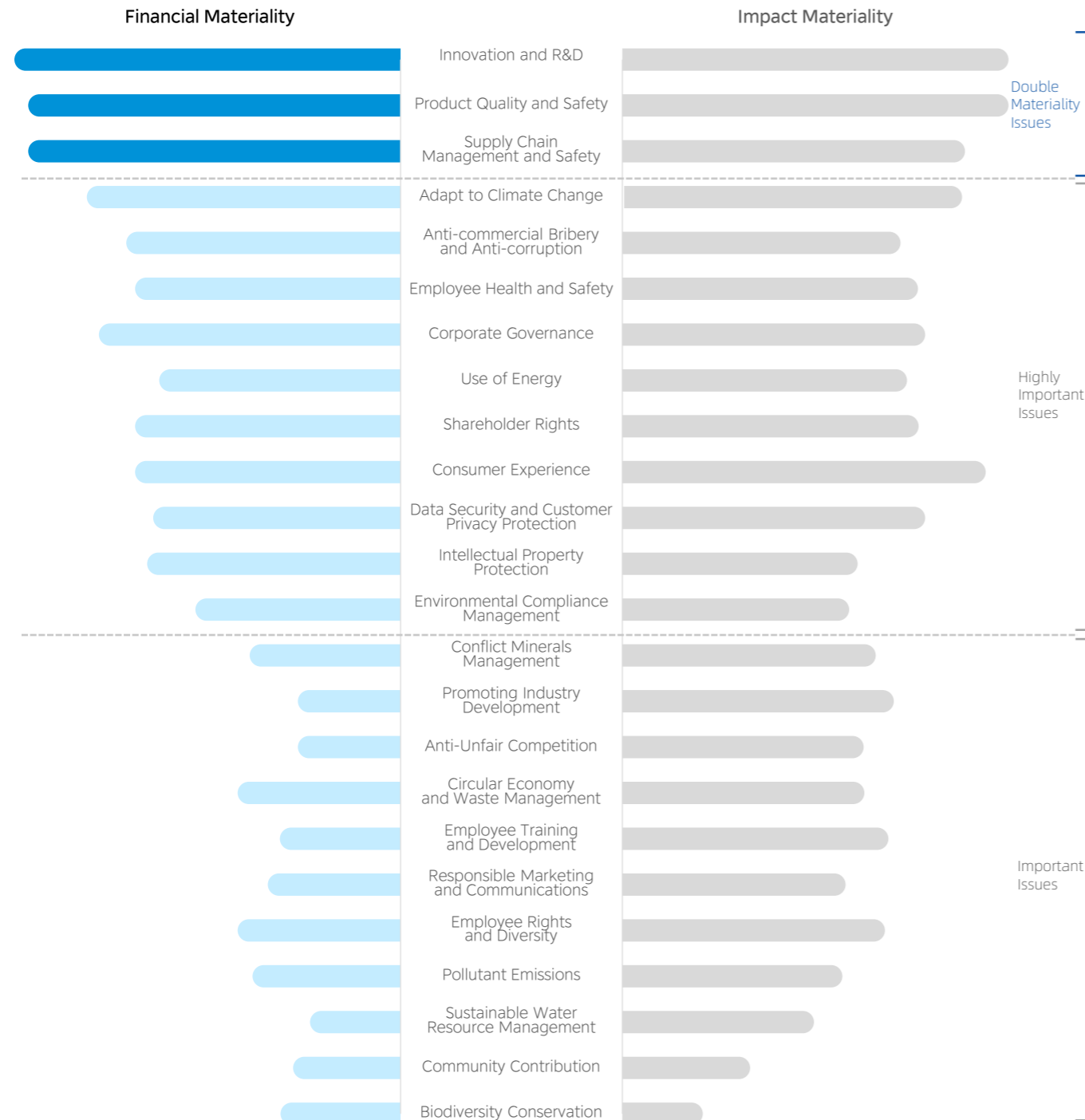
- Identify risks and opportunities under the 24 issues that affect or may affect the Group's business operations, financial position, operating results, cash flows, etc., and define scoring ranges respectively for each issue on two established factors: the likelihood of financial impact and the severity of financial impact;
- Invite Group directors and senior management to complete a questionnaire, rating the risks and opportunities associated with each issue based on the two dimensions of “likelihood of occurrence” and “severity of impact,” and aggregate the results;
- Discuss the composite scores for each issue with experts, establish thresholds to determine whether each issue is financially material, and, based on expert opinions, identify the issues that are material to the Group's business and finances and rank them accordingly.

This year, we have identified 3 issues of financial materiality: Product Quality and Safety, Innovation and R&D, and Supply Chain Management and Safety. Due to an optimization of the methods for the assessment, the list of issues of financial materiality for this year is different from the previous year.

<sup>3</sup> The correspondence between Midea 2025 Sustainability Issues List and *the Sustainability Report Guidelines* is detailed in Appendix III: Report Index Table.

## Double Materiality Assessment Results

The results of Midea Group 2025 double materiality assessment and the corresponding chart are shown below. We have ranked the 24 issues from highest to lowest based on their composite scores for both financial materiality and impact materiality.



Based on identifies issues of materiality, we conducted risk, opportunity and impact assessment. For the three issues of double materiality, please refer to the table below for the associated risks, opportunities, and impacts. Details of our management measures and specific actions can be found in the relevant sections of the Report.

Issues	Impact	Risk	Opportunity	Value Chain Affected	Time Horizon <sup>4</sup>	Management Measures in Corresponding Chapters
<b>Innovation and R&amp;D</b>	<b>Positive Impact:</b> By driving technological innovation, product functionality and user experience will be enhanced, contributing to an overall improvement in the standard of living across society.	<b>R&amp;D Cost Overruns:</b> R&D projects may exceed the budgets due to technical challenges or market shifts. <b>Risk of Technological Obsolescence:</b> The emergence of new technologies may render existing R&D outcomes obsolete quickly, resulting in wasted investment. <b>Low Success Rate for New Products:</b> New products may fail to meet market demand, leading to their withdrawal from the market in the short term.	<b>Product Differentiation:</b> Through innovative R&D, products with unique features and performance to enhance market competitiveness will be launched, which increases product premiums and boosts revenue. <b>Cost Savings:</b> More efficient production processes will be developed to reduce manufacturing costs and improve profit margins.	Own operation Downstream	Medium- to long term	Practice Technological Excellence - Innovating with technology
<b>Product Quality and Safety</b>	<b>Positive Impact:</b> Safe and reliable products protect consumer health and safety, thereby enhancing consumer trust. <b>Negative Impact:</b> Product quality issues may harm consumer health and lead to public backlash and legal disputes.	<b>Recall Costs:</b> Product quality issues may result in product recalls, incurring recall and repair expenses. <b>Damage to Brand Reputation:</b> Product quality issues can harm a brand's image and erode consumer trust.	<b>Enhanced Customer Experience:</b> High-quality products can increase customer satisfaction and loyalty, boosting repeat purchase rates. <b>Standard Setting:</b> By serving as a benchmark for quality, the Group can participate in setting industry standards and lead industry trends.	Own operation Downstream	Short medium-to long term	Practice Technological Excellence - Creating Value with High Quality
<b>Supply Chain Management and Safety</b>	<b>Positive Impact:</b> The supply chain will be optimized to support suppliers' sustainability efforts and promote social responsibility across the entire supply chain. <b>Negative Impacts:</b> Supply chain compliance issues may trigger social controversy.	<b>Supply Disruption:</b> Factors such as natural disasters may cause upstream supply disruptions, affecting production. <b>Supplier Compliance Risks:</b> If suppliers fail to meet environmental or labor standards, the Group may face reputational risks.	<b>Cost Optimization:</b> Reducing raw material procurement and transportation costs through supply chain optimization. <b>Enhanced Supply Chain Transparency:</b> Improving supply chain traceability and controllability through digitalization and transparent management.	Upstream Own operation	Short medium-to long term	Co-creating Prosperous - Building resilient supply chain

<sup>4</sup> Midea Group has defined the time horizons as short-term (0-1 year), medium-term (1-5 years), and long-term (5-10 years), considering the industry in which we operate, the Group's strategic plans, and the operation actuality.

# Impact, Risk and Opportunity Management

Midea Group has integrated processes for managing sustainability-related impacts, risks, and opportunities into its internal management processes, establishing a closed-loop management mechanism based on the PDCA cycle.

## Plan: Identification and assessment



- By combining value chain mapping, industry benchmarking, and analysis of policies and regulations, comprehensively identify potential sustainability-related impacts, risks, and opportunities across all aspects of the Group's operations.
- Invite internal and external stakeholders to participate in a survey on the materiality of these issues. Based on the survey results, assess the likelihood, magnitude, and pathways of sustainability-related impacts, risks, and opportunities, and prioritize them after comprehensively considering their materiality.

## Do: Response and control



- Develop risk management measures and tiered response plans for sustainability-related risks and opportunities, clearly defining the responsible bodies, processes, timelines, and expected outcomes for each measure.
- All business units and functional departments must strictly implement the established response plans, regularly review and report on implementation progress, and ensure the process remains under control.

## Check: Monitor and report



- Establish internal oversight and reporting mechanisms, define metrics and targets for monitoring sustainability-related impacts, and assign management tasks to the relevant departments.
- Conduct monitoring and inspection activities to compare actual implementation results with expected targets and analyze the causes of any deviations.

## Act: Improve and upgrade



- Based on implementation feedback, summarize the effectiveness of control measures and response plans, identify existing shortcomings and areas for improvement, and compile a list of improvement initiatives.
- Based on the list of improvement initiatives, optimize and refine the control system, response plans, and implementation processes, and dynamically update control metrics and targets.

# Metrics and Targets<sup>5</sup>

Under the four key dimensions of the Group's sustainability strategy, Midea Group has established a series of 2030 sustainability targets and built a comprehensive management system to support them. We link the Group's core sustainability metrics to the compensation of relevant directors and senior executives, conduct annual reviews and assessments of goal achievement, and disclose progress toward these goals to ensure that sustainability initiatives are implemented in an orderly manner and remain traceable and verifiable.

Dimension	Metrics	2030 (Target)	2025 (Progress)	Corresponding issues
Protect the Blue Planet	GHG emission intensity in Scopes 1 and 2	4 (tCO <sub>2</sub> e per million revenue)	4.6 (tCO <sub>2</sub> e per million revenue)	Adapt to Climate Change
	Number of factories certificated with Energy Management System Certification	50	37	Use of Energy
	Installed capacity of photovoltaic power generation system	500 MW	412 MW	Use of Energy
	Compliance rate of wastewater, exhaust gas and waste emission	100%	100%	Circular Economy and Waste Management, Pollutant Emissions
Build Harmonious Communities	Number of training courses on "M-Learning" platform	64,399	126,289	Employee Training and Development
	Cumulative amount of "Employee Support Fund"	RMB 148.7 million	RMB 92.21 million	Employee Rights and Diversity
	Lost Time Incident Rate	0.03	0.04	Employee Health and Safety
Practice Technological Excellence	Cumulative number of employees involved in the Midea Series of Public Welfare Activities Program	10,000	6,370	Community Contribution
	Accumulated R&D investment since 2020	RMB 120 billion	RMB 83.4 billion	Innovation and R&D
	Carbon footprint proportion of major products in use of Smart Home Solutions Business Unit	100%	41.30%	Addressing Climate Change
	Cumulative number of recycled products	50 million	13.8 million	Circular Economy and Waste Management
Co-creating a Prosperous	Product satisfaction	99.90%	99.90%	Product Quality and Safety
	Customer satisfaction	99.90%	99.02%	Consumer Experience
	Coverage rate of sustainability performance assessment for new suppliers	100%	100%	Supply Chain Management and Safety
	Number of suppliers for SSC supplier empowerment	1,000	524	Supply Chain Management and Safety
	Due diligence rate of supplier conflict minerals	100%	100%	Conflict Minerals Management

<sup>5</sup> The scope of the metrics and targets is consistent with the scope covered in the corresponding sections of the Report.



# Protect the Blue Planet

The Earth appears blue for its vast oceans; it is our shared home, and today it faces multiple challenges—including climate change, resource scarcity, and ecological degradation—that require us all to work together to protect it.

## Response to Issues in the *Guideline* of SZSE:

- Climate response
- Pollutant discharge
- Waste disposal
- Ecosystem and biodiversity protection
- Environmental compliance management
- Energy utilization
- Water resources utilization
- Circular economy

## SDGs in this Chapter:



## Midea Group 2030 Sustainable Development Goals and Process:

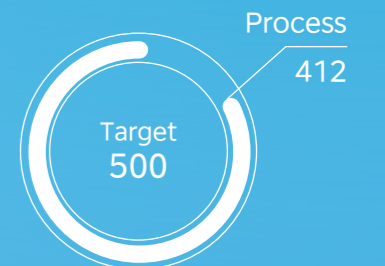
GHG emission intensity in Scopes 1 and 2 (tCO<sub>2</sub>e per million revenue)



Number of factories certificated with Energy Management System Certification



Installed capacity of photovoltaic power generation system(MW)



Compliance rate of wastewater, exhaust gas and waste emission(%)



# Addressing Climate Change

Climate change is a shared global challenge. Midea Group has refined its climate governance framework and management processes for climate-related risks and opportunities in accordance with IFRS S2 and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). By identifying climate risks and opportunities relevant to its operations and implementing corresponding measures, the Group is contributing to global climate governance while advancing its own green development.

## 1 Board of Directors of Midea Group

- Oversee climate management effectiveness and receive annual reports on climate-related risks and opportunities through the ESG Committee
- Monitor climate issue management progress, including ESG target achievement

## 2 ESG Committee

- Oversee and guide climate-related matters, and report to the Board
- Develop and review climate-related strategies and management approach and evaluation methods
- Assess climate-related risks and opportunities, and regularly review climate-related goals and actions
- Identify and manage budgets, resources, and investments for mitigating and monitoring climate-related issues

# Governance

Midea Group prioritizes climate change governance within its ESG framework. A four-tier structure comprising the Board, ESG Committee, ESG Executive Group, and three dedicated sub-committees is established to specify the management's responsibilities in evaluating and managing climate risks and to ensure effective management of issues relating to climate change. The Remuneration and Evaluation Committee assesses core operational indicators, which include the ESG KPIs. The committee closely ties the evaluation results to the performance of relevant management personnel and conducts assessments accordingly.

During the reporting period, we conducted 2 climate-related trainings for all members of the Board of Directors. These sessions primarily covered sustainability issues relevant to the Group and its operations, climate-related risks and opportunities, and climate-related disclosure, ensuring that the Board is equipped with the capabilities necessary to oversee the management of climate-related risks and opportunities.

## 3 ESG Executive Group

- Implement and regularly review climate-related strategies and risk management

## ESG Secretariat Group

- Track climate performance and specific management measure implementation of each business division

## 4 Green Manufacturing & Carbon Management Sub-committee, Green Design & Product Carbon Footprint Sub-committee, Green Supply & Conflict Minerals Sub-committee

- Implement the daily management of climate-related risks and opportunities
- Identify climate change-related risks and take active actions
- Coordinate all business divisions to promote effective collaboration
- Evaluate, manage and monitor climate-related issues to provide comprehensive analysis, recommendations and updates for review by the Board and the ESG Committee

# Strategy

## Climate-related Risks and Opportunities

We closely monitor climate-related risks and opportunities that may affect the Group’s cash flows, financing channels, or cost of capital in the short, medium, or long term. During the reporting period, we issued the *Notice on Defining Carbon Reduction Targets and Conducting Climate Risk and Opportunity Assessments for the Group* to all business units across Midea Group. Starting with systems such as R&D, supply chain, and manufacturing, we conducted qualitative and quantitative assessments<sup>6</sup> to gradually improve the long-term regulatory mechanisms for climate risk and opportunity management and disclosure. The ESG Subcommittee is designated to advancing the planning of response measures for significant risks and opportunities.

Risk Category	Risk Description	Potential Impact on Operation Mode and Value Chain	Likelihood of Occurrence	Financial Materiality	Time Horizon	Response
Physical Risk	Acute Risks Increased severity of extreme weather events such as typhoons and floods	<ul style="list-style-type: none"> <li>Aging factory buildings and rooftop solar installations at manufacturing bases directly in the path of typhoons are vulnerable to damage, resulting in losses</li> <li>Typhoons may disrupt the timely delivery of maritime shipments and finished goods transportation to bases in Guangdong, China, and Southeast Asia, further increasing operating costs</li> <li>Frequent regional disasters such as floods worldwide may impact the logistics of finished goods transportation and warehouse safety</li> </ul>	Low	Moderate	Short to medium term	<ul style="list-style-type: none"> <li>Continue to advance wind-resistant retrofitting of factories in coastal areas and risk monitoring, while increasing investment in insurance coverage for natural disasters such as typhoons and floods</li> <li>Enhance climate resilience of the supply chain through measures including the global distribution of manufacturing capacity, maintaining safety stock at manufacturing sites, reviewing supplier locations and assessing supply chain dependencies, and improving flexible manufacturing capabilities at each site</li> </ul>
	Chronic Risks Extreme changes in weather patterns	<ul style="list-style-type: none"> <li>An earlier or longer rainy season may damage finished goods and production equipment in warehouse with poor drainage, leading to increased operating costs and accelerated equipment depreciation</li> <li>Extreme heat reduces the productivity of outdoor workers and increases health and safety risks for employees</li> </ul>	Moderate	Low	Long term	<ul style="list-style-type: none"> <li>Conduct inspections of the rain resistance of factory roofs and parapet walls at all manufacturing sites and carry out timely repairs; regularly clean the areas surrounding the industrial parks and maintain the underground power grid</li> <li>Refine outdoor work management requirements, increase the coverage of first-aid equipment such as AEDs, and conduct EHS training for all employees</li> </ul>
	Rising average temperatures	<ul style="list-style-type: none"> <li>The energy consumption required to provide employees with a comfortable working environment will increase, further exacerbating cooling-related carbon emissions and potentially raising operating costs</li> </ul>	High	Low	Long term	<ul style="list-style-type: none"> <li>Construct green buildings and enhance comfort in office areas by retrofitting building envelopes and improving natural ventilation</li> <li>Promote the upgrade of magnetic levitation refrigeration equipment and the implementation of intelligent control systems, and carry out energy-saving and carbon-reduction initiatives related to refrigeration</li> </ul>

<sup>6</sup>We assess climate risks and opportunities based on three dimensions: "likelihood of occurrence," "severity of financial impact," and "time horizon." Among these, "likelihood of occurrence" and "severity of financial impact" are categorized into three levels: low, moderate, and high. In accordance with the materiality principle, risks and opportunities rated as "low" for both "likelihood of occurrence" and "severity of financial impact" are not included in the table. The definition of "time horizon" is the same as that used in the double materiality assessment, categorized as short-term (0-1 year), medium-term (1-5 years), and long-term (5+ years).

Risk/Opportunity Category		Risk/Opportunity Description	Potential Impact on Operation Mode and Value Chain	Likelihood of Occurrence	Financial Materiality	Time Horizon	Response
Transition risks	Policy and Legal Risks	Increased Pricing of Greenhouse Gas Emissions	<ul style="list-style-type: none"> <li>Prices for carbon emission allowances in emissions trading markets in some regions are trending upward</li> <li>Medium- to long-term carbon reduction costs are rising, and internal carbon pricing continues to increase</li> </ul>	Moderate	Low	Medium to long term	<ul style="list-style-type: none"> <li>Non-aggressive carbon reduction policies have no significant impact on corporate costs. We will continue to advance Scope 1 and 2 emissions reductions in line with the 1.5°C</li> </ul>
		Strengthened Compliance Requirements for Emissions Reporting	<ul style="list-style-type: none"> <li>Due to sustainability disclosure requirements from exchanges, the EU, and certain clients, there is a need to expand third-party verification of carbon emission scopes and emission volumes, thereby increasing corporate operational and management costs</li> </ul>	High	Low	Medium to long term	<ul style="list-style-type: none"> <li>Establish a digital platform for ESG carbon emissions management to enhance the carbon emissions accounting capabilities of all business units; reduce carbon verification costs through centralized procurement of regional carbon verification services</li> </ul>
		Strengthened Requirements and Regulations for Existing Products and Services	<ul style="list-style-type: none"> <li>The requirements for controlling ozone-depleting substances under <i>the Montreal Protocol on Substances that Deplete the Ozone Layer</i>, as well as the introduction of various eco-friendly refrigerants and products such as CO<sub>2</sub> compressors in regions including the EU and the Americas, will influence the direction of R&amp;D and market investment in the medium to long term</li> <li>The introduction of requirements regarding the proportion of eco-friendly materials, particularly recycled materials, may increase uncertainty regarding product material sourcing and pose the risk of potential cost increases related to materials</li> </ul>	High	Moderate	Medium to long term	<ul style="list-style-type: none"> <li>Accelerate investment in R&amp;D, manufacturing, and marketing of environmentally friendly refrigerants to maintain the Group's market leadership</li> <li>Collaborate with partners across the upstream and downstream value chain to promote a dual-circulation manufacturing model for domestic resources, accelerate research and application of green, low-carbon materials, and advance the construction of a green dismantling plant in Chongqing to enhance production capacity for recycled resources</li> </ul>
	Market Risks	Rising raw material prices	<ul style="list-style-type: none"> <li>In the home appliance sector, bulk materials such as steel, copper, aluminum, and plastic account for a significant portion of costs; continued increases in the prices of these raw materials will limit companies' ability to control costs</li> </ul>	Moderate	Moderate	Long term	<ul style="list-style-type: none"> <li>Enhance research capabilities in new materials and accelerate research and application of alternative materials; strengthen the management of long-term contracts and futures to improve the ability to mitigate risks associated with fluctuations in material costs</li> </ul>
	Technology Risks	Failed investments in new technologies	<ul style="list-style-type: none"> <li>Research and development in areas such as energy efficiency and materials involves long cycles and high costs, and the R&amp;D process is subject to uncertainty; if new technologies fail to be successfully implemented, sunk costs will result</li> </ul>	Low	High	Long term	<ul style="list-style-type: none"> <li>Collaborate with universities to establish joint R&amp;D platforms, validate technical feasibility in phases, and reduce the costs associated with trial-and-error testing</li> </ul>
		Costs of transitioning to lower-emission technologies	<ul style="list-style-type: none"> <li>Demand for energy conservation and emissions reduction is driving a gradual increase in investments in green-related equipment</li> </ul>	Moderate	Low	Short to medium term	<ul style="list-style-type: none"> <li>Introduce external investors through Energy Performance Contracting (EPC) and Energy Efficiency Program (EEP) projects to alleviate annual investment pressure</li> </ul>
Reputation Risks	Negative feedback from investors	<ul style="list-style-type: none"> <li>Investors may misunderstand climate-related information that the Group has not fully disclosed due to information asymmetry</li> </ul>	Moderate	Low	Short to medium term	<ul style="list-style-type: none"> <li>Enhance transparency by disclosing the Group's climate management goals, strategies, and performance to investors through ESG reporting, regular communication, and responses to inquiries</li> </ul>	
Market Opportunity	Business opportunities brought by green products and services	<ul style="list-style-type: none"> <li>By continuously developing and expanding low-emission products and services, companies can gain a larger market share and win consumer favor, while also securing more investment opportunities in the capital markets and driving greater revenue growth</li> </ul>	High	High	Short to medium term	<ul style="list-style-type: none"> <li>Continue to promote Midea's green services and provide green solutions for both the Group and its customers</li> <li>Adhere to the guidance of the "Green Strategy," advance green design, develop green and low-carbon technologies, and research and develop green products to meet market and consumer expectations for green products</li> </ul>	

## Climate Scenario Analysis

This year, Midea Group continues to consider two climate scenarios and conducts analysis of identified climate-related physical risks, transition risks, and climate opportunities to assess the Group's green strategy and the ability of each business model to address and adapt to climate change.

### Low-emission scenario (1.5-2°C)

Projection Model:

IPCC SSP1-2.6

Scenario Description:

- By 2030, domestic carbon prices may exceed RMB 100 per ton<sup>7</sup>, while international carbon prices may exceed USD 50 per ton; between 2030 and 2050, global carbon prices may reach USD 100 per ton.
- The Company aims to increase its proportion of self-owned renewable energy to 20% by 2030. In 2025, the target of Guangdong Province for the proportion of green electricity consumed by key energy-consuming entities is 27%. Considering various scenarios such as purchasing green electricity and green certificates, the proportion of renewable energy will rise to 30%. From 2030 to 2050, the increase in the proportion of renewable energy will depend on external purchases.
- By 2030, eco-friendly refrigerants will continue to dominate the largest global market share. From 2030 to 2050, the market share of eco-friendly refrigerants will exceed that of traditional refrigerants.
- By 2030 and by 2050, products with second-level and above energy efficiency ratings will occupy the most significant global markets.



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### High-emission scenario (> 3°C)

Projection Model:

IPCC SSP5-8.5

Scenario Description:

- Do not consider the establishment an internal carbon pricing mechanism.
- Extreme high temperatures will further surge the demand for refrigeration products.
- The frequent occurrence of extreme weather will continue to affect the stability of supply chains.



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#### Selection Criteria

##### High Contrast:

The selected scenarios include both high-emission and low-emission scenarios, covering differentiated range of temperature rise levels.

##### Authority:

The scenarios are based primarily on research findings and model projections from internationally recognized authorities of professionalism and credibility.

##### Relevance:

The selected scenarios are representative of both physical and transition risks, aligning with the Group's actual business operations and risk assessment needs.



#### Analysis Scope

All major business areas under the global operational control of Midea Group.



#### Time Scope

Short-term (to 2030) and long-term (to 2050)



#### Assumptions

In all scenarios, Midea Group's production facilities will continue to operate without any change in location, and there will be no significant changes to the range of products and services offered or the business model.



<sup>7</sup> According to data from the Hubei Carbon Emission Exchange, the average price on the national carbon trading market on December 30, 2025, was RMB 72.87 per ton.

Based on the climate scenarios and key assumptions, we have selected appropriate parameters to further identify the impact of climate risks and opportunities on the Group's strategy and business model, and to assess the Group's climate resilience. Below are the parameters we have selected, the rationale for their importance, and the updated assessment results:



#### Carbon Price

- The EU carbon border adjustment mechanism (CBAM) has officially taken effect, and components such as steel and aluminum—including knockdown (KD) kits—are now subject to carbon tariffs. According to the European Commission's latest draft proposal released at the end of 2025, downstream finished products and assemblies made from high-carbon raw materials such as steel and aluminum may also be included within the scope of the carbon border adjustment mechanism. Suppliers of high-carbon materials may pass on the costs of transitioning to downstream players, while suppliers of low-carbon materials may raise raw material prices; both scenarios will have long-term impacts on supply chain procurement costs.
- Some regions in China have already implemented emission control compliance measures for household air conditioner manufacturing plants. During the 15th Five-Year Plan period, energy dual-control policies will shift to carbon emission dual-control. Under aggressive carbon reduction targets, fluctuations in carbon prices will further increase compliance and carbon reduction costs.



#### Renewable Energy

- Our primary carbon emissions stem from direct and indirect energy consumption, and the proportion of renewable energy used in its industrial parks directly impacts the volume of carbon offsets. Currently, demand for green electricity is strong across the industry, which may significantly affect the procurement costs of green electricity and green certificates.



#### Parameters related to green products (including eco-friendly refrigerants, product energy efficiency, etc.)


- Fluorocarbon-free air conditioners have been included in China's Green Consumption List. Against the backdrop of equipment upgrades, trade-in policies, and growing consumer awareness of green consumption, the Group's progress in reducing carbon emissions may be affected by the R&D costs of higher-efficiency products and eco-friendly refrigerants, as well as the costs associated with recycling and reuse, and emissions reductions across the product lifecycle.



#### Extreme Weather

- The frequent occurrence of extreme weather events such as extreme heatwaves, heavy precipitation, typhoons, and hurricanes may short-termly impact business operations, affecting the stability of the supply chain and the timely delivery capability of products.

To continuously enhance climate resilience, Midea Group has developed and implemented a multi-pronged low-carbon transition plan. Guided by the management requirements of "conducting a thorough assessment, establishing standards, reviewing implementations, conducting rigorous evaluations, and ensuring goal attainment", we are committed to progressively advancing carbon reduction initiatives. We are continuously improving the Group's carbon emissions management system by establishing corporate carbon management policies and conducting comprehensive carbon inventories to gain a clear understanding of the Group's current carbon emissions status. We are driving the energy transition by adhering to the principle of "giving priority to green electricity, advancing emission reduction, and supplementing with offsets". We are promoting the use of green electricity and comprehensively reducing greenhouse gas emissions through energy conservation, consumption reduction, and process-based carbon reduction. At the same time, we are actively promoting eco-friendly refrigerants and developing high-efficiency products. Through initiatives such as the recycling of home appliances, the application of green materials, and emissions reduction in the supply chain, we are reducing Scope 3 greenhouse gas emissions.



In 2025

Midea Group's 8 business divisions collectively implemented **1,390** energy-saving projects, investing over RMB **91** million in energy conservation and emissions reduction initiatives, which yielded annual energy savings of RMB **156** million. We will continue to increase the Group's investment in energy conservation and emissions reduction in the future.

The green bond of USD 450 million we issued in 2022 has been fully allocated to projects under Midea Group's "Green Strategy" framework, providing financial support for the low-carbon transition. Please see the table below for details on the allocation of the proceeds:

Eligible Green Asset Categories	Amount of Fund Allocation	
	RMB (million)	USD Equivalent (million)
Eco-efficient product design and development	1,505	212
Energy-saving and eco-efficient manufacturing and process upgrades	997	141
Operation of PV Power Plants and Renewable Energy Project Development	92	13
R&D, Production, and Project Development of Core Components for New Energy Vehicles	594	84
<b>Total</b>	<b>3,188</b>	<b>450</b>

In terms of carbon emission trading, Midea Group conducts compliant trading. Chongqing and Wuhan factories of Residential Air Conditioner Division have been listed as key emission units for local carbon emission trading. During the Reporting Period, Midea Group completed the surrender of carbon emission quotas on time, with zero cases of over-quota emissions or being required to rectify or under investigation by relevant authorities. In the future, we will continue to strengthen the management of carbon credits and ensure compliance with carbon emissions trading regulations to ensure the smooth implementation of the Group's carbon compliance efforts.

## Climate Risk Management

To effectively manage impacts, risks and opportunities (IROs) related to climate change, relevant factors such as sustainable supply chain are incorporated into the Group's Risk Control Committee Management Framework. This enables us to identify, assess, and manage various related risks across the entire value chain, supporting the Group's decision-making in operations, product R&D, and business development, which in turn influences the Group's medium- and long-term financial planning and strategic decisions.

Our business divisions actively identify climate risks by referring to the Group's risk assessment standards, analyze and evaluate the likelihood and severity of these risks to determine their risk levels to compile risk maps and opportunity lists after review. Meanwhile, we also qualitatively and quantitatively assess the impact levels of climate risks and opportunities on the Group's business models, value chains, and financial and non-financial aspects, considering dimensions such as likelihood of occurrence, regulatory compliance, financial and asset losses, business disruptions, operational goals, and reputational impacts.

Midea Group has established a comprehensive risk management system, with specific details outlined in the "Enhancing Comprehensive Governance-Corporate Governance-Risk Management" chapter.



# Metrics and Targets

In response to the national targets of "achieving carbon peaking by 2030 and carbon neutrality by 2060", we set GHG emission targets of scope 1, 2 and 3 and regularly track and monitor GHG emission performance to ensure the achievement of these targets. During the reporting period, focusing on the precision of the Group's objectives, we clarified and refined the details of existing goals, and closely monitored progress toward those objectives throughout the process.

We are gradually rolling out the use of the Science Based Targets Initiative (SBTi) tool to calculate and validate the Group's carbon management targets. During the reporting period, GD Midea Heating & Ventilating Equipment Co., Ltd., under Midea Building Technology Division, established full-value-chain greenhouse gas reduction targets and implementation plans based on the SBTi standards, and submitted them to the Science Based Targets Initiative (SBTi) for verification. Going forward, Midea Group will leverage the experience gained by Midea smart building technology in setting science-based emission reduction targets and implementing reduction plans to continue advancing energy conservation and emission reduction efforts.

Target	Pathway	Base Year	2025 Process	2025 Target	2030 Near-term Target	2050 Long-term Target
Scope 1 and scope 2: GHG emissions during the operational phase of Midea Group and its subsidiaries (mature industrial factories).	<ul style="list-style-type: none"> <li>Energy conservation and efficiency enhancement measures at manufacturing bases, R&amp;D centers, data centers, and other facilities</li> <li>Accelerate decarbonization through internal photovoltaic (PV) construction and external green electricity procurement</li> <li>Promote the application of eco-friendly refrigerants and recovery of organized emissions</li> <li>Carry out low-carbon actions for all staff</li> </ul>	2023	-8.7%	-4.5%	-30%	-80%
Scope 3: GHG emissions per product unit generated during the use phase (downstream value chain) of sold products, regarding comparable products.	<ul style="list-style-type: none"> <li>Enhance product energy efficiency and intelligence levels through product innovation breakthroughs</li> <li>Encourage customers to purchase products with higher energy efficiency, eco-friendly refrigerant options, and the use of clean energy through green consumption mechanism</li> </ul>	2024	-6.7%	-3%	-20%	-60%

Target	Pathway	Base Year	2025 Process	2025 Target	2030 Near-term Target	2050 Long-term Target
Scope 3: GHG emissions during the production phase (upstream value chain) of purchased bulk materials such as steel, copper, aluminum, and plastics, regarding comparable materials.	<ul style="list-style-type: none"> <li>Incorporate environmental initiatives and requirements such as energy conservation and carbon reduction into the Supplier Code of Conduct</li> <li>Collect actual measured emission factors from bulk material suppliers and prioritize the procurement of materials that meet product requirements with lower emissions</li> <li>Collaborate with suppliers to enhance energy conservation, carbon reduction, and efficiency improvement through SSC Program</li> </ul>	2024	Continuous monitoring <sup>8</sup>	-3%	-20%	-60%
Total GHG emissions (Scope 1, Scope 2, Scope 3)	<ul style="list-style-type: none"> <li>In addition to continuously advancing energy conservation and carbon reduction through the aforementioned measures, we will further pursue initiatives such as carbon capture (including refrigerants), afforestation, and the procurement of certified emission reductions</li> </ul>	2024	Refined Scope 3 Category 11 product categories	Continues to refine Scope 3 carbon emissions accounting	-20%	-60%

<sup>8</sup> During the reporting period, we used emission factors from the Ecoinvent 3.11 database for the Group's calculations. Emissions are based on the volume of bulk materials purchased and do not yet reflect the Group's suppliers' emission reduction efforts. Going forward, we will continue to support the Group's suppliers in their greenhouse gas emissions accounting.

Outlined below are statistics on the Group's GHG emissions in 2025.

Operating Entities	GHG Emissions in 2025 <sup>9</sup> (tCO <sub>2</sub> e)		
	Scope 1	Scope 2	Scope 3
<b>Smart Home Solutions Business Unit</b>	<b>394,173</b>	<b>969,775</b>	<b>205,024,107</b>
Midea Residential Air Conditioner Division	347,965	295,999	150,010,647
Midea Fabric & Floor Care Division	54	140,178	11,184,376
Midea Refrigerator Division	2,059	198,622	15,125,633
Midea Small Domestic Appliance Division	10,237	95,301	15,530,910
Midea Kitchen and Water Heater Appliances Division	9,393	108,525	8,296,446
Midea Microwave and Oven Appliance Division	24,465	131,150	4,876,095
Industrial Technology Business Division	45,242	520,125	3,559,395
Building Technology Division	67,126	57,444	1,606,750
Annto	643	44,408	1,254,207
<b>Total</b>	<b>507,184</b>	<b>1,591,752</b>	<b>211,444,459</b>

<sup>9</sup>The Scope 1 and Scope 2 emissions include 49 factories under 8 business divisions of the Group and Annto. The Scope 3 emissions include the usage phase of 19 typical products of 7 business divisions (for details, please refer to the "Product Lifecycle Assessment" chapter), the steel and plastics purchased by 8 business divisions, as well as the upstream transportation and distribution services of Annto.

## Advancing Environmental Friendliness

Midea Group is keen on green and low-carbon development. We continuously optimize environmental management system, promote energy conservation and encourage efficient use of resources. Midea Group integrates green concepts into the entire production and operation process. We strictly comply with environmental laws and regulations of the countries and regions in which we operate, such as the *Environmental Protection Law of the People's Republic of China*. We continuously improve environmental management systems tailored to the Group's operational sites to ensure the effective operation of the environmental management system on a continuous basis. During the reporting period, there were no significant environmental accidents or major administrative penalties for environmental issues.

## Environmental Management System

Guided by the principle of "comply with regulations, preventing pollution, construct a green environment, and co-build Midea home", we established the *Midea Group Environmental and Occupational Health and Safety Management Policy*, and strive to ensure the sound operation of environmental management through the EHS governance framework, the establishment of management systems, the development of information platforms, EHS audits, and EHS evaluations and training.



### EHS Governance Structure



- The Safety Management Committee as the highest EHS authorities oversees and decides EHS affairs, supervises and evaluates EHS practices.
- The Committee Office handles daily EHS management and reports to the Safety Management Committee. Each business division has its own EHS structure to implement EHS policies, objectives and measures.

### EHS Management System



- Based on regulations, industry best practices, and business characteristics, implement the annual EHS policies, standards, and performance objectives.
- Develop the EHS Management Control Framework Manual to unify management boundaries, process controls, and data recording standards.
- Implement the principle of "One Midea, One System, One Standard" to establish EHS technical standards and audit systems, thereby strengthening standardized management.

### EHS Intelligent Platform



- Establish an EHS Intelligent Platform featuring "intelligent data collection, intelligent warning, intelligent control and management, intelligent forecasting, intelligent decision-making and intelligent analysis", that incorporates different modules including smart environmental protection, online environmental monitoring, maintenance of environmental protection facilities and hazardous waste management.
- Collect and analyze online monitoring data from the main discharge outlets of each base to achieve comprehensive detection of pollutants and precise early warning management for exceedances, ensuring accurate monitoring across all time periods and scenarios, and guaranteeing compliance.

### EHS Risk Management



- Establish EHS risk assessment and control mechanism through proactively identify, assess, monitor and manage environmental and other EHS risks in the Group's own operations according to their risk level.
- Establish and refined an EHS emergency response mechanism. EHS risk incidents are handled in a hierarchical manner, with relevant prevention and emergency measures properly implemented.

### EHS Audit



- Each business division conducts its own annual EHS review from the implementation of EHS procedural documents, EHS compliance, and EHS target outcomes.
- Conduct annual EHS review at factory level, and the Safety Committee summarized and compiled results to the management that include details on the compliance control measures, implementation of the systems, and progress of non-conformity closure.
- Conduct an annual Group-wide EHS audit covering the Group's business divisions and major production facilities, with a focus on evaluating the effectiveness of the EHS management system and the implementation of key initiatives. During the reporting period, the Group audit did not identify any material systemic failures in EHS management. Rectification requirements were issued for all non-conformities, and their resolution was tracked until completion.

### Evaluations and Training



- Set annual performance targets for energy cost ratios, striving for continuous improvement in areas such as breakthroughs in energy-saving and consumption-reduction technologies and scientific electricity planning. The Group's overall energy cost ratio (i.e., energy costs per unit of output value) decreased by 3.5% year-over-year. This target was achieved during the reporting period.
- Complete the development of training materials covering smart energy, green manufacturing, carbon-neutral factories, and sustainable water management, and launched the Midea Lean Management course. The course now covers all employees across the Group's manufacturing system.

### By the end of the Reporting Period



**37** factories of Midea Group have obtained ISO 14001 Environmental Management System Certificate.

**100%** coverage rate of ISO 14001 Environmental Management System Certificate for global manufacturing bases.

# Energy Management

Midea Group has formulated and implemented the *Energy Management Measures of the Midea Group* and other relevant regulations. We standardize energy management and explore the Group's potential for energy conservation and consumption reduction to improve energy efficiency.

## Energy Management System

Midea Group follows an energy management policy of "compliance, conservation, intelligence, and decarbonization" to promote the energy management system certification. We have established an energy management structure to monitor key energy indicators and handle exceptions. Through measures such as motor energy efficiency management and power quality assurance, we ensure compliance with regulations and contribute to energy conservation and reduced consumption.

In addition, we conduct regular internal and third-party energy audits to assess the status of the Group's energy management and implement targeted improvements to enhance energy management performance. We have completed energy audits at both the Group and key plant, covering areas such as regulatory compliance, the effectiveness of system operations, energy consumption control, and the achievement of performance targets. The results indicate that the energy management systems of the Group and its various operational plants comply with relevant standards; no significant violations were identified, and energy efficiency continues to improve.

### By the end of the Reporting Period



A total of **37** factories has obtained the ISO 50001 Energy Management System Certificate.

**100%** coverage rate of ISO 50001 Energy Management System Certificate for global manufacturing bases.

## Enhance Energy-Saving Management

Midea Group strengthens energy saving management with technology innovation. Focusing on energy saving in procedure, equipment, power and digitization, we continue to accelerate technological breakthrough in various fields, including injection moulding, sheet metal, spraying, electronic and compressed air for energy saving, gas-to-electricity conversion, and PV storage. We have set up a technical expert group, carried out cross-departmental collaboration and adopted enabling management to ensure

the effective implementation of energy-saving technologies while achieving innovative breakthroughs. In addition, we evaluate the effectiveness of the Group's energy conservation management by comparing metrics such as energy consumption levels and the results of energy-saving and consumption-reduction projects, thereby making targeted improvements to the Group's energy management practices. During the reporting period, the Company successfully completed its annual government energy conservation inspection requirements.

Case	Energy-saving Cases
	<p><b>Process Energy Saving</b></p> <p>Midea Small Domestic Appliance Division is advancing its Low-Cost Intelligent Manufacturing (LCIM) initiative to drive green process transformation. During the reporting period, the division established 5 new LCIM benchmark production lines, achieving an overall efficiency improvement of more than 30% and a 15% reduction in energy costs per unit. In 2026, the division plans to add three more LCIM lines to create a state-of-the-art LCIM workshop.</p>
	<p><b>Equipment Energy Saving</b></p> <p>Midea Kitchen and Water Heater Appliances Division has achieved significant energy savings through equipment upgrades: the dishwasher factory upgraded three fan systems to permanent magnet motors, saving 100,000 kWh of electricity annually; the Wuhu factory replaced 15 outdated third-grade energy-efficiency motors with permanent magnet motors, saving 600,000 kWh of electricity annually; and the Handan factory upgraded third-grade energy-efficiency motors to first-grade energy-efficiency motors, saving 140,000 kWh of electricity annually. These three upgrades combined result in annual electricity savings of 840,000 kWh and annual carbon emissions reductions of approximately 500 tons.</p>
	<p><b>Power Saving</b></p> <p>Midea upgrades its high-performance air compression systems and has independently developed a magnetic-levitation centrifugal air compressor system. By the end of the reporting period, 4 factories have obtained certification for Class 1 energy-efficient air compressor stations.</p>
	<p><b>Digitalization in Energy Conservation</b></p> <p>Midea Fabric &amp; Floor Care Division Hefei factory is conducting research on a smart factory energy management system based on a smart microgrid. By deeply integrating AI and digital technologies to build an efficient energy management system and optimize production processes, the plant has achieved a 37.6% reduction in energy consumption.</p>

## Promote the Use of Clean Energy

Energy decarbonization is at the core of Midea Group's energy management and is of great significance for achieving climate goals and ensuring energy stability. Adhering to the principle of "building wherever possible," we are advancing distributed photovoltaic (PV) projects and implementing plans for green electricity. The Group's target is to increase the proportion of green electricity to 30% by 2030, with self-generated green electricity from PV contributing over 20% of that total. Additionally, we expect to achieve a total installed capacity of over 500 MW for distributed PV across all manufacturing bases by 2030, thereby supporting the attainment of the Group's green electricity targets.

### By the end of the Reporting Period



The self-generated green solar power accounted for **11.79%** of the total electricity consumption.

We continue to advance distributed PV construction, having completed projects at 38 factories as of the end of the reporting period. Regarding the procurement of green electricity, the Group has already met the green electricity consumption ratio targets for key energy-consuming units in Guangdong Province ahead of schedule, laying a solid foundation for building a green model enterprise. During the reporting period, the self-generated green solar power accounted for 11.79% of the total electricity consumption.

Year	PV power generation (GWh)	Installed PV Capacity (MW)	Green electricity Purchased (GWh)
2025	376	412	100+
2024	311	379	50
2023	220	280	7.44

### Case

#### 12MW PV Project Construction Helps Establish Midea Group's First Overseas "Lighthouse Factory" for Air Conditioners



Midea Residential Air Conditioner Division factory in Thailand integrates industrial solutions from B2B business segments such as KUKA, Midea Cloud, Annto, Hiconics, and Smart Building Technology. By combining a PV system with a hydro-storage microgrid, the factory achieves a 40.2% reduction in energy consumption and a 68.3% reduction in carbon emissions per air conditioner produced. The Thailand plant's PV project was constructed by Hiconics. It is expected to save approximately 13,600 tce annually, with green electricity accounting for over 50% of the plant's total energy consumption, making it a benchmark facility for PV applications in Thailand and the industry.

## Build Up the Low-carbon Influence of Midea

We promote an energy-saving, low-carbon culture at Midea Group through training and events to enhance employees' awareness.



In 2025

All the business divisions collectively organized **30** Energy Conservation and Carbon Reduction Improvement Weeks, with a total of **500** participants and over **200** projects reviewed.

Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.'s "Midea Kitchen Appliances Industry Green and Low-Carbon Technology Upgrade Demonstration Project" was successfully included in the National Development and Reform Commission's "List of Green and Low-Carbon Advanced Technology Demonstration Projects (Second Batch)."

### Case

#### 2025 Low-Carbon and Environmental Protection Themed Month



In April 2025, Midea Building Technology Division launched its third annual Environmental Protection Month, featuring activities such as environmental awareness campaigns, interactive experiences, knowledge contests, eco-friendly commuting initiatives, and recycling drives, attracting over 4,000 participants. Among them, 3,503 employees took part in the carbon credit program, achieving a cumulative carbon reduction of 40,652.6 kg.

## Sustainable Water Resources Management

Midea Group places a high priority on sustainable water management. By continuously reducing water consumption in its operations, improving water use efficiency, and promoting water recycling and reuse, the Group is contributing to water-related UN SDGs. The Group has set a clear target for 2030 to establish sustainable water management systems at all production bases located in water-stressed regions and key river basins. During the reporting period, Midea Group had no water sourcing deficiencies.

Adhere to four principles: water resources protection in watersheds, water resources management in production and operation, water efficient products, and healthy drinking water in communities, we implement the water resource management improvement initiative across the Group to promote the sustainable use of water resources and the ongoing improvement of the aquatic environment. During the reporting period, we continued to conduct water conservation assessments at identified key water-consuming units, refined water balance sheets, and actively advanced digital water resource management to enable precise monitoring and efficient control of water consumption.

**Case** Midea Group Implements Intelligent Water Twin System



Midea Fabric & Floor Care Division Hefei factory was the first to launch the Intelligent Water Twin System. Using IoT technology, the system consolidates all key water usage data from the plant. It repeatedly analyzes and learns from this historical water usage data to continuously optimize and adjust water management methods, thereby controlling water usage at every stage of the plant's operations in a more scientific manner.

**By the end of the reporting period**

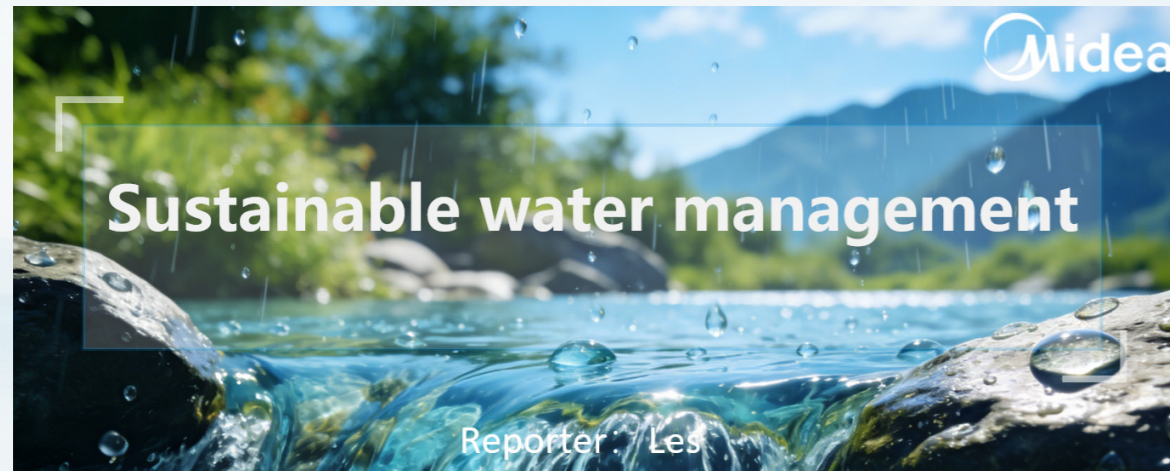


**17** of the Group's factories are recognized as water conservation evaluation factories, and **5** factories obtained the International Water Stewardship Standard (AWS Standard) certification.

We emphasize water resource management capabilities and conduct specialized training on sustainable water management at the Group's factories worldwide. Meanwhile, we organize multiple rounds of water resource management training at the factory level to comprehensively strengthen employees' awareness of water conservation and efficient water use.

**Case** M-learning Course-Training on Sustainable Water Resource Management

Midea Group launched a training course on sustainable water management on the M-learning platform to help employees worldwide acquire professional knowledge on the efficient use of water resources, the maintenance of a healthy aquatic environment, and sustainable management.



Principles of Water Resources Management	Initiatives of Water Resources Management	Cases of Water Resources Management
<b>Water Resources Protection in Watersheds</b>	<ul style="list-style-type: none"> <li>Continuously monitor water management in the Group's operational watersheds and assess the impact on local water resources before constructing plants.</li> </ul>	<ul style="list-style-type: none"> <li>Midea Residential Air Conditioner Division Shunde Factory organized a green and innovative public welfare campaign titled "River Patrol and Protection," covering a stretch of 800 meters and collecting a total of 109.5 kilograms of river debris.</li> </ul>
<b>Water Resources Management in Production and Operation</b>	<ul style="list-style-type: none"> <li>Continuously collect water resource data and conduct targeted assessments to identify management improvement opportunities.</li> <li>Actively undertake wastewater recycling and reclaimed water reuse projects to enhance water use efficiency.</li> <li>Develop and optimize water-saving technology and equipment, adopt water-saving devices, and retrofit existing production equipment for water conservation.</li> <li>Collaborate with third parties, including local governments and other water users, to promote the use of factory water for urban greening and road cleaning.</li> </ul>	<ul style="list-style-type: none"> <li>Midea Residential Air Conditioner Division Handan Factory has partnered with China Water Investment Group Co., Ltd. to adopt a contract-based water conservation model featuring "managed operations, profit-sharing, and end-to-end management." This initiative establishes an integrated reclaimed water system encompassing treatment, reuse, and recycling, which is expected to achieve annual water savings of approximately 110,000 tons.</li> <li>Midea Residential Air Conditioner Division Wuhu Factory established a comprehensive water resource management system and implemented several industry-leading water-saving processes and facilities, resulting in annual water savings of 58,000 tons and a reduction in industrial water costs of approximately RMB 200,000.</li> </ul>
<b>Water Efficient Products</b>	<ul style="list-style-type: none"> <li>Designing more water-efficient products to improve use efficiency and reduce water consumption through process innovation and technology upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>The E5P series dishwashers from Midea Kitchen and Water Heater Appliances Division feature an innovative chassis design that frees up 18% more loading space. With an energy efficiency rating of A-10% (meaning it is 10% more energy-efficient than the highest-rated models), they far outperform comparable products in terms of water and energy savings.</li> </ul>
<b>Healthy Drinking Water in Communities</b>	<ul style="list-style-type: none"> <li>Using Midea Group's core water purification technology to provide healthier, safer drinking water via products like water purifiers.</li> </ul>	<ul style="list-style-type: none"> <li>Midea Kitchen and Water Heater Appliances Division has launched a new product at its drinking water plant: the Feipu Mildly Alkaline Water Purifier. Centered on its pioneering zero-addition of mild alkaline reduction technology, the purifier uses AI-powered control to adapt to water quality and restore naturally mildly alkaline water. This addresses the common issue of mineral loss in traditional water purification technologies, offering consumers a healthier drinking water option.</li> </ul>

Case

**Water Resource Management Training at Midea Residential Air Conditioner Division Shunde Factory**



During the reporting period, Midea Residential Air Conditioner Division Shunde Factory conducted a specialized training session on water resource management. The training lasted 2 hours and attracted 60 participants, including plant managers, supervisors, team leaders, and employee representatives from various sub-factories. Centered on the theme of “Water Conservation and Improving Water Resource Utilization Efficiency,” the training aimed to raise water conservation awareness among all staff and promote the rational use of water resources. The content covered the current situation and challenges of water resources, the importance of water conservation, and specific water-saving measures and technological applications.



## Waste and Emission Management

Midea Group strictly complies with applicable laws and regulations governing waste and emissions management in global locations where it operates. We are committed to ensuring the compliant discharge of waste gas, wastewater and solid waste and improving the level of emission control. During the Reporting Period, the waste gas and wastewater were all properly discharged or recycled, and the waste was all disposed of or recycled in compliance with regulations. There were no items exceeding the environmental monitoring standards, no major administrative penalties received due to pollutant emissions, and the pollutant emissions did not have a negative impact on employees, local communities and other groups.

### Waste Management

Midea Group strictly adheres to the Basel Convention, prohibiting e-waste export to non-OECD countries. We have established an internal waste management system and built a “dual-cycle” resource recycling system that integrates internal and external processes, with the target of achieving 100% sorted collection and recycling of recyclable resources.

The solid waste generated by the Midea Group primarily consists of general waste, household waste, and hazardous waste.

#### General waste



After being sorted on-site, it is handed over to a licensed third-party recycling facility for disposal, achieving 100% sorted recycling.

#### Municipal solid waste



Handled by local sanitation authorities.

#### Hazardous waste



In accordance with the Midea Group's Hazardous Waste Management Policy, we oversee the collection, storage, transportation, and disposal processes, and entrust qualified third-party hazardous waste disposal agencies to handle the waste.

We routinely collect and analyze data related to waste. Through waste audits and other initiatives, we assess the compliance of the Group's management systems, evaluate the effectiveness of waste reduction and resource recovery efforts, and track waste disposal pathways to identify opportunities for improving waste management performance. In addition, we regularly conduct training sessions on waste management such as the development of zero-waste factories. By introducing key concepts and practical case studies related to zero-waste factory initiatives, we have raised employees' awareness of waste reduction and will continue to promote waste reduction practices.





## Zero-Waste Factory Construction

Midea Group embraces the circular economy philosophy, adhering to the 4R Principle of "Reduce, Reuse, Recycle, and Refuse" for effective waste management. We have established intelligent zero-waste benchmark factories that create dual cycles by reducing waste at the source, reusing materials in processes, and recycling at the end of processes.

By the end of the reporting period



**16** factories of Midea Group are recognized as Zero-Waste Factories, **19** factories have passed Zero-Waste to Landfill Certification. Midea Group Co., Ltd. is entitled with **Zero-Waste Group** by Guangdong Province.

Management Principle	Key Initiatives	Management Practice
 <p>Reduce</p>	<ul style="list-style-type: none"> <li>Breakthroughs in green processes</li> <li>Reprocess of defective products into quality ones</li> <li>Eco-friendly packaging</li> <li>Paperless operation</li> <li>Coating-free</li> <li>Clean plate campaign</li> </ul>	<ul style="list-style-type: none"> <li><b>Eco-friendly packaging and coating-free:</b> Midea Residential Air Conditioner Division has optimized packaging materials by replacing the original wooden packaging for compressors with standardized, eco-friendly, recyclable thermoformed trays. At the same time, the division promotes the replacement of packaging materials for chassis and front panels, encouraging suppliers to adopt customized loading fixtures, standardized panels boxes, and in-house injection-molded components to replace traditional packaging materials. This initiative reduces the use of plastic films while improving product quality and distribution efficiency.</li> </ul>
 <p>Reuse</p>	<ul style="list-style-type: none"> <li>Secondary reuse</li> <li>Offcuts recycling</li> <li>Spare parts self-processing maintenance</li> <li>Waste packaging repurposing</li> </ul>	<ul style="list-style-type: none"> <li><b>Secondary reuse:</b> Midea Microwave and Cleaning Appliances Division Shunde Factory employs a "centralized crushing + on-machine crushing" approach to achieve 100% recycling of sprues. The crushed particles are mixed with raw materials through the recycling system for reuse, effectively reducing production costs, conserving floor space, and minimizing environmental pollution caused by waste disposal.</li> </ul>
 <p>Recycle</p>	<ul style="list-style-type: none"> <li>Recycling at dismantling plant</li> <li>Bulk waste closed-loop utilization</li> <li>Other waste recycling</li> </ul>	<ul style="list-style-type: none"> <li><b>Recycle at dismantling plant:</b> Midea Group has commenced construction on its first home appliance dismantling plant in Chongqing, which is equipped with dedicated resource recovery production lines for the recycling and dismantling of a wide range of waste electrical and electronic equipment. Phase one of the project is expected to reach an annual dismantling capacity of 2 million units in its first year of operation. The industrial park is also equipped with the largest integrated smart automated storage and retrieval system (AS/RS) in the circular economy sector, enabling an industry-first zero-circle closed-loop smart logistics system.</li> </ul>
 <p>Refuse</p>	<ul style="list-style-type: none"> <li>Solid waste sourcing at recovery end</li> <li>Optimized waste disposal</li> <li>Landfill diversion rate</li> <li>System certification</li> </ul>	<ul style="list-style-type: none"> <li><b>System certification:</b> Building on the "3R" approach, we further reform the Group's "Zero Landfill" business to reduce waste disposal costs, eliminate the Group's reliance on limited landfill space, and lower Scope 3 greenhouse gas emissions across the value chain.</li> </ul>

## Emissions Management


Midea Group is committed to reducing the environmental impact of its operations by reducing pollutant emissions. In terms of wastewater management, the Group's production and operational waste primarily consist of domestic wastewater and industrial wastewater. We establish targeted management measures. Domestic and industrial wastewater is pretreated in septic tanks and factory treatment stations respectively, before being discharged into the municipal sewage network. We are optimizing the Group's wastewater treatment processes and upgrading equipment for separation of rainwater and sewage and for wastewater treatment at old industrial areas to reduce overall discharge and enhance management. For exhaust gas management, Midea Group exercises strict control over the exhaust gas emissions. Processed exhaust gases will only be discharged by meeting emission standards, thereby preventing pollution to the atmosphere.


During the reporting period, all subsidiaries of Midea Group listed as legally required environmental information disclosing entities have fully complied with the relevant regulations for environmental information disclosure. This information is publicly accessible via the provincial-level supervisory monitoring information platform for key polluting entities.

## Upholding Ecological Redlines

Biodiversity is crucial for human survival and development. To better protect the ecosystem and biodiversity, Midea Group developed the *Midea Group Biodiversity Conservation Policy* which outlines the Group's commitments and actions in biodiversity and forest protection. Throughout the Group's business operations, we prioritize designs and construction plans that minimize impact on biodiversity, especially in critical areas. We conduct field surveys and environmental impact assessments to evaluate potential effects on local species and ecosystems. Midea Group also enforces strict waste and emission management processes and policies to effectively treat and control pollutants, ensuring minimal environmental impact.

During the Reporting Period, we further refined the ecosystem and biodiversity conservation practices, carried out biodiversity assessment in the manufacturing bases, and committed to understanding the ecological status and correlation around the bases through research and data monitoring, so as to achieve the goal of biodiversity conservation. We simultaneously promoted the construction of the biodiversity impact risk map, focused on renewable packaging based on the risk identification results, and promoted recycling packaging to reduce the use of paper packaging materials to minimize the indirect impact of supply chain on the ecosystem.

Case
**Packaging Reduction / Reduced Wood Consumption**




Midea Group's CGU12W-T1PRO washing machine innovatively employs a cold-stretch packaging process, replacing traditional corrugated cardboard boxes with a fully transparent packaging solution. Through innovations in both process and materials, this initiative achieves a technical upgrade toward lighter packaging, significantly reducing wood consumption at the source.

In addition, we are working hand in hand with stakeholders to actively carry out various ecosystem conservation projects and jointly fulfill the Group's environmental commitments.

Case
**Official Launch of the "Midea Air Conditioning Plants a Tree for You" Charity Partnership**




In March 2025, the "Midea Air Conditioning Plants a Tree for You" spring planting partnership between Midea Air Conditioning, Alipay, and Ant Forest was officially launched. During the campaign, for every purchase of any Midea Air Conditioning product made at designated Taobao or Tmall stores, Midea Air Conditioning will partner with Ant Forest to plant a mountain apricot tree in areas of Gansu Province in need of ecological restoration. This initiative supports local ecological development and enables every consumer to participate in green public welfare efforts and help build a greener home together.



# Build Harmonious Communities

Communities serve as vital platforms for mutual growth and prosperity between companies and society that connect employees, residents, partners, and various stakeholders. Only through joint efforts and shared benefits can we achieve harmonious coexistence and development.

### Response to Issues in the *Guideline* of SZSE:

- Rural revitalization
- Social contributions
- Employees

### SDGs in this Chapter:

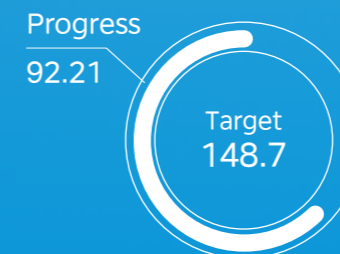


## Midea Group 2030 Sustainable Development Goals and Process:

Number of training courses on "M-Learning" platform



Cumulative amount of "Employee Support Fund" (million)



Lost Time Incident Rate



Cumulative number of employees involved in the Midea Series of Public Welfare Activities Program



# Empowering Employee Development

Midea Group has deeply integrated the “people-oriented” into the core of its strategy, focusing on empowering talent and building a fair and open platform for career development. Through a comprehensive, full-cycle mechanism that includes targeted recruitment, systematic training, and diverse incentives, we provide continuous support for employee growth. We adhere to the principle of prioritizing employees’ well-being, encourage open communication, and value employees’ feedback. By strengthening the Group’s occupational health and safety system, we strive to achieve mutual growth and shared success between the Group and its employees.



• Forbes "2025 World's Top Companies for Women"



• Forbes "2025 World's Best Employers"



• LinkedIn "2025 Global Learning Organization Pioneer"



• NEWCODER "2025 N FUTURE Awards Most Favored Campus Recruiter for Tech Talent"



• Liepin "Extraordinary Employers of 2025"



• LinkedIn "2025 Global Talent Magnet Employer"



# Employee Training and Development

Midea Group strengthens its talent foundation through employee recruitment and talent reviews, enhances overall competence through systematic employee training, and fosters intrinsic motivation through scientific performance evaluation, promotion, and compensation incentives. By comprehensively building a talent development system, the Group provides a solid talent foundation to support its high-quality and sustainable development.

## Recruitment and Review

Building a strong talent team is a key pillar of Midea Group's sustained business growth. In the recruitment process, we have established relevant policies, such as the *Management Measures for Recruitment and Assignment of Midea Group*, to standardize employee recruitment procedures and continuously optimize the Group's talent structure. We have established a recruitment system comprising campus recruitment, external recruitment, and internal recruitment, leveraging a diverse recruitment network to reach a wide range of talent. We have also formulated a series of recruitment guidelines to continuously enhance the diversity of the Group's teams and their global adaptability by intensifying efforts to attract international talent and actively recruiting local talent in emerging markets.

Meanwhile, we advance the Group's recruitment efforts based on the Group's talent needs and a clear internal job structure. In accordance with the *Job Grade System Management Measures of Midea Group*, we have defined talent management processes, internal job classifications, and competency requirements.

### Social Recruitment

- To attract outstanding talent from across society, we not only collaborate with major recruitment platforms and top headhunting firms, but have also established dedicated recruitment sites for high-level talent in overseas regions such as the United States and Japan, ensuring the Group's talent pool to be diverse and with global perspective.

### Internal Recruitment

- We have opened the Group's internal talent market to employees, providing them with a dedicated section on the "Midea Talent Pool", an internal recruitment platform. This supports employees in moving between roles based on their work capabilities and career development, thereby broadening their career paths.

### Campus Recruitment

- We have established the "Midea Youth" internship program for college students, in which we offer high-quality internship opportunities through project-based experiences to students from over 100 partner universities, helping students develop professional skills early on, broaden their career horizons, and clarify their career development plans.
- We attract outstanding fresh graduates to join Midea Group through various initiatives, including global roadshows, university-industry joint training programs, and creative competitions. We offer positions across 8 major categories: R&D Technology, IT, Domestic Sale & Marketing, Oversea Sale & Marketing, Manufacturing Technology, Management, Supply Chain & Logistics, and Finance. Additionally, we continue to implement the "Midea Star" training program, providing customized development plans for new graduates to support their comprehensive growth.



• "Midea Youth" internship program

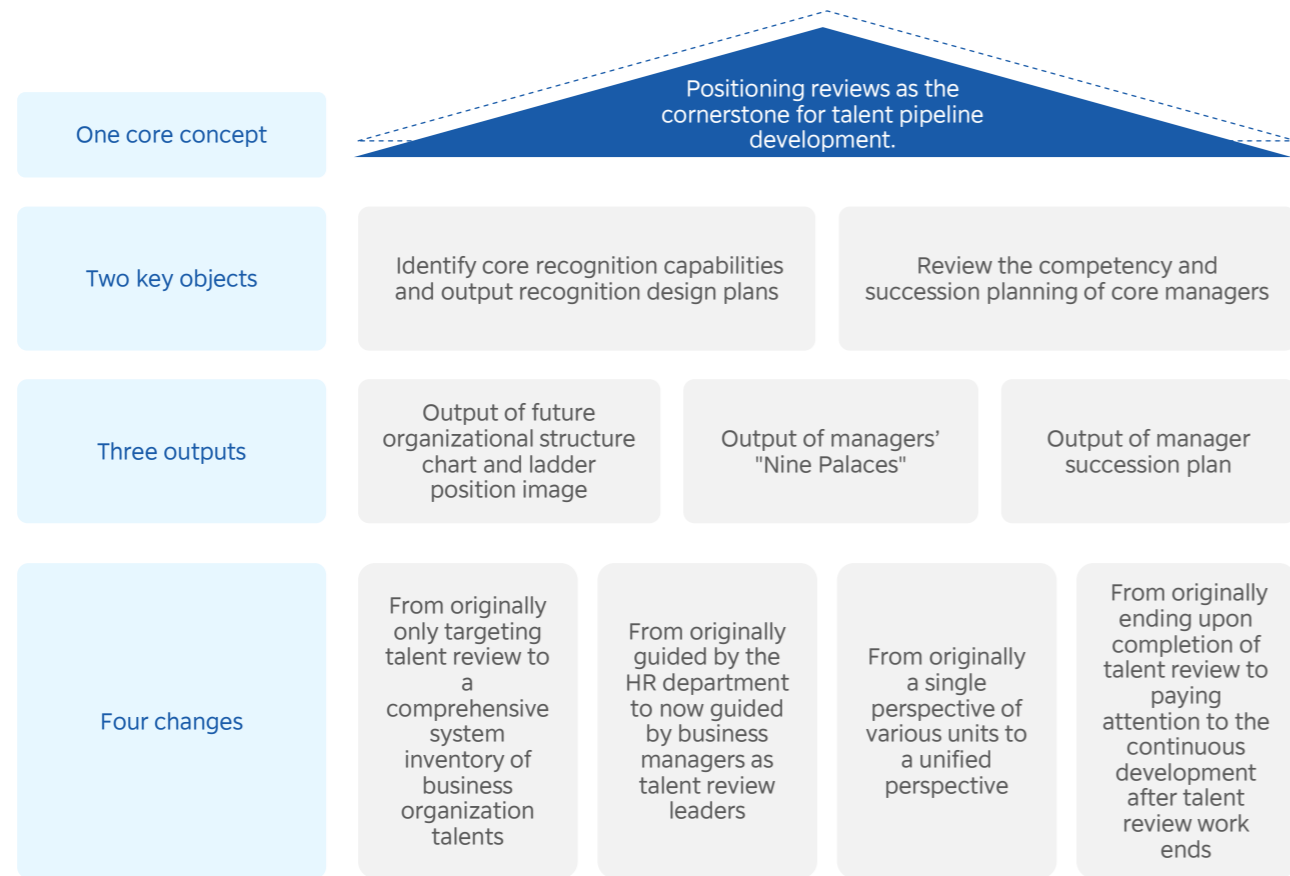


• Recruitment Roadshow in Tsinghua University and Peking University



• Ph.D. Campus Recruitment - Ph.D. Roundtable

Regarding talent reviews, we have established a talent review system based on the core of "positioning reviews as the cornerstone for talent pipeline development." Correspondingly, we clarified 2 key objects, created 3 outputs and executed 4 changes, to ensure the alignment between talent reviews and Midea Group's strategic goals.



Talent Review System

Based on the talent review system, we systematically conduct organization and talent reviews to identify key positions and talent needs that are useful to guide the development of talent pipelines. From March to May each year, we conduct a comprehensive bottom-up and tier-by-tier review of the Group's organizational structure and talent based on the business strategy and needs. We also conduct 3 key organizational and talent review sessions to assess the status of the Group's talent pipeline.

We also utilize digital tools to dynamically track the progress of talent pipeline development and employee turnover. Through internal interviews, we identify the causes of turnover that provide data-driven insights for optimizing management strategies. We standardize the resignation management process to effectively mitigate potential risks such as business disruption and the loss of core intelligence. And we regularly review and refine the Group's retention measures. At the same time, we have introduced the idea of "comprehensive rewards" and established a culture of motivation centered on "unlimited opportunities for all and mutual growth between the Group and its employees" in addition to providing employees with market-competitive short-term cash incentives and long-term incentives. Through recognition in diverse forms such as career development and work achievements, we continuously enhance workplace attraction and a sense of belonging for the employees, strengthen organizational cohesion, and steadily reduce the overall employee turnover rate.

## Development and Support

Midea Group places great importance on the growth and development of every employee. We have established a comprehensive training system that covers all employees, ensuring that everyone—from new hires to senior managers—has access to a diverse range of training programs tailored to their job requirements and designed to enhance their skills.



Employee Training System

As a key component of the Group's employee training system, we are continuously updating the "M-Learning" online platform to enable all employees to engage in self-directed learning anytime, anywhere, thereby supporting their professional development.

**During the Reporting Period, the "M-Learning" online platform was updated as follows:**



- Enhanced the overseas version of the "M-learning" online platform to provide overseas employees with richer and more timely course content
- Added content related to Midea Group's business strategies and key themes to convey the Group's long-term development strategies and core values
- Added a special section titled "One Country, Two Systems" to share insights on overseas market operations and local cultural customs
- Launched an AI-themed section offering courses on AI basics and specialized AI skills

Through the "M-Learning" online platform, we have:

- compiled a total of **77,557** courses
- certified **1,773** internal instructors, bringing the cumulative total of certified internal instructors to **10,228**
- reached **1,661,174** person-times in learning

Through the Group's online and in-person training programs: we have accumulated:

- **2,229,104** hours of training duration
- RMB **166.3613** million of training cost

Within the Group's employee training framework, we offer a variety of skills and knowledge development training to all employees (including full-time employees, part-time employees and contractors). In addition to in-person courses, we offer comprehensive succession planning and development programs available on the Group's "M-Learning" online platform, enabling employees at multiple levels to select learning materials based on their own needs in career development and skill enhancement. This approach systematically hones leadership abilities and refines professional skills, providing dual momentum for both individual career growth and the Group's sustainable development. Furthermore, for employees transitioning into managerial roles, we offer specialized restructuring programs designed to help them quickly adapt to their new responsibilities and ensure a smooth transition and handover.

**Case Skills Development Training—AIGC Digital Training**



With the rapid advancement of AI technology, the flexible application of AI in the workplace has become a key focus for employees seeking to improve work quality and efficiency. To this end, we launched the AIGC Digital Training course on the "M-Learning" online platform, covering topics such as AI fundamentals and the application of AI products and tools. We also introduced a three-tier certification system for AI agent talent to assess trainees' mastery of course material, so as to encourage employees to deeply integrate digital capabilities with business practices and achieve both personal skill enhancement and work efficiency empowerment. During the Reporting Period, 22, 2,367, and 8,277 employees obtained Level 1, Level 2, and Level 3 certifications, respectively, resulting in a significant improvement in employees' AI application capabilities.

**Case Leadership Training - "Voyager" Program**



We organize a one-year project-based learning program centered on the theme of "Business Acumen and Global Perspective," offering participants training in strategic planning, corporate management, financial analysis, risk management, and other areas. Through a variety of activities, including lectures, case studies, simulations, and workshops, we provide participants with over 20 training courses to enhance their capabilities across five key dimensions: business acumen, teamwork, personal development, professional competence, and experience. Additionally, we incorporated an overseas study module to broaden participants' understanding of overseas R&D, manufacturing, and marketing operations. Upon completion of the program, participants gave the course an average satisfaction rating of 9.06 out of 10, and 30% of participants received promotions after this program due to their enhanced professional capabilities.



• Leadership Training - "Voyager" Program

In addition, we have further revised the *Continuing Education Management Policy* of Midea Group to support employees in pursuing continuing education and advanced studies. We have carefully selected high-quality institutions worldwide, with a focus on part-time graduate programs (including professional master's, professional doctoral, MBA, and EMBA degrees), and offer short-term specialized training programs (EDP programs) from top global business schools, as well as various professional certification exams (including the newly added Corporate Human Resources Management Professional certification). Employees are eligible for tuition support for part-time graduate programs and reimbursement for professional certification exam fees, with the aim of fostering their diverse development in academic qualifications, professional competencies, and business acumen. At the same time, we have launched a mobile expense application process, significantly improving overall efficiency from application to approval and providing more convenient support for employee learning and development. During the Reporting Period, the Group's investment in employee continuing education exceeded RMB 8.665 million.


With the world developing rapidly, how to effectively cultivate employees' capacity for continuous learning, continuously refine employee development systems, and establish effective training programs remains a core challenge for enterprises. In response, we have established a diversified employee development system. On one hand, we leverage AI technology to enhance the practicality and accessibility of training courses. On the other hand, we focus on increasing the proportion of experience consolidation and sharing within the Group, while expanding learning content that involves case studies addressing challenges in business and management practices. By continuously improving the relevance and effectiveness of talent development, we ensure that talent growth remains aligned with the Group's strategic direction and the evolving demands of the times.

## Motivation and Development


Midea Group has established a scientific, standardized, open and transparent performance management system, position management and promotion system. We deeply integrate performance into the remuneration incentive mechanism to make the growth of personal value of employees closely aligned with the strategic development of the Group.

We have developed and implemented the Midea Group's Performance Management Measures. Through the PDCA performance management process, we systematically monitor the achievement of performance objectives and evaluate the performance of all employees from multiple perspectives. These evaluations serve as a reference for determining employee promotions and compensation.


### Performance Management Process




- Utilize a variety of goal management tools for setting objectives, including Key Performance Indicators (KPIs), Objectives and Key Results (OKRs), and adopt differentiated goal-setting tools for employees of different levels and functions. Employee performance target will be established at the beginning of the year.



- Encourage regular communication between supervisors and subordinates and track the achievement of subordinates' goals on a regular basis, providing timely coaching and support.
- Conduct semi-annual performance evaluations in June and December of each year. Hold growth dialogues with employees, covering work outcomes, career development, capability enhancement suggestions and so on, and summarize the content of these dialogues with the assistance of AI to facilitate better employee development.



- Conduct regular performance evaluations based on multiple dimensions such as annual performance achievement and capability by following the principles of objectivity and fairness.
- Include performance feedback and an appeal mechanism in the performance evaluation process, which incorporates evaluations of an employee's work from their supervisors, colleagues, subordinates, and clients to achieve a 360-degree performance evaluation. Employees may file an appeal if they have problems about their performance results.



- Apply performance results to various aspects such as employee performance incentives, promotion and talent cultivation. At the same time, we provide employees with suggestions based on employee performance assessment outcomes and hold a one-on-one growth dialogue to foster deeper communication between employees and management, encouraging employees to share their personal development plans.

We have established a comprehensive position system covering all professional disciplines across core business areas and functional modules, to provide a precisely tailored career development platform for talent with diverse professional competencies. Based on this system, we have established promotion and development mechanisms tailored to employees in various professional fields. We conduct comprehensive evaluations of employees' performance and capabilities by integrating performance evaluation results and daily work performance. Combined with their development aspirations expressed during growth dialogues, we help to pave clear and attainable career advancement paths for every employee.

Regarding employee compensation, we follow Remuneration Management Measures of Midea Group to provide compensation for all employees based on position and professional ability. It is clarified that compensation for all employees (including factory and non-office staff) consists of a "fixed salary + variable pay" structure, with the variable pay component primarily determined by the results of employee performance evaluations. We have also established additional innovative incentive mechanisms, such as project bonuses and salary subsidies, for the Group's management, operations and technical business segments to ensure that employee compensation remains competitive within the industry. Furthermore, to provide long-term incentives for key employees, we have implemented a series of long-term incentive plans since 2014, including Restricted Shares Scheme, Core Personnel Stock Ownership Scheme, Option Incentive Scheme and Partner Stock Ownership Scheme, thereby closely aligning employee interests with the Company's long-term development goals.

We conduct regular compensation assessments to statistically analyze key metrics, such as the average and median pay for male and female employees at all levels, to gain a precise understanding of pay disparities. Based on this analysis, we optimized the Group's internal promotion mechanisms through measures such as incorporating the proportion of female managers into key performance indicators. Additionally, we have established a policy for the clawback of incentives. If an employee engages in conduct that crosses a red line, the Group reserves the right to require the employee to return any stock-based equity interests received under the relevant equity incentive plan. Regarding variable compensation, we strictly enforce the Accountability Management Measure of Midea Group to impose appropriate disciplinary actions on the employee, including public censure, reassignment, dismissal, or termination.

In addition, we have clarified the overtime approval process, requiring employees to perform corresponding application review procedures for overtime work, so as to eliminate inefficient overtime work without substantive work content. And we have established a clear overtime leave adjustment and settlement mechanism to encourage employees to adjust their leave independently or by the Company. For overtime work that has not been adjusted in the current period, employees can choose to defer compensation leave or settle overtime remuneration independently. At the same time, we established a regular overtime verification mechanism, regularly summarized and analyzed the overtime situation of various departments, conducted compliance review of salary payment, and unblocked employee feedback channels to protect employees' right to lodge complaints about overtime pay-related objections, and ensure that overtime management is standardized and orderly, and employees' remuneration rights and interests are in place.

# Employee Rights and Diversity

Equality, diversity, and inclusion form the core of Midea Group’s corporate culture. We prioritize safeguarding the Group’s employees’ equal rights in employment opportunities, career development, and compensation and benefits; we respect their diverse backgrounds and unique contributions; and we continuously refine the Group’s benefits system to meet their needs, ensuring that every employee feels treated fairly, valued, and cared for.

## Equal Rights

Midea Group strictly complies with the employment-related laws and regulations of the countries and regions where it operates, and has established a comprehensive employment system, incorporating compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity and non-discrimination. We uphold a zero-tolerance policy against discrimination based on nationality, regions, race, gender, age, and other factors, expressly oppose any harassment acts, including sexual harassment. Any violations will be dealt with strictly as soon as they are discovered. To strengthen employees’ awareness of equal rights, we conducted seven online anti-discrimination training sessions for all employees during the Reporting Period, with an average satisfaction score of 4.2 out of 5. Moving forward, we will continue to refine the content and format of these sessions based on feedback.

We have publicly released the Human Rights Statement. By comprehensively identifying and assessing the potential impacts and risks associated with key human rights issues—such as forced labor, human trafficking, and child labor—across all the Group’s self-operated businesses, suppliers, and joint ventures, we aim to prevent human rights violations and foster a work environment centered on respect for human rights and the promotion of equality and harmony. During the Reporting Period, we conducted human rights compliance reviews of Midea Group and its subsidiaries and found no instances of human rights violations.

At the same time, we established a labor union in accordance with relevant legal requirements to protect employees’ rights and interests, and to serve as a channel of communication between management and employees. During the Reporting Period, we strictly complied with the laws and regulations of the countries and regions where we operate, ensuring that union-related rights fully covered all employees, achieving 100% employee coverage. Through the labor union, we maintained regular communication with employees regarding working conditions and rights, fostering good labor-management relations; no major labor disputes occurred during the year.

## Diversity and Inclusion

We are committed to creating a diverse and inclusive workplace environment, respecting different cultural customs, valuing cross-cultural communication, and promoting the principles of diversity and inclusion through a variety of activities.

Gender diversity is a key driver of inclusive development in the manufacturing sector. In 2024, Midea Group officially signed the UN Women *Women’s Empowerment Principles* (WEPs), committing at the strategic level to creating an inclusive and equitable workplace for all employees. Through the organization of relevant activities, the Group continues to champion the rights of female employees and highlight the value of women.

### Case A Series of Themed Women's Day Events



In March 2025, we officially launched the Group’s annual “Midea Women’s Month” activity. Centered on the theme “Blooming Through Storms” and guided by the principles of “diversity and immersive experiences”, we organized a series of innovative Women’s Day events, including craft workshops, themed salons, night runs, and book clubs. We invited female employees from both home and abroad to participate in these immersive activities, encouraging every woman to confidently shine in both her professional and personal life.



• Women's Day Events

Case Women's Day Themed Promotion of Female Figures

To ensure that the contributions of more female employees are recognized, we have delved into the inspiring stories of about 40 women across various roles and professional fields, sharing them through a multi-channel approach. The content highlights their dedicated research in laboratories, keen insights on the front lines of marketing, strategic leadership in management positions, and compassionate contributions to charitable causes, thereby creating a multidimensional, panoramic portrait of the women of Midea.



• Women Figure Posters

We have launched a special report titled "Outstanding Female Employees," spotlighting female employees who drive business growth through their exceptional professional expertise and leadership. This report highlights their professional achievements and personal contributions in cross-cultural settings, demonstrating Group's commitment to diversity, equality, and empowering women's development.



• MIB Outstanding Female Employees Recognition



Midea Group operates globally, with teams composed of members from diverse nationalities, ethnicities, and linguistic backgrounds. To foster cross-cultural understanding and harmonious teamwork, we are continuously advancing the development of a culture of diversity and inclusion, regularly conducting "One Country, Two Systems" thematic learning programs. We incorporate cross-cultural workshops into the Group's leadership development programs; and on the M-learning platform, which is available to all employees, we offer online courses centered on Diversity, Equity, and Inclusion (DEI), covering topics such as recruitment, collaboration and AI to support global employees in learning anytime, anywhere. Through these initiatives, we actively promote the concept of workforce diversity, foster strong collaborative relationships among employees from different cultural backgrounds, and provide robust support for the efficient coordination of the Group's global operations.

Case "Global Impact" Series Publications

To broaden employees' global perspectives and deepen internal cross-cultural integration, Midea Refrigerator Division launched the "Global Impact" series in April 2025. The series systematically showcases the unique regional cultures of countries and regions such as Egypt, Indonesia and Brazil, while simultaneously providing updates on overseas market trends. This initiative helps employees deepen their understanding of multiculturalism and gain insights into overseas market operations, thereby enhancing their cross-cultural communication and collaboration skills.



• "Global Impact" Series Posters



Case

Series of Exchange Activities on Workplace Cross-Culture and Cultural Globalization



To enhance managers' understanding of work mindsets and approaches across different cultures when working in multinational teams or on international projects, we organized a "Cross-Cultural Workshop" and overseas study tours for a total of 132 core personnel from 24 departments. These initiatives aim to encourage managers to practice the principles of equal respect and collaboration toward diverse cultures within multicultural markets and work environments.



• Group Photo from the Overseas Study Tour

To deepen global R&D and manufacturing collaboration and promote technological innovation and knowledge sharing, the R&D and manufacturing teams from MBT Climate in Europe, under Midea Group's Building Technology Division, visited the China headquarters for a four-day exchange program. Through on-site visits and in-depth discussions, the team focused on understanding the Group's core practices in R&D innovation, lean manufacturing, and supply chain system development, achieving mutual learning and a deep consensus among the multinational teams.



• Cultural Globalization-MBT Climate European Team Exchange Event

Benefits and Care

We value the Group's employees' well-being and provide comprehensive benefit programs and diverse welfare activities to support a harmonious work-life balance.

We have established a "comprehensive rewards" system comprising four key areas: "Compensation and Incentives" "Growth and Development" "Physical and Mental Well-being" and "Workplace Experience and Lifestyle." We have strengthened the implementation of employee benefits by establishing policies such as the *Welfare Management Measures of Midea Group* and other policies. In addition to basic "five insurances and one housing fund" benefits, housing provident fund benefits and commercial insurance for employees and some of their family members, we explicitly provide all employees across the Group's global operations with statutory paid leave, including annual leave, parental leave, caregiver leave, maternity leave, prenatal checkup leaves, paternity leave and breastfeeding leave.

Days of Basic Maternity Leave, Paternity Leave, and Parental Leave Available to Employees (partial examples- actual duration subject to specific circumstances)

- Chinese Mainland: 98 days of maternity leave, 7-30 days of paternity leave (subject to policies in each province and municipality); each employee is entitled to 5-12 days of parental leave
- Hong Kong/Macao, China: 98 days/70 days of maternity leave, 5 days/5 days of paternity leave

Implementation of parental leave during the Reporting Period

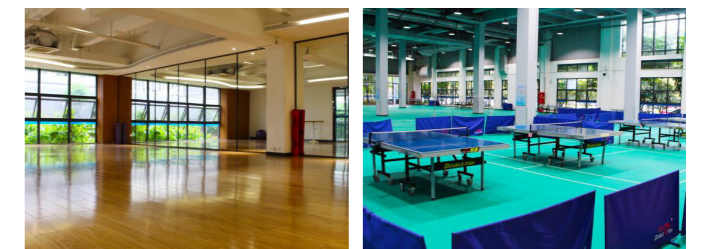


Number of employees taking parental leave **8,992** ;  
Total days of parental leave taken **53,870** .

We also provide employees with nursing rooms, priority parking spaces, a gym, a swimming pool, badminton courts and other facilities. Through the Group's employee associations, we actively organize various employee activities to enrich their leisure time. In particular, the dedicated nursing room is designed to international standards and equipped with professional facilities such as bottle sterilizers, temperature-controlled drinking water systems, nursing sofas and smart cribs. It also features a smart access control system, providing users with a comfortable, convenient, and private space. During the Reporting Period, user satisfaction with the nursing room reached 100%.



• Nursing Rooms



• Dance Studio and Table Tennis Hall

Case Employee Sports Season



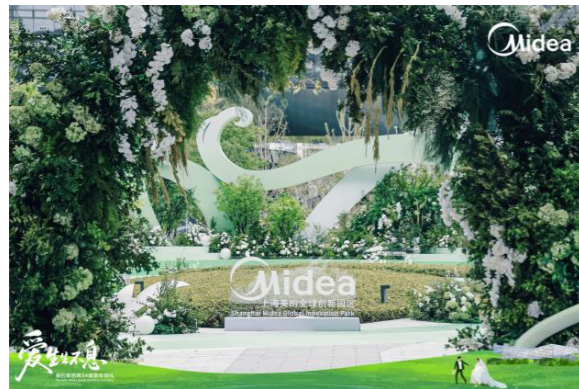
• The Basketball Game in Midea

In the fourth quarter of 2025, the four major employee associations (soccer, basketball, badminton and table tennis) jointly organized a comprehensive employee sports event themed “2025 Midea Employee Sports Season”. The event invited all employees to actively participate in sports, which encouraged a healthy lifestyle, and effectively strengthened team cohesion.

Case “Love Never Falls” Group Weddings



On October 19, 2025, Midea Group held its 34th group wedding under the theme “Love Never Falls”, with “vast forests and resilient trees” as its symbolic backdrop. A total of 30 couples walked down the aisle into marriage surrounded by the blessings of family, friends and colleagues.



• The Wedding Venue



Case “Take Your Child to Work Day” Event



During the Reporting Period, Midea Group’s U.S. R&D Center hosted a heartwarming family event titled “Take Your Child to Work Day.” By inviting employees’ children to visit their parents’ workplaces and participate in interactive activities such as creative crafts, the event helped build a bridge of emotional connection between work and family, conveying Midea Group’s care for its employees’ families.



• Event Venue

Employee Support Fund



In 2007, Midea Group established the “Employee Support Fund” to provide financial support for medical expenses related to serious illnesses and accidents for employees and their immediate family members in need. During the Reporting Period, Midea Group’s “Employee Assistance Fund” helped **134** employees, disbursing a total of RMB **11.262** million.

Guided by the Group's philosophy of “Health Midea,” we provide employees with a professional medical team and comprehensive health management services to fully safeguard their physical and mental well-being:



- Establish five medical clinics staffed by over 20 professional medical personnel, offering diagnostic and treatment services in internal medicine, surgery, radiology, and other specialties
- Provide full medical support for all employee activities and are equipped to respond promptly to medical emergencies
- Conduct annual pre-boarding physical examinations for all new employees
- Offer personalized health guidance and mental health counseling services and have launched a 24-hour toll-free mental health hotline (Domestic: 400-018-1209; Overseas: 0571-26205075). By 2025, the mental health hotline had provided a cumulative total of 366 hours of service, reaching 521 individuals.
- Establish health records for employees with chronic conditions, conduct regular follow-ups, and provide lifestyle recommendations.

In addition, we allow overseas employees to arrange their work schedules flexibly, including flexible working hours and remote work options, and provide part-time work opportunities to enhance their autonomy.

In terms of employee communication, we actively promote dialogue both within and outside the workplace, support the free flow of information, and respect diverse perspectives. We provide employees with the following communication channels:

- Chairman’s Direct Line: for employees to have direct communication with senior management.
- Micro Suggestion Platform: for employees to feedback on organizational development, administrative logistics and other work-related issues, with continuous follow-up to address suggestions.
- Midea Talks: for employees to share their views and opinions anonymously, allowing them to express their true feelings. Platform administrators and the HR department will collect employee feedback through the platform, actively address and resolve related issues, establishing a positive, closed-loop feedback mechanism.

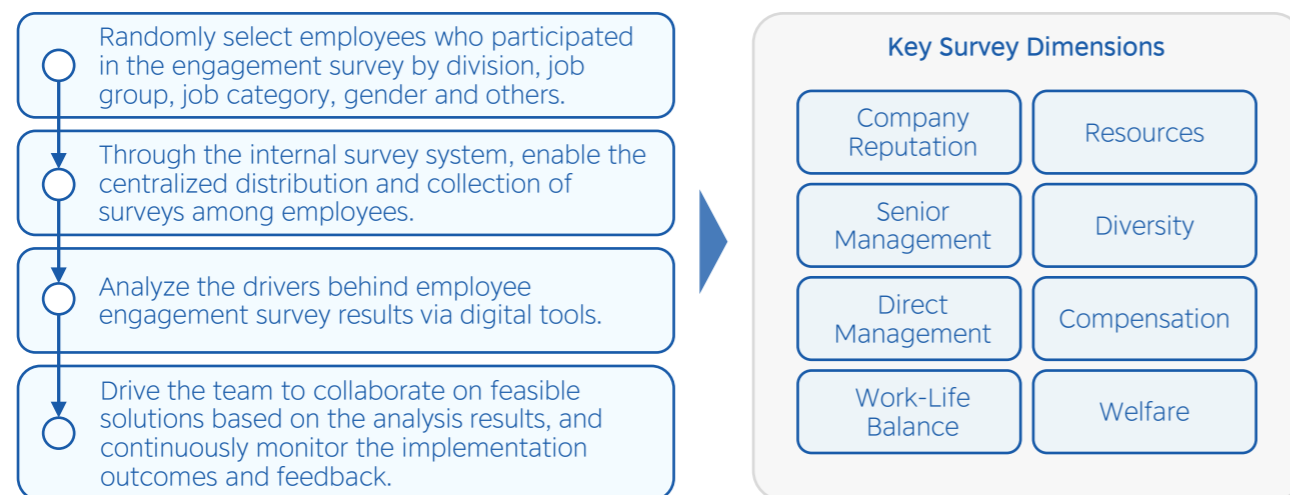
- Dedicated reporting and complaint channels: for employees to report non-compliance incidents in the workplace via email or telephone, with strict measures to protect the identity of whistleblowers and prevent them from retaliation.
- Midea News: As an important bridge connecting Midea Group and its employees, Midea News which has been in publication for 34 years, not only serves as a platform for employees to voice their opinions and showcase their talents, but also provides them with insights into the Group's strategic directions and the latest business updates. As of the end of the Reporting Period, Midea News has published its 511<sup>th</sup> issue.



• The 511<sup>th</sup> Issue of Midea News

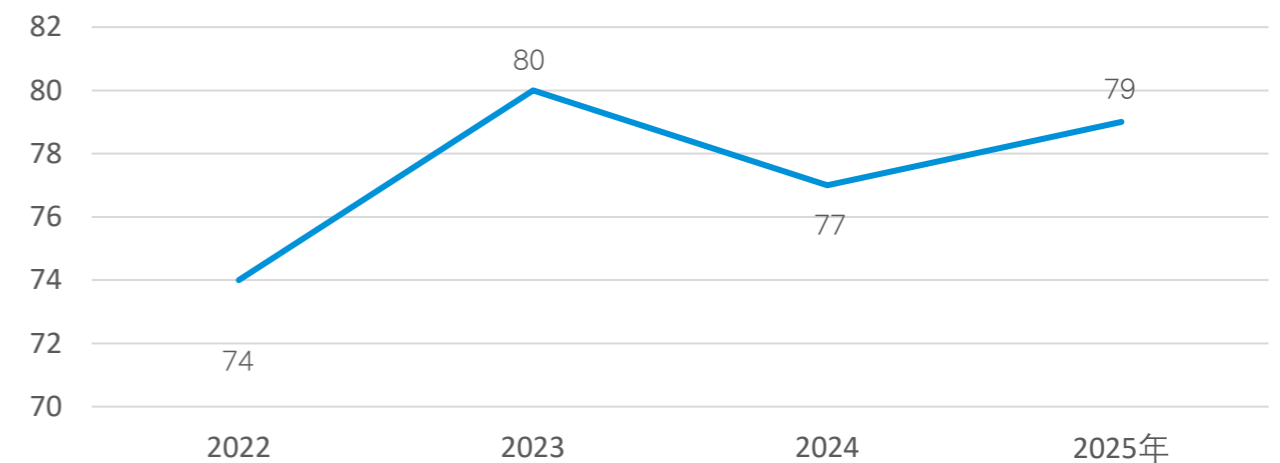
We annually conduct a employee engagement survey. By systematically analyzing the results and implementing targeted improvement measures, we foster a sense of ownership among employees and build team consensus.

### Employee Engagement Survey Procedure



During the Reporting Period, we developed and implemented a series of targeted improvements based on the results of the Group's employee engagement survey. By continuously reducing organizational layers and streamlining business processes, we further enhanced organizational agility and employee productivity. In addition, guided by the principle of mutual alignment between employees and positions, we upgraded the Group's talent pool. This has effectively mitigated information asymmetry, broadened employees' career development pathways, further energized the organization, and continuously enhanced employees' sense of involvement, belonging and engagement.

Band-Level Employee Engagement Survey Scores (out of 100)



## Employee Health and Safety

Employee health and safety are the foundation of the Group's survival and growth. We integrate a safety-first philosophy into every aspect of the Group's operations, identify and mitigate potential risks, and are fully committed to safeguarding the physical and mental well-being and safety of every employee.

### Safety Management System

Midea Group strictly complies with laws, regulations, standards, and codes of conduct related to occupational health and safety in the countries and regions where it operates, including the *Work Safety Law of the People's Republic of China* on and *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. With the core objective of building a global EHS operational excellence system characterized by zero accidents, controllable risks, and full employee participation, the Group has established a scientific and comprehensive occupational health and safety management system. We have established occupational health and safety management organizations and work safety committees at Midea Group headquarters, across all business divisions, and at subsidiary manufacturing sites to coordinate and advance occupational health and safety management. At the factory level, in accordance with the requirements of the *Work Safety Law* regarding a work safety responsibility system for all employees, we have implemented a comprehensive, all-encompassing grid-based work safety management model to continuously foster a safe and healthy work environment.

To ensure the comprehensive implementation of safety management requirements, during the Reporting Period, Midea Group's business divisions and their subordinate units revised and improved their division-level EHS management manuals and procedural documents in accordance with the manual of EHS management. They also established EHS system maturity standards to ensure that safety management systems at the division and factory levels are fully aligned with Group requirements, thereby achieving steady improvements across four key dimensions: safety management system development, safety culture promotion, control of critical on-site processes and targeted improvements. By the end of the Reporting Period, all factories under Midea Group had obtained ISO 45001 certification, achieving 100% coverage.

### Occupational Health and Safety Management

Ensuring employee occupational health and workplace safety is one of Midea Group's core priorities. We have established "zero occupational diseases" and "zero safety accidents," as performance targets for the Group's safety accountability system, with "a 20% year-over-year improvement in the lost workday rate" and "a 20% year-over-year reduction in potential serious injury and fatality (SIF) incidents by 2025" as control targets, supplemented by completion rates for selected occupational health and safety improvement projects as driving indicators. To this end, we have established a comprehensive risk assessment procedure and implementation plan. We systematically identify and evaluate major and potential risks, adhering to the principle of "prioritizing the resolution of major and urgent risks while progressively addressing all risks across the board". We develop and implement targeted risk mitigation and elimination measures to minimize the negative impact of risks.

We regularly commission third-party professional organizations to conduct comprehensive assessments of occupational hazard risk factors within the Group's factories each year to verify the reliability and credibility of the Group's occupational health management system. Based on the assessment results, we implement measures such as improving production processes to prevent potential risks and address or existing points, thereby reducing or even eliminating occupational diseases and other work-related injuries caused by toxic and hazardous factors, and protecting the health of the Group's employees. In addition, we conduct internal audits of the occupational health and safety management systems at Midea Group's subsidiaries to ensure that the Group's safety production management system is thoroughly integrated into all business units and local operations.

To further enhance the Group's ability to manage occupational health and safety risks, we have developed multi-level emergency response plans for major risk scenarios, clearly defining specific measures to address various risks, and conducting regular drills. Upon discovering any incidents related to workplace injuries, health issues, illnesses, or workplace safety, we will immediately activate the emergency response procedures to address the situation promptly, prevent the escalation of negative impacts, take measures to properly support employees, and conduct investigations and analyses of the incident to implement appropriate corrective actions. We have also purchased workplace safety liability insurance for the Group's employees to enhance their safety protection. During the Reporting Period, we did not experience any workplace safety accidents, and the Group's lost workday rate was 0.04.

### Foster a Safety Culture

We have established a comprehensive occupational health and safety training system centered on "cultivating professional talent, precisely matching personnel to their roles, and enhancing EHS leadership among management". We develop customized safety operating procedures for each position and focus on building EHS expertise for key roles by designing diverse training programs tailored to management at all levels and employees. With the Group's factory's EHS training center, we regularly conduct specialized EHS training and drills. We regularly host a series of activities during the annual Work Safety Month. Through diverse approaches such as group-wide awareness campaigns, specialized training, and emergency drills, we continuously strengthen employees' work safety awareness and risk prevention capabilities. During the Reporting Period, we conducted a total of 61 first aid training sessions about CPR and AED use and so on.

#### Case First Aid Competition



On April 24, 2025, Midea Group's HR Department, in collaboration with the EHS system, organized an employee first aid skills competition, with ten first aid teams from various units participating. The competition features a theoretical knowledge assessment, practical exercises in CPR and AED use, and simulated responses to four major scenarios (falls from heights, machinery-related injuries, confined spaces, and forklift accidents). A judging panel composed of professional doctors and EHS engineers provided expert evaluations throughout the event. Guided by the principle of "promoting training through competition", the event effectively enhanced employees' emergency first aid skills and their ability to handle unexpected incidents.



• First Aid Competition

#### Case EHS Training Camp



During the Reporting Period, we organized the first Overseas EHS Training Camp, focusing on key topics such as core EHS risk assessment and prevention, and safety culture concepts. We provided specialized EHS courses to participants from Thailand, Vietnam, Indonesia, India, Egypt and Brazil. Through diverse learning methods, including professional theoretical lectures and discussions on outstanding domestic case studies, we systematically cultivated the participants' EHS mindset and comprehensively enhanced their professional EHS management capabilities. A total of 32 training hours were completed in this training camp.



• Overseas EHS Training Camp

## Fostering a Harmonious Society

Midea Group has consistently embedded social responsibility at the core of its corporate development strategy. Focusing on key areas of public welfare including rural revitalization, educational empowerment, social philanthropy and healthcare, the Group demonstrates its commitment and unwavering conviction to promoting harmonious social development through systematic and sustainable initiatives.

### Rural Revitalization

Guided by rural revitalization strategy, we inject new vitality into rural areas through innovative collaboration and resource, realizing sustainable development and achieving common prosperity.

We have planned and are about to implement a series of support projects. Through healthcare assistance, educational support, industrial development and others, we aim to contribute to the “Hundred-Thousand-Million Project” and the paired-assistance efforts for rural revitalization. During the Reporting Period, we invested a total of over RMB 3 million to implement multiple targeted assistance projects focused on three key areas: public environment improvement, infrastructure upgrades and the cultivation of distinctive industries. We prioritized supporting the Group's paired village, Baiqiao Village in Gaozhou City, to achieve high-quality development. Notably, the 400 solar streetlights we donated now fully illuminate the main roads in the village entrances and community centers, effectively addressing the long-standing issue of inadequate lighting for nighttime travel.



• Illuminates Donation Event

Midea Group actively responded to the national call on nationwide assistance to Tibet. During the Reporting Period, the Group allocated RMB 500,000 in aid funds to Motuo County in Tibet, which is the last county in the country to gain road access, specifically to support local culture and tourism development, education, public security, rural revitalization, agriculture, healthcare, civil affairs and assistance for veterans. This initiative aims to help improve local public service infrastructure and tangibly enhance the standard of living in Motuo County.

### Educational Support

We steadfastly implement the "talent first, education first" plan, believing that education is a vital and powerful force in shaping the future. By leveraging the Group's resources, we are committed to providing exceptional educational opportunities to meet the community's growing demand for educational advancement. During the Reporting Period, we implemented a series of educational support initiatives, such as funding flagship school projects, aiming to lay a solid foundation for cultivating high-caliber talent and empowering the region's long-term development through education.

We continue to support the development of education in the Shunde. On December 17, 2025, the Midea High School Affiliated with the Second Affiliated Middle School of East China Normal University (hereinafter referred to as “ECNU No. 2 Midea High School”), jointly established by the Shunde District Party Committee and District Government, Midea Group, and the Second Affiliated Middle School of East China Normal University, officially commenced. To help build a modern and technology-driven provincial model high school, we have established a platform for connecting high-quality resources and set up special funds for teacher and student awards to comprehensively empower the school's development and high-quality growth. By the end of the Reporting Period, Midea Group is expected to donate RMB 140 million to cooperative projects introducing East China Normal University's high-quality educational brand, with RMB 70 million earmarked specifically for the ECNU No. 2 Midea High School.



• Commencement of ECNU No. 2 Midea High School

## Public Welfare

Midea Group is committed to fulfilling its social responsibilities and actively engages in a wide range of philanthropic initiatives. We encourage sports and healthcare philanthropy to promote a culture of healthy exercise and draw public attention to the physical and mental well-being. We also provide financial assistance to students in need of education. Additionally, we collaborate with third-party organizations to launch diverse low-carbon initiatives that aim to motivate public understanding of and actions on carbon reduction and eco-friendly practices, pooling the Group's philanthropic efforts to spread warmth and positive

### Case Donation of HKD 10 million to Support Disaster Relief in Tai Po, Hong Kong

On November 26, 2025, a fire broke out in multiple residential buildings at Wang Fuk Court in Tai Po, Hong Kong, resulting in casualties and property damage. Upon the disaster, Midea Group immediately activated its emergency response mechanism and donated HKD 10 million to support emergency relief, the resettlement of affected residents, and post-disaster reconstruction efforts. Midea Group extends its deepest condolences to the victims of this fire and pays its highest respects to the rescue workers involved.

### Case Participating in the “Manchester City in the Community” Program to Help Address Social Issues

Midea Group has deepened its global partnership with Manchester City Football Club (hereinafter referred to as “Manchester City”) for community development and women empowerment with the power of football. With its established community program resources, we jointly optimized sports facilities and enriched cultural and recreational activities in local communities. At the same time, we engage in the development of women’s soccer by providing girls who love the sport with more opportunities to play soccer and pursue their dreams.



• Midea and Manchester City Launch In-Depth Collaboration

### Case Midea Healthcare Partners with Brazil to Deepen Medical Philanthropy and Forge New Ties Along the Health Silk Road

Capitalizing on the deepening cooperation between China and Brazil in the healthcare sector, Wandong Medical, a subsidiary of Midea Healthcare, and Brazil’s VMI Group have formed a strategic partnership under the witness of both governments. By establishing production facilities and R&D centers, the two companies will adapt medical technologies to local needs, making advanced medical equipment more accessible to the Brazilian public and helping to address the shortage of high-end medical resources in the region.



• Midea Healthcare Helps Boost Local Healthcare Standards

### Case “Breaking Through the Wind, Unlocking Wisdom: Children’s Exploration of Science” – The Fifth “Little Scientists” Family Open House

During the Reporting Period, we organized the 5th “Little Scientists” Family Open House. During the event, we invited employees and their children to the Foshan Science Museum to engage in scientific exploration and hands-on activities. Concurrently, we launched a book donation initiative for underprivileged students in Beijiao Town, Foshan. The event collected approximately 150 children’s books, all of which were donated to the Beijiao Charity Association, taking concrete action to enrich the spiritual and cultural lives of underprivileged children.



• Scene from the Charity Event

**Case Green Power Initiative Series Activities**

In September 2025, Midea Group partnered with Rednote to launch the “Green Power Initiative” series activities under the theme “Move into a Green Home, Panda’s Got a Plan”. Yu Ke and Yu Ai, two pandas sponsored by the Group, served as Midea’s Whole-Home Smart Living Ambassadors to interact with the public and guiding them through the full range of green products. At the same time, we organized a variety of activities, including a public knowledge contest on panda conservation and a “Trash Pickup for Merchandise” event, to promote environmental protection and public welfare concepts.



• Event Poster

**Case Designers’ Best Friends Ecological Forest” Planting Campaign in Fall**

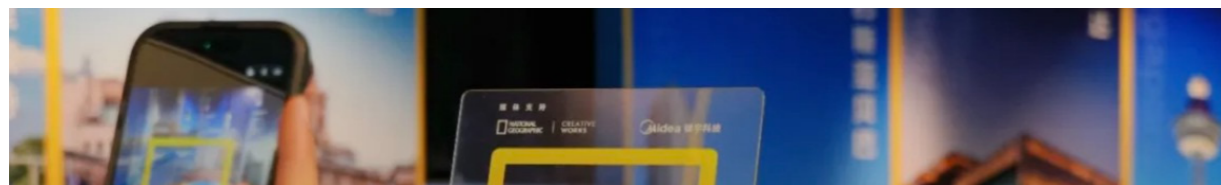
In September 2025, Midea Residential Air Conditioner Division partnered with one million designers to travel to Alashan, Inner Mongolia, where they launched the “Designers’ Best Friends Ecological Forest” fall planting campaign. The initiative involved planting saxaul trees in the desert, putting environmental protection into practice. Through this charitable initiative, we established an ecological conservation platform that brings together enterprises, environmental organizations and professionals, with strong support from the Beijing Entrepreneurs Environmental Protection Foundation (SEE Foundation).



• Group Photo of Designers

**Case “Green Home, Midea on the Scene” Event**

In November 2025, Midea Group’s Building Technology Division hosted a zero-carbon mini-exhibition under the theme “Green Home, Midea on the Scene”. The public is invited to explore images of green buildings from around the world which featured interactive activities such as photo booths with transparent cards and plastic-sealed embossing, making zero-carbon technologies and smart solutions more tangible and accessible.



• On-site Participant Interactions

**Case Toshiba Deepens Its Commitment to the Asia-Pacific Region—Safeguarding a Better Life for Communities Through Action**

Toshiba Vietnam launched the “Typhoon Relief Support Program”, covering multiple communities in north-central Vietnam. Through free inspections and cleaning, repairs for products both in and out of warranty, and additional replacements for severely damaged appliances, the program provides convenient services that offers concrete help for local families to reduce their burden and restore their lives as quickly as possible.



• Donations to Disaster-Stricken Areas

Toshiba Vietnam is bringing warmth to people’s daily lives through the “Toshiba Metro Energy Station”. At major metro stations in Ho Chi Minh City, Toshiba provides 4,215 free breakfasts and beverages to commuters during the morning rush hour.



• Toshiba Metro Energy Station

On November 8–9, Toshiba Vietnam continued to expand its community support efforts through the “Journey of Love” charity project. Volunteers visited underprivileged rural schools in Tra Vinh Province to deliver essential supplies, prepare meals, and organize interactive activities for the children. The support included 400 bags of rice, 400 backpacks, 400 sets of notebooks, 400 water bottles, 400 sausages and 20 scholarships, along with additional community support.

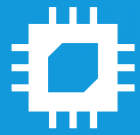


• Underprivileged Rural Schools in Tra Vinh Province

Toshiba’s corporate social responsibility initiatives focus on sustainability and support for vulnerable groups, with a particular emphasis on the needs of the elderly. Toshiba Hong Kong works closely with community partners to carry out residential appliance refurbishment and donation programs.



• Residential Appliance Donation Programs



# Practice Technological Excellence

Technology is a vital force driving progress. We should adhere to original mission of doing good, putting people first, serving society and the environment, in order to create a more sustainable future through responsible innovation.

### Response to issues in the *Guideline* of SZSE:

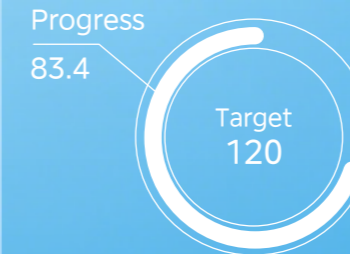
- Innovation
- Product and service safety and quality
- Data security and customer privacy

### SDGs in this Chapter:



## Midea Group 2030 Sustainable Development Goals and Process:

Accumulated R&D investment since 2020 (RMB billion)



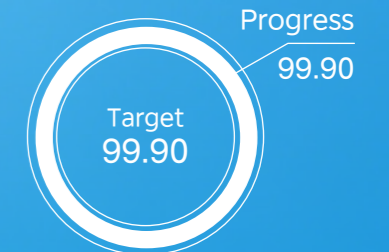
Carbon footprint proportion of major products in use of Smart Home Solutions Business Unit (%)



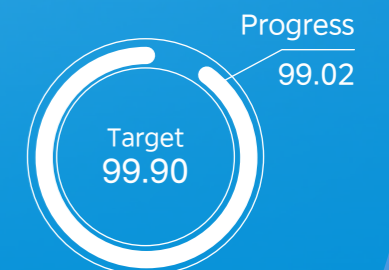
Cumulative number of recycled products (million)



Product satisfaction (%)



Customer satisfaction (%)



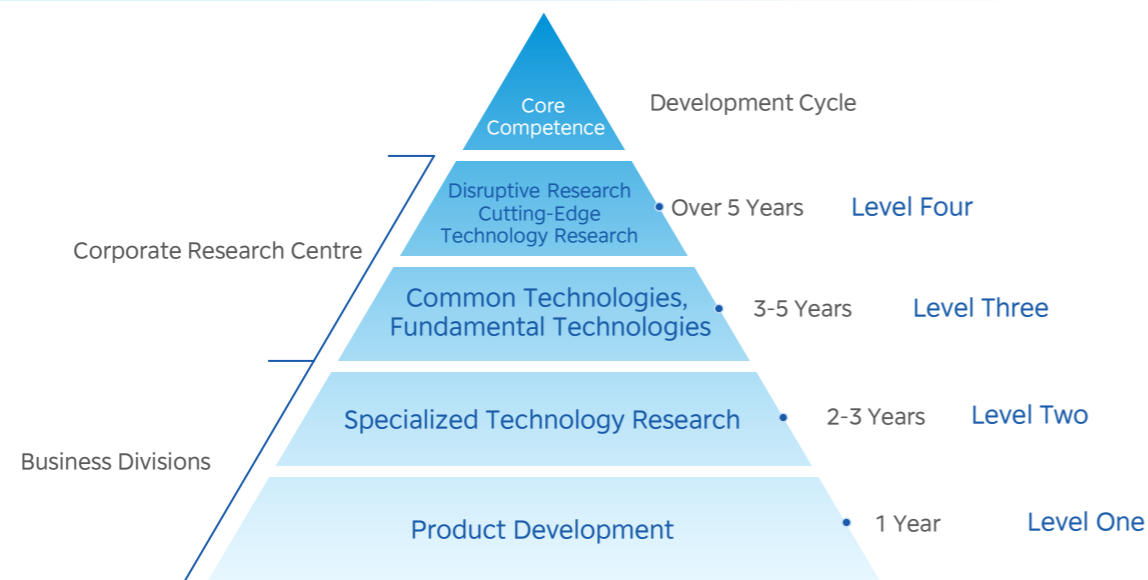
# Innovating with Technology

With a focus on the Group's core business and products, we are committed to the corporate vision of "Bring Great Innovations to Life". We coordinate, integrate, and optimize the allocation of R&D resources to continuously develop high-value-added smart products. We always regard science and technology ethics as the core of science and technology activities, strictly abide by laws, regulations and ethics guidelines such as the *Measures for the Review of Science and Technology Ethics (Trial)* during the research and application of artificial intelligence and other scientific and technological fields, constantly improve the management system and supervision mechanism, and actively disseminate the concept of science and technology perfection internally and externally through training and publicity, and practice the responsible AI Program by restricting access to sensitive capabilities, tagging AI generated content, correcting model drift, evaluating fairness, reducing ecological footprint, and establishing a user appeal process. During the Reporting Period, all scientific and technological activities of the Group were carried out in compliance with regulations, and there was no violation of scientific and technological ethics. At the same time, we actively embrace circular economy and implement the extended producer responsibility to minimize the adverse social and environmental impacts of electronic waste.

## R&D Resource Integration

Midea Group coordinates and optimizes the allocation of R&D resources by continuously improving its R&D system, establishing a global R&D layout, recruiting top-tier scientific research talents from global pools, and deepening university-enterprise R&D strategic cooperation, thereby driving the efficient and sustainable development of its R&D efforts.

### R&D System



### R&D Layout

We have set up **41** research centers in **12** countries worldwide



In mainland China:

Midea Group takes the Global Innovation Center in Shunde HQs and the Shanghai Global Innovation Center as the core and has **16** national level science and technology innovation platforms<sup>10</sup>;

Overseas:

Midea Group establishes research centers in the USA, Germany, Japan and Italy, fully exploiting to the regional technological advantages of each center.

### Scientific Research Talents



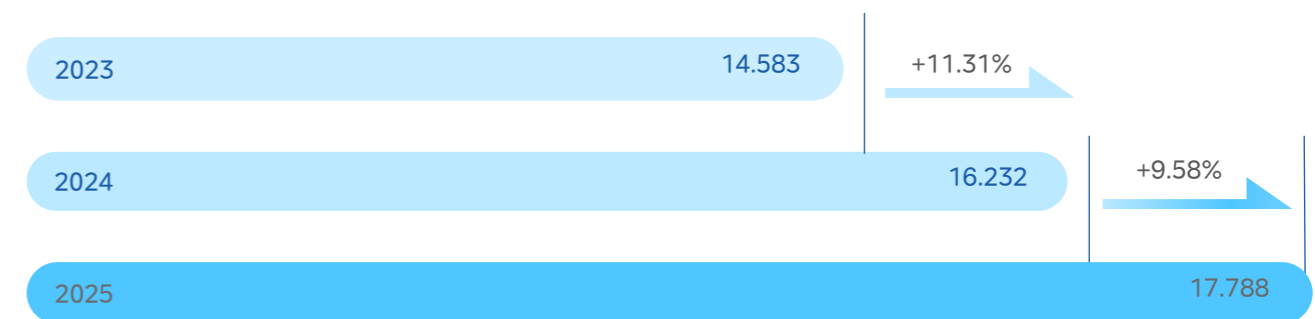
We have constructed the **"2+4+N"** global R&D network<sup>11</sup> to attract top R&D talents worldwide. The R&D team consists of over **23,000** R&D personnel, including **6,600** top talents with master degree or doctorate degree.

### University-enterprise Cooperation



We have conducted strategic, project, and technical research collaborations with multiple universities both domestically and internationally, including The University of Sheffield, Nanyang Technological University, Purdue University, The University of Melbourne, Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, Chinese Academy of Sciences, Harbin Institute of Technology, Xi'an Jiaotong University, Huazhong University of Science and Technology, South China University of Technology, etc.

### Annual R&D investment (RMB Billion)



<sup>10</sup> National level science and technology innovation platforms include National Enterprise Technology Centers, National Industrial Design Centers, National Postdoctoral Research Workstations, etc.

<sup>11</sup> "2+4+N" global R&D network: "2" refers to the two domestic full product-category R&D bases located in Guangdong and Shanghai; "4" refers to the four overseas full-category R&D bases in the US, Germany, Italy and Japan; and "N" refers to single-category R&D centers established across the globe by business divisions and units as needed.

# Product Efficiency Promotion

Midea Group always adheres to integrating the concept of sustainable development throughout all stages of the product lifecycle<sup>12</sup>. Guided by national standards such as *General Rules for Evaluation of Green Products (GB/T 33761)*, Midea Group has formulated and implemented internal standards of *Midea Group Green Product Design Rules*, committed to creating environmentally friendly, harmless, energy-saving, and low-carbon high-efficiency products for consumers.

## Product Lifecycle Efficiency Consideration Dimensions



<sup>12</sup> The product lifecycle refers to the stages of product design, raw material selection, production and manufacturing, warehousing, packaging and transportation, use and maintenance, recycling and disposal.

## Resource attributes

### Reduced Material Usage: Midea Galaxy Soft Clean Integrated Water Purifier

This product adopts self-developed dual control valves and parallel dual tank water circuit design, achieving a halving of product height and a reduction in consumables under the same water production capacity. The body volume is only 0.06 m<sup>3</sup>, suitable for high-end kitchen installation needs.



• Midea Galaxy Soft Clean Integrated Water Purifier



• Ultra Small Volume Certification



• Innovation Product Award

### Reducing Packaging Materials: Cutting Down on Paper Manuals

In accordance with national standards, products such as room air conditioners and residential multi-split systems are provided with both a printed user and installation manual (abridged version) and an electronic user and installation manual (full version). This initiative has resulted in a reduction of 222 million sheets of A4 paper, equivalent to avoiding the consumption of 1,110 tons of paper<sup>13</sup>.



• Scan the QR code to access the electronic user manual (full version)

### Water Conservation: MB12F2 Series Pulsator Washing Machine

This series of products innovatively introduces W2 essence washing system and spray rinsing design, and adds essence washing gear. According to the test, compared with the traditional mixed washing gear, the essence washing gear of a single series of products can achieve a comprehensive washing water saving rate of about 35% and a cumulative water saving of 139 tons<sup>14</sup> within the service life.



• MB12F2 Series Pulsator Washing Machine

### Use of Recycled and Recyclable Materials

The R290 portable air conditioner duct cover and the MFK80 front-loading washing machine detergent dispenser contain over 50% post-consumer recycled materials (PCR materials) materials and have received certification from TÜV SÜD and SGS, respectively; The packaging for the CGU12W front-loading washing machine and CHA12W dryer uses 100% recyclable eco-friendly expanded polypropylene (EPP) to replace traditional expanded polystyrene (EPS), and achieves a weight reduction of over 50% through structural optimization.



• TÜV SÜD Recycled Plastic Content Certificate



• SGS Recycled Content Certification

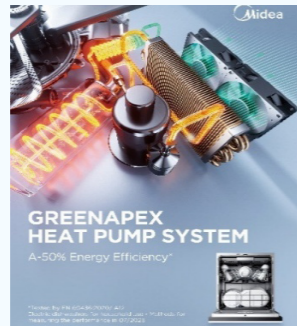
<sup>13</sup> Based on sales statistics for relevant products in 2025.

<sup>14</sup> Based on a 10-year lifespan and an average of 200 washes per year.

## Energy attributes

### Improved Energy Efficiency: Midea GreenApex Heat Pump Dishwasher

This product utilizes 3D spiral refrigerant piping and multi-dimensional coupling structure, which improves energy efficiency by 50% compared to traditional A-level energy-efficient models, and has won the IFA Excellent Energy-Saving Technology Gold Award.



• Midea GreenApex Heat Pump Dishwasher



• IFA Excellent Energy-Saving Technology Gold Award

### Energy Conservation: Pioneer Dual-Outlet Residential Central Air Conditioning

This product series utilizes the industry's first dual-wing variable-track airflow control and ultra-low-frequency continuous vaporization technology to achieve ultra-low-frequency steady-state operation at 6 Hz. When operating a single unit at low frequency, power consumption is as low as 245 W, and when operating two units continuously for 8 hours, energy savings reach 48% compared to traditional models.



• Pioneer Dual-Outlet Residential Central Air Conditioning



• Industry-First Certification for Dual-Outlet Central Air Conditioning Systems

### Enhanced Efficiency: Premium II Condensing Series Wall-Hung Boilers

This series of products is equipped with DC frequency conversion and waste heat recovery condensation technology, achieving 105.8% energy efficiency output beyond the first level, and saving about 20.8% energy compared to the second level energy efficiency level.



• Premium II Condensing Series Wall-Hung Boilers

## Quality attributes

### Improved Durability: Fluorine-Free Non-Stick Rice Cooker

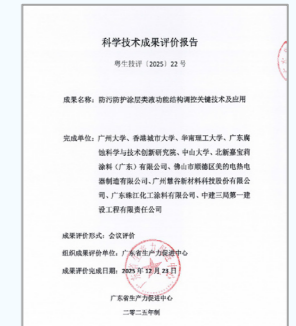
This product features a fluorine-free antibacterial ceramic non-stick coating with a wear resistance of up to 200,000 times. As verified by a team of experts led by academicians, its wear resistance meets world-class standards.



• Fluorine-Free Non-Stick Coated Rice Cooker Inner Pot



• 200,000 Times Wear Resistance Report



• Certificate of Scientific and Technological Achievement Appraisal

### Enhanced Weather Resistance: ASEAN E-Core Inverter Split-Cassette Air Conditioner Series

This series of products features AI ECOMASTER technology for intelligent, precise temperature control and high energy efficiency. Tested by SGS, it achieves an additional energy savings rate of 40%. It also incorporates Prime Guard anti-corrosion technology to ensure reliability and durability under the harsh conditions of remote islands. Furthermore, its innovative pull-down front frame significantly simplifies installation and maintenance procedures, earning it the German Red Dot Winner.



• Certificate of Red Dot Winner 2025



• ASEAN E-Core Inverter Split-Cassette Air Conditioner Series

### Comfort and Safety: All-Directional Wall-Mounted Air Conditioner Series

This series of products features industry-first All-Directional Air technology, which creates a breeze inspired by a natural forest. It delivers high airflow and gentle, even coverage without dead zones, while keeping indoor temperature variations within 1°C. Equipped with a moisture-wicking, antibacterial, and mold-resistant filter, it meets consumers' needs for both comfort and a healthy environment.

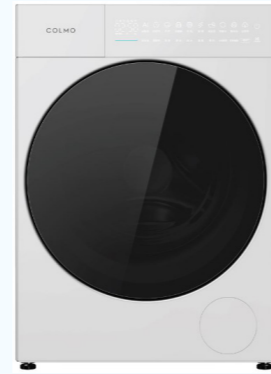


• All-Directional Wall-Mounted Air Conditioner Series

## Environmental attributes

### Reduced Pollutant Emissions: CLGUT10WEL Washing Machine

This product features high-pressure atomized wet washing technology. Through the synergistic effect of rapid detergent premixing and dissolution combined with enhanced bidirectional arc-flow atomization, it delivers detergent in a rapidly dissolved, direct spray, reducing detergent usage by 20% and effectively minimizing water pollution caused by detergents.



• CLGUT10WEL Washing Machine

### Reduced Harmful Substances: Midea All Time Hidden Smoke free Range Hood

Equipped with a dual-air-curtain engine, this product achieves premium purification performance at a height of 800 mm (with a PM2.5 difference of less than 50  $\mu\text{g}/\text{m}^3$ ). It has been certified by the World Record Certification Authority (WRCA) as the “fully concealed range hood achieving Class 1 smoke purification at the greatest suction distance” and received the Breakthrough Innovation Award at the China Residential Appliance Industry Panshi Award.



• Midea All Time Hidden Smoke free Range Hood



• World Record Certification Authority (WRCA)



• Breakthrough Innovation Award at the China Residential Appliance Industry Panshi Award

## Low-carbon attributes

### Low-Carbon Refrigerant: R290 environmentally friendly refrigerant air conditioning products

By the end of the reporting period, Midea Air Conditioning had sold a cumulative total of over 10 million units of products using the eco-friendly R290 refrigerant<sup>15</sup>, including split-cassette air conditioners, portable air conditioners, and dehumidifiers. The refrigerant substitution has resulted in greenhouse gas emissions reductions of approximately 5.21 million tons of carbon dioxide equivalent<sup>16</sup>, equivalent to the annual carbon dioxide absorption capacity of 6.18 million hectares of the Amazon rainforest<sup>17</sup>. Euromonitor International, a world-renowned research firm, has certified Midea Group as the world's leading manufacturer of R290 air conditioners for three consecutive years in 2023, 2024, and 2025.



• Certificate of World's No.1 R290 Air Condition Company

### Low-Carbon Material: CE-BCD385WE Refrigerator

The product has undergone an upgrade in the interlayer material, resulting in a reduction of 309.24 kilograms of carbon dioxide equivalent per unit in the product lifecycle compared to the previous generation, with a reduction percentage of 18.59%.

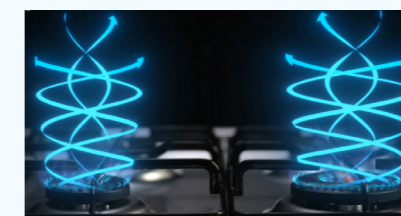


• CE-BCD385WE Refrigerator

• Carbon Footprint Reduction Statement

### Low-Carbon Technology: 24T088 Swirl Burner

This product features a cohesive dual-swirl structure, increasing combustion efficiency from 58% to 70%. According to tests, a single unit is expected to save approximately 20,000 cubic meters of natural gas annually and reduce carbon dioxide emissions by approximately 400,000 tons.



• 24T088 Swirl Burner



<sup>15</sup> R290 is a fluorine-free, chlorine-free, low-carbon, eco-friendly natural refrigerant.

<sup>16</sup> The data is calculated based on the sales volume of each R290 product sold between January 2018 and December 2025, as well as the carbon emission reduction of each refrigerant set. The carbon emission reduction of each product refrigerant is calculated as (GWP of R290 refrigerant before replacement\*product refrigerant charge before replacement - GWP of R290 refrigerant\*R290 charge).

<sup>17</sup> Carbon sequestration was calculated at 0.8433 tons/year per hectare, in reference to Hubau,W.et al. Asynchronous carbon sink saturation in African and Amazonian tropical forests. Nature 579,80-87 (2020).

# Product Lifecycle Assessment

To gain a more accurate understanding of the impacts associated with a product's life cycle, we are progressively conducting assessments of products across various dimensions, including resource use, ecological impacts, and human health effects, with the aim of making targeted improvements to products based on the assessment results.

## Product Environmental Footprint Assessment

During the reporting period, based on the principles and methodology of ISO 14025 and the Group's proprietary platform, and in accordance with the requirements of the French PEP Ecopassport® (Product Environmental Profile) certification, we independently completed the environmental footprint calculations for 4 split cassette air conditioners and 1 heat pump water heater. We successfully obtained the certification which measures the impact of a product's entire life cycle on air, water, soil, and natural resources through multiple indicators.

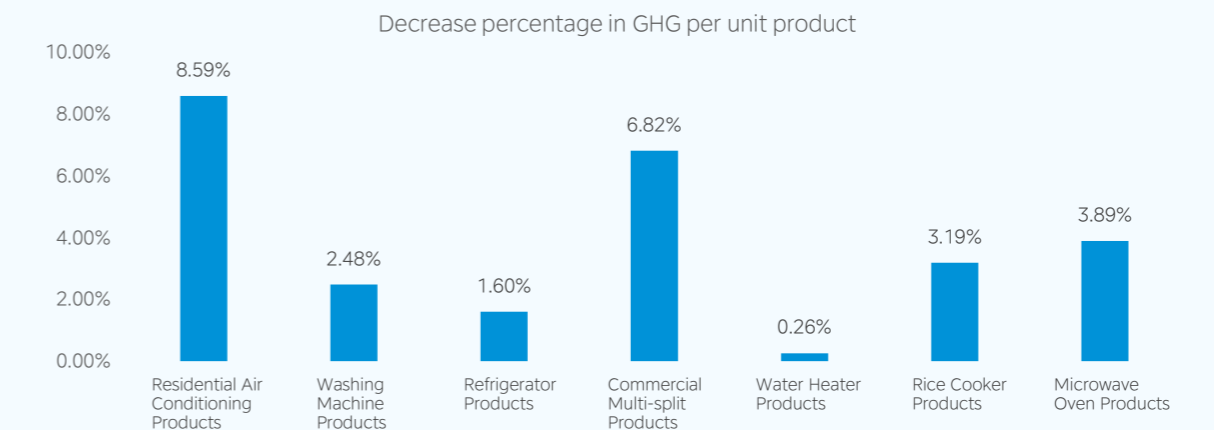


• PEP EcoPassport® Certificate

## Product Carbon Footprint Assessment

To standardize the accounting criteria and methods for greenhouse gas emissions during the product usage phase, we have developed and implemented the universal standard of the *Midea Group Greenhouse Gas Emission Accounting Guidelines at Organizational Level (Scope 3) - Use of Sold Products*. We also expand the scope of carbon footprint calculations for the use phase of major product categories, with the calculation coverage reaching 41.30% and encompassing 19 typical products<sup>18</sup>. This year, we continued to track and disclose greenhouse gas emissions during the use phase for main typical products to gain a more accurate understanding of greenhouse gas emissions associated with the use phase of products we have sold.

Main typical products	Usage Stage Greenhouse Gas Emissions (GHG) <sup>19</sup>			
	Total GHG ('0,000 tons of CO <sub>2</sub> equivalent)	GHG per unit product (tons of CO <sub>2</sub> equivalent/unit or set)		
	2025 <sup>20</sup>	2024	2025	2024
Residential Air Conditioning Products	14,795.30	14,271.09	4.45	4.87
Washing Machine Products	1,090.25	1,043.56	0.55	0.56
Refrigerator Products	1,463.26	743.14	1.70	1.72
Commercial Multi-split Products	116.97	103.73	7.13	7.65
Water Heater Products	1,537.83	1,429.05	0.96	0.97
Rice Cooker Products	769.75	682.25	0.51	0.53
Microwave Oven Products	405.16	368.37	0.45	0.46



<sup>18</sup> 19 typical products include: 2 types of Midea Residential Air Conditioner Division (split wall mounted air conditioners, split floor air conditioners), 2 types of Midea Fabric & Floor Care Division (wave wheel washing machines, roller washing machines), 1 type of Midea Refrigerator Division (refrigerators), 6 types of Midea Small Domestic Appliance Division (rice cookers, heaters, air purifiers, air fryers, electric kettles, wall breakers/soybean milk machines), 4 types of Midea Kitchen and Water Heater Appliances Division (electric water heaters, gas water heaters, range hoods, gas stoves), 3 types of Midea Microwave and Oven Appliance Division (microwave ovens, large ovens, small ovens), and 1 type of Building Technology Division (commercial multi-split).

<sup>19</sup> The formula for calculating greenhouse gas emissions during product use is [product sales volume \* reference service life \* (annual comprehensive electricity consumption \* electricity carbon footprint factor + annual comprehensive water consumption \* water carbon footprint factor)]. Among them, the reference service life refers to standard documents such as *Safety Service Life of Household Appliances Part 3: Room Air Conditioner and Household and Similar Electric Washing Machines*; The comprehensive power consumption and water consumption are based on the test results under the national standard operating conditions; The carbon footprint factor of electricity adopts the national average carbon footprint factor of electricity in the joint announcement of the Ministry of Ecology and Environment, National Bureau of Statistics, and National Energy Administration on the release of 2024 electricity carbon footprint factor data (0.5777 kgCO<sub>2</sub>e/kWh); International carbon footprint factors are based on Ecoinvent 3.11 data; The water carbon footprint factor comes from the GaBi database.

<sup>20</sup> The scope and caliber of greenhouse gas emission accounting for the product use phase in 2025 remain consistent with those in 2024.

## Product Impact on Human Health Assessment

We ensure that products' raw materials and components comply with key regulations, including the EU's *RoHS Directive*, *REACH Regulation*, and *China's Management Measures for Restricting Harmful Substances in Electrical and Electronic Products*. All components that encounter food meet food grade requirements to ensure that the product does not have any impact on human health during use. Additionally, we continuously innovate to develop more health-oriented products.

### Feipu Weak Alkaline 1400GT Water Purifier

This product is equipped with a zero-scale inhibitor, high-desalination Pascal RO membrane, which achieves a desalination rate of up to 97%. It effectively removes over 140 types of contaminants from water, achieving 99.9% removal rate for heavy metals and 99.9% antibacterial efficacy against positively charged bacteria. It has been honored with the Quality Leadership Award at the China Residential Appliance Industry Panshi Award.



• Feipu Weak Alkaline 1400GT Water Purifier

### Midea Z600 Superconducting New Energy Water Heater

Featuring a tankless, continuous-flow design, this product ensures zero sediment, zero scale, and zero stagnant water. It has been certified to meet NSF International drinking water standards and has won the Breakthrough Innovation Award at the China Residential Appliance Industry Panshi Award, delivering a healthy water experience suitable for mothers and infants.



• Midea Z600 Superconducting New Energy Water Heater

## Product Carbon Footprint Management Platform

During the reporting period, Midea Group officially launched its self-developed Product Carbon Footprint Management Platform, becoming the first enterprise in the industry to achieve a fully integrated, closed-loop process encompassing “platform development, evaluation system construction, evaluation accreditation, calculation and application, and product carbon footprint certification.” Based on life cycle assessment, the platform integrates three core functions of product carbon footprint management, supply chain collaboration management, and a visual reporting system. By leveraging data from the product carbon factor database, it evaluates and quantifies the carbon footprint across a product's entire life cycle, identifies high-emission processes and potential areas for carbon reduction, and provides a decision-making basis for product iteration. Building on this foundation, the platform expands its management perspective from “carbon” to the “entire environmental,” covering 37 environmental impact categories. It supports multi-dimensional information disclosure under mainstream international frameworks such as EPD (Environmental Product Declaration) and PEP (Product Environmental Profile), meeting global compliance requirements and customer demands for transparency in environmental information.

## Product Carbon Footprint Management Platform Module

		Basic module				Extension module	
Business Application Features	Product carbon footprint Synergy	Supplier information inquiry	Carbon footprint task assignment	Process review	Supplier carbon footprint reporting	Supplier low carbon management	
	Product carbon footprint accounting	Raw material modeling & accounting	Manufacturing modeling & accounting	Modeling and accounting for distribution and transportation	End-of-life modeling & valuation	AI carbon reduction recommendations	Green design
	Product carbon footprint support	Accounting boundary definition	Factor matching	Environmental impact result output	Generate carbon footprint report	Multiple PCR reports generated	
Data Management & Computing	System data storage	Product/part carbon footprint data	LCA activity data by stage	Factor values under different evaluation methods	Messages/logs/organizations/people	Manufacturing process data	Product certification data
	Carbon footprint data calculation	ISO14067 calculation logic	EN50693 computational logic	Recursive algorithm	Multi-product computational logic customization		
	Data analysis features	Product carbon footprint data analysis	Environmental impact analysis for each scenario	Data quality analysis			Uncertainty analysis    Sensibility analysis
Data Sources	Activity data collection	Product information & materials	Manufacturing energy consumption acquisition	Product sales data acquisition	Procurement item-supplier data entry		
Infrastructure	Hardware	Midea's independent intranet server	Midea's construction of internal network	Software	Various data support systems (PLM, FEMS, etc.)	Building the foundation of an in-house ESG platform	Midea's AI platform    Midea's dataspace platform

At the same time, Midea Group, in collaboration with multiple industry enterprises and certification bodies, has jointly developed the group standard *T/CAS 1134-2025 Guidelines for the Evaluation of Carbon Footprint Management Platforms for Electronic and Electrical Products*, which establishes a systematic framework for the development and evaluation of product carbon footprint management platforms within the industry. Two authoritative certification bodies, TÜV SÜD and CVC, conduct on-site audits of product carbon management platforms in accordance with this standard and issue certificates of evaluation and recognition.



• TÜV SÜD issues certificate



• CVC issues certificate

# Circular Economy Practice

In the pursuit of sustainable development, the circular economy is emerging as a key pathway for the manufacturing sector to overcome resource constraints and fulfill its environmental responsibilities. By establishing a standardized industrial ecosystem for recycling, dismantling, and reuse, Midea Group has built a green product recycling system characterized of “peace of mind for users upgrading their products, convenient recycling channels, and traceable dismantling and disposal processes.”

## Develop Recycling Network

Midea Group consistently responds to national policies such as the *Extended Producer Responsibility Plan* and the *Notice on Encouraging Home Appliance Manufacturers to Undertake Recycling Targeted Responsibility*, and have developed internal policies such as the *Green-Recycling-Appliance Recycling Service Management Scheme of Midea Group*, the *Global Take-back & Recycling Policy of Midea Group*, the *Manual on Service Product Management Manual of the Midea Group*, the *Policy on Recycling Price Standards for In-Store Product Returns*, the *Policy on Recycling Price Standards for At-Home Product Returns* and so on. We are establishing a waste appliance recycling and remanufacturing industry by improving online recycling platform, expanding offline recycling channels, launching trade-in programs, and deepening cooperation with dismantling and remanufacturing companies, thereby creating a full-cycle green recycling system that spans the entire supply chain from users to Midea Group, through dismantling and remanufacturing facilities.

### Midea Group's Full-Cycle Green Recycling System

<p><b>Recycling Standards</b></p>	<p>We have formulated and implemented <i>Green-Recycling-Appliance Recycling Service Management Scheme of Midea Group</i> and the <i>Global Take-back &amp; Recycling Policy of Midea Group</i><sup>21</sup>, clarifying the implementation process and standards for product recycling in all operating regions.</p>
<p><b>Recycling Scope</b></p>	<p>All categories of products under Midea Group's own brand, as well as other brands of air conditioners, refrigerators, washing machines, gas water heaters, air source water heaters, televisions, dishwashers, and other products.</p>
<p><b>Recycling Locations</b></p>	<p>In mainland China: Midea Group collaborates with over 5,000 recycling service providers with recycling service network covering all provinces and key towns nationwide. Collection points for old appliances are established at distributors' stores in various regions. Overseas<sup>22</sup>: Midea Group complies with local regulatory requirements and collaborate with qualified local recycling companies, industry associations, and compliance agencies to establish recycling collection points.</p>

<sup>21</sup> Global Take-back & Recycling Policy of Midea Group can be referred in <https://www.midea.com.cn/en/about-midea/news/global-take-back---recycling-policy>.  
<sup>22</sup> Including sales and service operations locations for Midea Group products in Hong Kong/Macau/Taiwan, Japan, Europe, South America, Latin America, Southeast Asia, Oceania, India, and other regions.

<p><b>Recycling Costs</b></p>	<p>Obsolete Appliance Recycling: Customers can schedule home pick-up for old appliances via the Midea Official Service Account or the 400 hotline. After submitting appliance details, engineers will provide free dismantling and recycling services on-site. Trade-in for New Appliances: Customers can submit trade-in requests through the Midea Mini Program or Midea Smart Home Mini Program. These platforms assess the old appliance's value and convert it into deductions, reducing the cost of a new appliance, to directly reduce the cost of purchasing a new appliance.</p>
<p><b>Recycling Methods</b></p>	<p>Recycling through offline distributors' stores, online booking for home pick-up, after-sales network, distribution centers, mail-in<sup>23</sup> and return and exchange factory.</p>
<p><b>Dismantling End</b></p>	<p>Midea Group cooperates with over 50 dismantling enterprises on the national <i>List of Enterprises Subsidized by Waste Electrical and Electronic Products Disposal Fund</i> to achieve the procedure-based dismantling of waste appliances from various channels for resource reuse.</p>
<p><b>Recycling End</b></p>	<p>Valuable metals from dismantled appliances are reclassified and reused to maximize value, then further processed and refined. Other materials are utilized based on their properties.</p>

Midea Group has established a comprehensive “online + offline” communication matrix themed “Green Circular Economy.” Through diverse channels including official short videos, social media posts, and trade-in programs, the Group conveys the concept of green circular development to users in depth, systematically explaining the ecological value and social significance of product recycling and reuse. To enhance user engagement, we award members who participate in recycling initiatives with an exclusive “Carbon Reduction Pioneer” badge. By fostering a sense of honor and identity, we inspire users’ enthusiasm for environmental protection, continuously driving the enhancement of public environmental awareness and the transition toward green consumption behaviors.



• Short videos and posts on the green circular economy



• Trade-in theme activity promotional poster



• Midea member “Carbon Reduction Pioneer” badge certification

<sup>23</sup> Mail-in recycling method is suitable for small household appliances with high residual value that are easy to dismantle independently.

Case Midea Green Recycling Industrial Park



During the reporting period, Midea Group actively responded to national calls for establishing a waste recycling system. Guided by the core principles of “end-to-end online data tracking, full-process transparency and visibility, and safety environmental protection, and compliance across all operations”, the Group constructed its first Green Recycling Industrial Park in the Chongqing Economic and Technological Development Zone. With a total investment exceeding RMB 1 billion, the industrial park covers an area of 155,000 square meters and features a total floor area of over 170,000 square meters. It forms a modern industrial cluster integrating “green recycling, smart manufacturing, and intelligent logistics.” As the industry’s first digital and intelligent park dedicated to dual-circulation resource management, the industrial park integrates multiple industry-first technologies, including millimeter-level intelligent identification and sorting, and a zero-loop three-dimensional intelligent logistics system, with the aim of setting a new benchmark for the green recycling industry.

In the future, the Midea Green Recycling Industrial Park will integrate the entire value chain of “old appliance recycling and resource regeneration to consumption upgrading”, provide Midea’s solutions for the home appliance recycling industry, and further assist in the research and development of green recycling technology in the home appliance industry.



• Midea Green Recycling Industrial Park

During the reporting period

- Midea Group recycled a total of **5.05** million units of obsolete household appliances, including air conditioners, refrigerators, washing machines, televisions, and computers, amounting to approximately **180,000** tons.
- The number of users for Midea Official Service Account and Mini Program exceeded **110** million.
- Midea Group actively promoted the national subsidy-backed trade-in program, covering **100,000** offline stores, serving approximately **830,000** users.
- Awarded “EPR Pioneering Enterprise in Compliance Innovation” and “EPR Pioneer in Public Dialogue.”



• 2025 “EPR Pioneering Enterprise in Compliance Innovation”



• 2025 “EPR Pioneer in Public Dialogue”

Management of Partner Organizations

Driven by both globalization and green sustainable development, the management of recycling and dismantling partner organizations has become a critical link for home appliance companies in bridging compliance, resource recycling, and brand responsibility. Based on domestic and international market regulations and industrial foundations, Midea Group has established differentiated management standards for partner organizations, while simultaneously upgrading the cooperative ecosystem through resource investment and collaborative capacity building.

For partner organizations engaged in recycling and dismantling operations in mainland China, Midea Group has formulated policies and regulations such as the *Notice on the Evaluation and Assessment of Green Recycling Services* in reference to national standards like the *Requirements of take-back on waste household electrical products*. These measures clarify management requirements for partner organizations, ensuring that their operational practices remain compliant and controllable, and that service quality meets uniform standards.

Management of Partner Organizations in Mainland China

Selection and assess

Recycling End: The candidates must be registered with the Ministry of Commerce as a recycled resources operator; must have no major safety or environmental incidents in the past three years (including companies established less than three years ago); and must have no history of violations, operational irregularities, or administrative penalties.

Dismantling End: The candidates must be included in the national List of Enterprises Subsidized by Waste Electrical and Electronic Products Disposal Fund and possess relevant qualifications, such as the Waste Electrical and Electronic Products Disposal Qualification Certification issued by the national environmental protection authorities, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and the international E-waste R2 Certification.

Monitor and optimization

Recycling End: Midea Group conducts regular performance evaluations based on three key metrics, including completion rate within 24 hours, overall complaint rate, and appointment punctuality rate. For those with poor performance on these metrics, we adhere to the principle of “rectify first, then reassign, and finally terminate.”

Dismantling End: Strictly comply with national policies such as the *Administrative Regulations on Recycling and Disposal of Waste Electrical and Electronic Products* and the *Guide for Auditing the Dismantling of Waste Electrical and Electronic Products*<sup>24</sup> when carrying out the dismantling of waste electrical and electronic equipment.

For its overseas recycling and dismantling partners, Midea Group has established tailored cooperation models based on the regulatory requirements and maturity of recycling systems in different countries and regions, ensuring that the recycling and dismantling processes comply with local regulations while balancing efficiency and sustainability.

<sup>24</sup> Dismantling enterprises included in the national *List of Enterprises Subsidized by Waste Electrical and Electronic Products Disposal Fund* are required to be audited by third-party annually in accordance with national requirements, and publish audit reports.

### Management of Overseas Partner Organizations

Selection and assess	Partner organizations must possess the required local legal qualifications (such as EU EPR registration, Indian government-authorized recycling credentials, or designation as a recycler under Japan’s Home Appliance Recycling Law) and have no record of environmental violations.
Monitor and optimization	We monitor the compliance of partner organizations through internal spot checks, third-party audits, and verification of their registration with industry associations. Based on recycling efficiency, compliance performance, and user feedback, we expand the coverage of high-quality partner organizations and terminate those that fail to meet compliance standards.

In addition, Midea Group continues to optimize its industrial layout for the recycling and remanufacturing of waste home appliances. The Group has taken a stake in a dismantling enterprise and assisted it in establishing a new facility to enhance its dismantling capacity for five major categories<sup>25</sup> and nine minor categories<sup>26</sup> of waste electronic products. At the same time, Midea Group has empowered this enterprise to carry out an “Internet + Recycling” capability upgrade project, assisting it in developing the “Meimei Green Recycling” online recycling mini-program, optimizing its interaction logic and layout, and improving the user experience when submitting recycling requests.



<sup>25</sup> The five major categories of discarded electronic products include televisions, refrigerators, fabric & floor care, air conditioners and computers.  
<sup>26</sup> The nine minor categories include range hoods, electric water heaters, gas water heaters, printers, copiers, fax machines, monitors, mobile communication handheld devices, and standalone telephones.

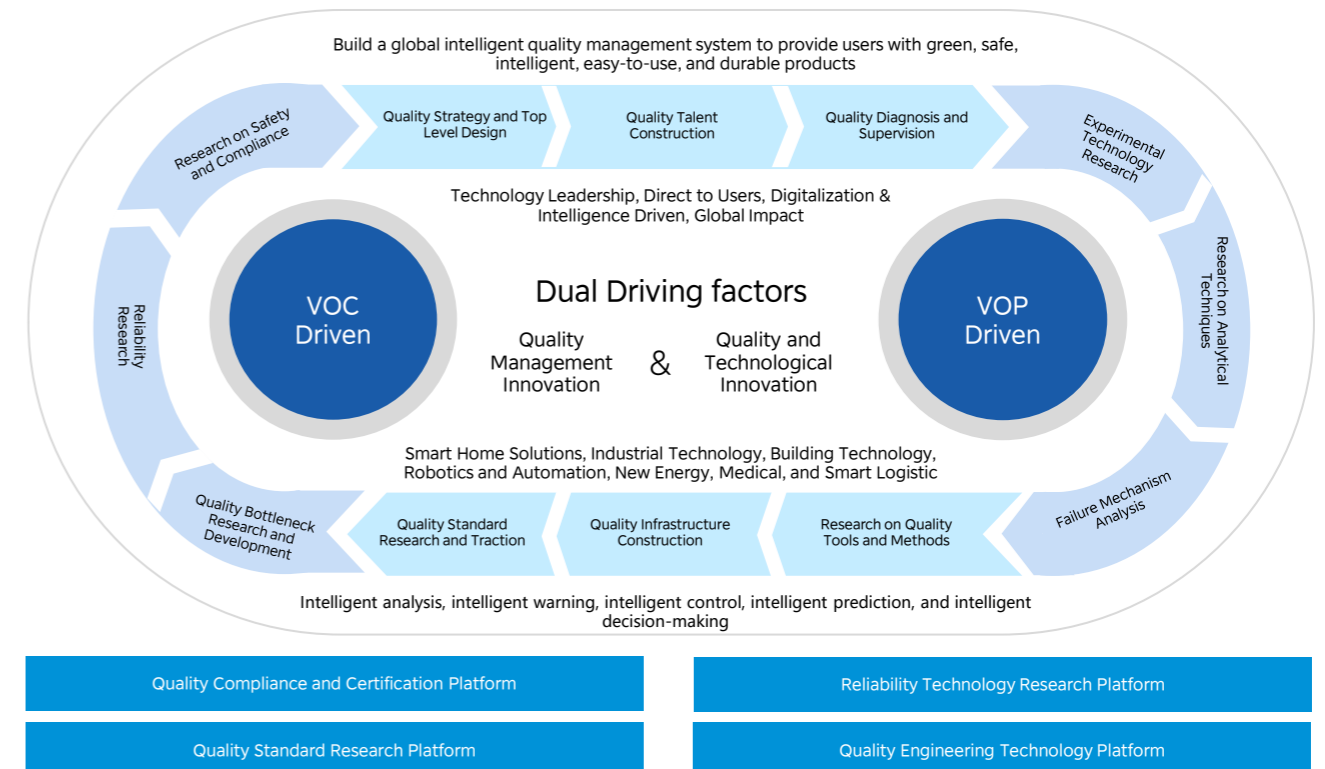
# Creating Value with High Quality

Midea Group has always adhered to a “User-Centric” philosophy in service, with end-to-end quality control its foundation. By leveraging digital transformation, the Group enhances users’ experience of pre-sales, sales, and after-sales, and continuously improves marketing compliance. It strictly enforces data security and privacy protection regulations and management requirements, and is committed to delivering a high-quality, intelligent service experience for all consumers.

## Product Quality and Safety

We strictly comply with all applicable quality laws, regulations, and standards. Based on these, we have developed and enforced internal policies such as the *R&D Control Procedure*, the *Material Supplier Quality Management Procedure Outline*, the *Process Quality Control Procedure Outline*, the *Market Major Quality Accident Management Measures*, the *Measures for Product Defect Assessment and Recall to standardize product defect assessment mechanism and recall process*. Additionally, we use a digital operating system with innovative tools to create an intelligent quality management model driven by Voice of the Customer (VOC) and Voice of the Process (VOP), enabling intelligent analysis, early warning, control, forecasting, and decision-making in quality management.

### Intelligent Quality Management Model Driven by Dual Driving of VOC and VOP



Quality Compliance and Certification Platform	Reliability Technology Research Platform
Quality Standard Research Platform	Quality Engineering Technology Platform

Using the intelligent quality management model driven by VOC and VOP, we achieve quality control throughout the entire product lifecycle, from planning and R&D to procurement, manufacturing, sales, and service. We continuously monitor and improve product quality to ensure consistent enhancement.

### Full Lifecycle Quality Control of Product

Planning	<ul style="list-style-type: none"> <li>Organize experts to research product lifecycle scenarios and set quality and reliability goals.</li> <li>Conduct special discussions on product changes and historical risks, identify design risk points, and formulate measures.</li> </ul>
Research and Development	<ul style="list-style-type: none"> <li>Evaluate product compliance, environmental adaptability, reliability, safety, manufacturability, installability, and maintainability.</li> <li>Integrate technical and decision-making review points into the development process to identify and rectify risks through professional reviews, outputting comprehensive evaluation reports that enable quality risk management from the design stage.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>Require suppliers to the Group's product and service quality standards, and strictly inspect materials and components, and introduce third-party monitoring if necessary.</li> <li>Implement a rigorous material certification process to verify component performance and reliability.</li> <li>Conduct incoming inspections and dynamic checks during mass supply to ensure component consistency.</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>Develop and assess quantitative targets and indicators of product quality performance, clarify quality red lines and rigid requirements.</li> <li>Building a six intelligence big data closed-loop system for intelligent manufacturing factories, implementing single unit scanning and error prevention for key components, automatic detection and judgment of key inspection processes, and real-time input and traceability of supplier information.</li> <li>Set product quality and safety certification standards in accordance with sales region regulations, ensuring that all products pass certification tests and obtain certificates.</li> </ul>
Sales	<ul style="list-style-type: none"> <li>Prohibit exaggerated advertising that misleads customers, conduct regular user experience surveys to identify potential product and service issues, and continuously improve.</li> <li>Remove the products from sale when promotional claims do not match the product's actual performance to avoid product recalls, or when the advertised performance has not been tested and certified by an authoritative body.</li> </ul>
Service	<ul style="list-style-type: none"> <li>Provide comprehensive services including delivery, installation, maintenance, returns, modifications, and 24-hour online consultation.</li> </ul>

We strictly follow the laws and regulations of the place where the product is sold to carry out product recall management, regularly organize internal audits and independent external verification (e.g., ISO 9001) of the quality management system. During the reporting period, we did not experience any recalls in the domestic market due to product safety and health issues; We strictly follow local regulatory requirements and implement relevant management regulations in overseas markets, timely identify and properly handle product usage risks involved in a certain market, actively communicate and confirm with local regulatory agencies, quickly communicate problem disposal, and strictly follow the agreed plan with regulatory agencies to promote the implementation of affected batches of products. In 2025, recalled products accounted for 0.0029% of Midea Group's total product sales.

During the reporting period, we organized Quality Engineering (QE) and Six Sigma training camps focused on product compliance and safety management, and conducted 17 internal and external specialized training sessions targeted personnel across various roles within each business division, including R&D, incoming materials, finished goods, testing, compliance, safety, supplier audits, and contract manufacturer inspections. The training covered topics such as interpretations of domestic and international regulations, compliant design in R&D, safety reviews, and compliance with factory inspection standards. By addressing both regulatory and practical aspects, we enhanced employees' capabilities in quality and safety compliance, strengthened end-to-end quality and safety controls, and ensured product compliance and safety.



• Quality and Safety training

Additionally, Midea Group enhances its quality research facilities and collaborates with the industrial chain through innovation parks and cooperation activities and integration of emerging technologies. Guided by quality standards, we achieve independent control of core technologies, break through high-quality development bottlenecks, and promote the industry's shift towards high-end manufacturing, leading the transformation of Chinese manufacturing.

#### Case

### Midea Group Unveils the "Quality 331 Strategy"



In April 2025, Midea Group officially unveiled the "Quality 331 Strategy" at its strategic partner conference. The strategy aims to reduce the market repair rate by 70% over three years, bringing it down to 30% of the current level, with the goal of becoming the world's leading home appliance Group in terms of quality. Leveraging intelligent manufacturing management across the entire value chain, core quality metrics, and industry standards, we are steadily advancing the Group's strategic goal of achieving quality leadership in the global home appliance industry through collaborative initiatives with strategic partners, including joint research and development, technology sharing, and standardization.



• Midea Group Unveils the "Quality 331 Strategy"

# Customer Service and Experience

Midea Group prioritizes the customer by implementing policies such as the *Measures for the Administration of the Whole-Process Service of Midea Group*, the *Measures for Service Product Management of Midea Group*, the *Measures for Work Orders Management of Midea Group* and the *Measures for Upgrading Information Management of Midea Group*. These policies standardize mechanisms in customer communication, after-sales services, and complaint handling.

During the reporting period, we officially launched the "COLMO Concierge Service," redefining home appliance service standards through mission of offering a more convenient, reliable, and reassuring home appliance service experience, setting a new benchmark for the industry.

"Dual exclusive" service team makes users "worry free"	Hardcore service policy makes users "at ease"	Expand service scenarios and provide users with "considerate"
<ul style="list-style-type: none"> <li>Dedicated concierge teams provide users with one-on-one service covering everything from delivery, scheduling, and on-site service to installation and final inspection.</li> <li>Dedicated engineers with comprehensive whole-home appliance service capabilities and professional training and certification are always ready for the customers.</li> </ul>	<ul style="list-style-type: none"> <li>A rapid service mechanism is established featuring "response within 1 hour, installation within 24 hours, and repairs within 48 hours."</li> <li>Major auxiliary materials are supplied through a one-stop service via the COLMO Official Store, and repair parts are 100% genuine original production.</li> <li>All pricing standards are officially disclosed and transparent.</li> </ul>	<ul style="list-style-type: none"> <li>Whole-home smart services strictly adhere to 12 key delivery milestones, covering the entire process from design, installation, and commissioning to final acceptance, with every step being controllable and traceable.</li> <li>Renovation services are divided into partial renovations and scenario-based renovations. The former addresses built-in appliance installation, with same-day installation and immediate use for all products; the latter provides customized solutions, offering a one-stop solution for appliance installation and air conditioner upgrades.</li> </ul>



• Launch of COLMO Concierge Service

## During the reporting period

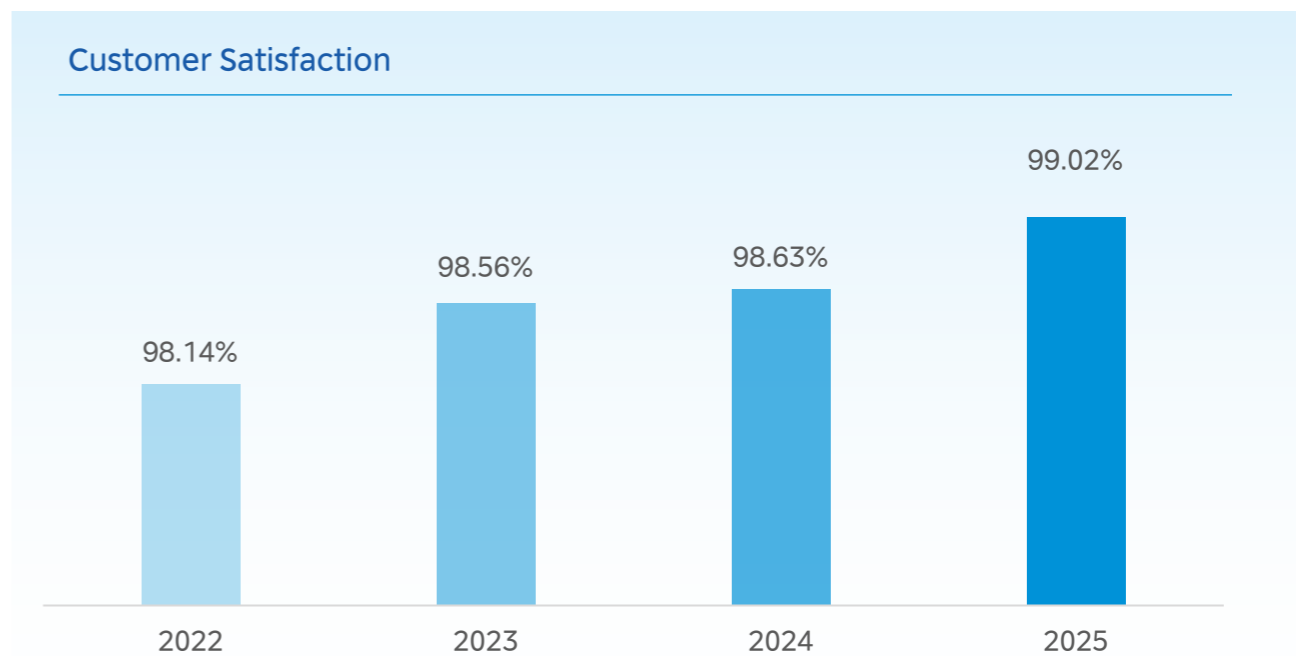


Midea Group established more than **11,000** service centers globally.

With increasing volume of incoming calls to the Group's customer service hotline, we launched an AI-based voice and text chatbot with Automatic Speech Recognition (ASR), Text-to-Speech (TTS), and Natural Language Processing (NLP), to provide 24\*7 self-service claim filing and consultation. During the reporting period, 78% of the Group's customers used online services.

At the same time, we have established multiple channels for inquiries and complaints, including toll-free 400 hotlines, the Midea Official Service Account, the Midea Mini Program, online form submission, and email. In addition, we offer specialized services for disabled or elderly customers, engineers can apply for service fee reductions for disabled and elderly customers, and can also proactively provide convenient services, such as free replacement of faucets, installation of lights, leak detection, etc.. We ensure that complaints are acknowledged within 2 hours, to ensure solutions and corrective measures implemented efficiently. During the reporting period, the complaint rate for the Group's products and services was 0.05%, and the complaint resolution rate in mainland China was 100%.

We conduct annual customer satisfaction surveys, address common issues identified and carry out special improvements, and process to incorporate customer feedback into product and service development. During this year, we added a new dimension to the Group's survey that focuses on the experience of sustainable products and services. We designed questionnaire items around criteria such as the effectiveness of energy and water conservation, the convenience of trade-in programs, compliance with environmental recycling standards, and standardized and eco-friendly installation. We surveyed customers via phone, SMS, and online platforms, achieving a customer satisfaction rate of 99.02% based on valid feedback.



Midea Group fully recognizes that enhancing the capabilities of engineers and customer service representatives is key to delivering high-quality customer service. During the reporting period, we established an IP team of thousand engineers. Using video as the primary medium, we convey, from the perspectives of engineers, our service advantages, customer benefits, policy standards, and technical capabilities, thereby strengthening brand trust and reputation. The related videos have garnered over 300 million views across all platforms. At the same time, we upgrade technical capabilities through initiatives such as engineer certification and mentorship programs led by top engineers, to systematically improve the technical proficiency of the Group's frontline engineering teams. We have also organized various training programs and skills competitions to improve the professional competence and occupational ethics of the Group's engineers and customer service representatives.

## Responsible Marketing

In response to changes in the market environment and updates to regulations, Midea Group closely monitors regulatory developments. In accordance with the requirements of the *Anti-Unfair Competition Law of the People's Republic of China* and the *Compliance Guidelines for Online Concentrated Promotions* implemented in 2025, we have updated policies and procedures such as the *Advertising and Promotion Compliance Guidelines*, the *Compliance Management Requirements for Online Business*, and the *Risk Warnings, Management Requirements for Domestic E-commerce Promotions*, thereby refining compliance management requirements for live-stream marketing and trade-in promotions. Meanwhile, we developed and disclosed the *Midea Group Ethical Advertising and Marketing Declaration*, committing to integrity in marketing activities and avoiding discrimination, exaggeration, deception, or misleading information.

In terms of advertising compliance review, we are building core competitiveness through forward-looking technological strategies and have designated the development of an intelligent compliance review platform as a key initiative of this year. The intelligent compliance review platform plans to integrate AI technologies such as semantic analysis and image comparison, aiming to achieve automated full coverage scanning of all types of materials such as copywriting, videos, and live broadcasts, and connect with the latest domestic regulatory databases to build an automatic warning and rapid response mechanism for compliance risks. Additionally, Midea Group's legal department and relevant business divisions conduct pre-publication compliance reviews of all external promotional materials to promptly identify, correct, and rectify issues, thereby preventing the release of content that infringes on intellectual property rights or violates the advertising law.

We emphasize the cultivation of employees' responsible marketing competencies and thereby conducted multiple specialized training sessions themed "Protecting Consumer Rights and Compliance in Marketing" during the reporting period. Among these, the specialized training session on "Handling User Complaints from the perspective of Consumer Rights" reached over 3,000 customer service representatives, effectively enhancing the team's ability to identify and address risks. During major e-commerce promotional events, we conducted multiple specialized training sessions on "E-commerce Live Streaming Compliance" under the newly revised Anti-Unfair Competition Law for the Group's operations teams, successfully mitigating several potential compliance risks in live streaming and establishing a robust compliance defense for promotional marketing campaigns.



• Responsible Marketing Exchange and Training

### Case The Sixth "Diamond" Skills Competition







During the reporting period, the finals of Midea Group's Sixth "Diamond" Skills Competition were held at the Midea Global Innovation Center, attracting over 50,000 registrations from engineers and university students both domestically and internationally. After a rigorous selection, 288 engineers and 35 operations and maintenance technicians emerged as finalists to compete in 7 tracks, including All-Round Elite, High-End Elite, Single-Product Elite, Whole-Home Intelligence, Wash & Care, Partial Renovation, and Technical Specialist, in which each track covers diverse user service scenarios. By promoting learning through competition to hone technical expertise and enhancing quality through competition to set new service benchmarks, the event helps upgrade end-to-end service capabilities, providing users with a more professional and efficient service experience.



• The Sixth "Diamond" Skills Competition

# Data Safety and Privacy Protection

As a global provider of smart home solutions, we strictly comply with data security and privacy regulations worldwide, including *China's Data Security Law*, *Cybersecurity Law*, and *Personal Information Protection Law*, as well as the *General Data Protection Regulation (GDPR)* and *California Consumer Privacy Act (CCPA)*. We have integrated privacy protection into the Group's risk management system, created a global compliance risk map, and developed policies such as the *Personal Information Protection Management Measures* and *Data Safety Management Measures*. Additionally, we have established a four-tier data security and privacy protection management structure:

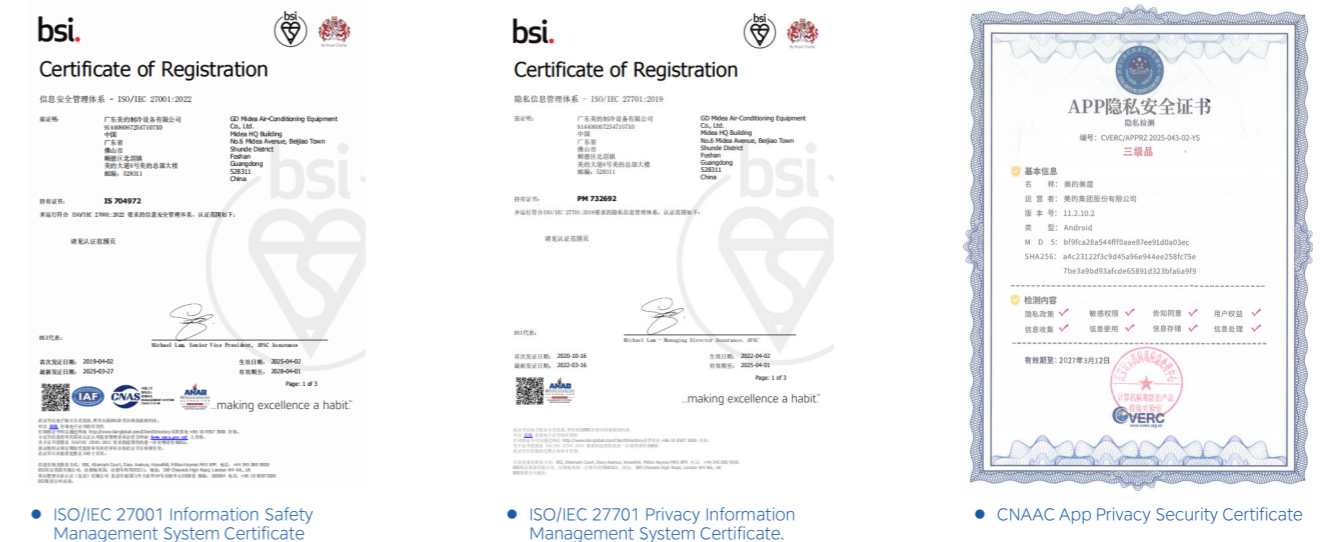
 <p>The Borad</p>	<p>The Borad is responsible for reviewing special reports on information security, data governance, and privacy protection, and for overseeing risk management and compliance implementation.</p>
 <p>Data Protection Office</p>	<p>Composed of Midea Group's legal data compliance officer, information security officer, digital office leaders, and responsible for comprehensively guiding and monitoring Group's information security and privacy protection.</p>
 <p>Data Protection Department</p>	<p>The Data Protection Department acts as a bridge between the Data Protection Office and business divisions, implementing Group's data security and privacy strategies.</p>
 <p>Data Protection Representatives</p>	<p>Data Protection Representatives communicate policies from the Data Protection Office, assist business division employees in data security activities, and evaluate their effectiveness.</p>
 <p>Relevant Employees of Business Divisions</p>	<p>Relevant employees of business divisions implement and monitor information security and privacy activities, reporting any data leaks to the Data Protection Representatives.</p>

We have established a data protection compliance platform for online processing of key processes covering EU Data Protection Impact Assessment (DPIA), privacy agreement review, and Data Subject Request (DSR), which enhanced data processing efficiency and security capabilities. Meanwhile, in order to promote effective implementation of Midea Group's privacy policy, we regularly conduct privacy audits across all business systems and applications every year, promptly addressing non-compliance to meet global data security and privacy requirements. We maintain a zero-tolerance policy for information security violations, addressing them rigorously as per internal policies and regulations. During the reporting period, Midea Group faced no penalties for data security breaches or customer information leaks.

Adhering to the principles of "lawfulness, legitimacy, and necessity", Midea Group respects and protects customers' personal information rights. We provide a convenient mechanism for customers to manage their personal information, including accessing, correcting, deleting, and withdrawing it, and clearly implements relevant requirements in the *privacy agreements* of each product. We do not disclose personal information to external entities unless required by law.

We have established a comprehensive contingency plan for information, network, and data security incidents, clearly defining response protocols, responsibilities, and handling standards. This ensures that all types of security incidents are addressed promptly, handled effectively, and reported in accordance with regulations. It also guarantees the efficient activation of disaster recovery systems and the timely restoration of data, thereby minimizing losses resulting from risks such as system and network outages and data breaches to safeguard business continuity and user rights.

By the end of the reporting period, Midea Group obtained ISO/IEC 27001 Information Safety Management System Certificate and ISO/IEC 27701 Privacy Information Management System Certificate. The SmartHome App passed the CNAAC App Privacy Security Certificate.



In addition, we also attach great importance to training data security and privacy protection. We regularly conduct specialized data protection compliance training for personnel responsible for data security and privacy management at Midea Group, covering essential knowledge and skills related to data security and privacy protection, including laws, regulations, standards, privacy assessments, responsibilities, technical safeguards, and emergency drills. Also, we regularly offer relevant training to employees via the Group's internal "M-Learning" platform to enhance their awareness and reduce security risks, ensuring compliance and smooth business operations.



# Co-creating a Prosperous

The healthy development of the industrial and commercial ecosystem depends on the collaborative efforts of the industrial chain, the supply chain, and all partners. Only through open mindset, mutual benefit, and collaboration can we achieve long-term stability and resilient prosperity.

## Midea Group 2030 Sustainable Development Goals and Process:

Coverage rate of sustainability performance assessment for new suppliers (%)



Due diligence rate of supplier conflict minerals (%)



Number of suppliers for SSC supplier empowerment



### Response to Issues in the *Guideline* of SZSE:

- Anti-commercial bribery and anti-corruption
- Fair competition
- Supply chain security

### SDGs in this Chapter:



# Enhancing Comprehensive Governance

Midea Group fully recognizes that a sound governance system and robust risk management processes are the foundation for the Group's long-term stable operations. By establishing a solid risk management framework, continuously enhancing risk management capabilities, and committing to strengthening business ethics while fostering a culture of integrity and probity, the Group provides a solid foundation for its high-quality development.

## Corporate Governance

We have always regarded sound corporate governance mechanisms and effective governance capabilities as the foundation for the Group's stable operations. We focus on enhancing the efficient functioning of the Board of Directors, actively maintaining investor relations, vigorously safeguarding shareholder rights, continuously improving the effectiveness of risk management and compliance governance, to fully leverage the synergies of the Group's governance structure.

### Board Effectiveness

The Group places particular emphasis on the development of the Board of Directors and is committed to ensuring that directors perform their duties efficiently and that the Board operates effectively. We pay close attention to the time and effort directors devote to Group affairs, and regularly organize training sessions to enhance their skills to continuously optimize the director performance evaluation mechanism. During the reporting period, director attendance rate at board meetings was 100%.

We also prioritize diversity among Board members in terms of professional background, gender, and professional experience. Board members possess professional backgrounds and experience across multiple fields, including corporate management, technology R&D, law, finance, risk management, and sustainable development. They are equipped with the knowledge and skills necessary to fulfill their duties and provide sound decision-making for the Group's strategic planning from diverse perspectives.



Director's Name	Profession of the Board					
	Home Appliance Industry	Corporate Governance	Legal Compliance	Financial Management	Risk Management	Sustainability
Fang Hongbo	●	●	●	●	●	●
Wang Jianguo	●	●	●	●	●	●
Gu Yanmin	●	●	●	●	●	●
Guan Jinwei	●	●	●	●	●	●
Zhang Tian	●	●				●
Zhao Jun	●	●	●	●	●	●
Xu Dingbo		●		●	●	
Xiao Geng		●		●	●	
Liu Qiao		●		●		●
Qiu Lili		●				●

## Investor Relations and Shareholder Interests

Midea Group strictly complies with the relevant laws and regulations on information disclosure in the jurisdictions where its stocks are listed. We also abide by the *Articles of Association of Midea Group*, the *Regulations on Information Disclosure of Midea Group* and other policies issued by the Group. We fulfill the Group's commitment to ensuring the truthfulness, accuracy, completeness, timeliness and fairness of disclosed information, clarify and standardize the responsibilities for information disclosure and the process for reviewing and disclosing information. Since 2019, Midea Group's information disclosure has obtained an evaluation result of A by Shenzhen Stock Exchange for consecutive years.

We place a high priority on investor relations. During the reporting period, we regularly held online performance briefings and investor roadshows, organized tours of the Group's lighthouse factory for investors, and actively addressed investor concerns through the Easy IR platform and investor relations logs.

## Risk Management

During the reporting period, we revised management systems such as the *Comprehensive Risk Management Measures* and the *Risk Control System Operating Mechanism*, to systematically streamline risk management workflows. We established the Midea Risk Control Committee to oversee major risk control issues and decision-making. We clarified the requirements of Group's unified internal control and risk control and continuously strengthened the three-line defense mechanism comprising "operating entities — Group functions and risk control — audit/anti-fraud." At the same time, we routinely conducted annual major risk assessments, organized risk assessments across all subsidiaries, identified internal and external risks in business operations, and implemented risk response accordingly.

Furthermore, to enhance the Group's overall risk management, we regularly provided risk management training to all members of the Board of Directors to improve their risk control decision-making and oversight capabilities, strengthening their ability to fulfill their duties.

## Emerging Risk

Fully recognizing that effectively addressing emerging risks is essential to ensuring the sustainable development of the Group's Group, Midea Group regularly identifying and assessing new risks in light of both internal and external conditions, we clarify the nature of these risks, their timeline, and their scope of impact, and develop effective response strategies to minimize their impact on the Group's business operations as much as possible.

Emerging risk	
<b>Risk name</b>	International trade risks arising from geopolitical developments   AI technology risk
<b>Risk category</b>	Geopolitics   Technology
<b>Risk description</b>	Global geopolitical tensions and tariff uncertainties may impact the global operations of durable goods companies, making it more challenging to establish overseas R&D operations or expand business activities.   The widespread adoption of AI technology may disrupt traditional development models in the manufacturing sector, potentially having negative consequences for companies that fail to adapt to the rapid expansion of AI technology.
<b>Impact</b>	The United States is a major consumer of home appliances; changes in tariff policies could lead to restricted market access and affect overseas revenue.   The application of AI may revolutionize the R&D, production, and sales models of durable goods manufacturers. For example, while AI technology can help improve R&D and production efficiency, rapid technological iteration may cause technologies developed in the early stages to become obsolete quickly, leading to a reduction in R&D and production positions. This not only increases technical investment costs but also imposes additional compensation costs on enterprises.
<b>Mitigating actions</b>	Midea Group will actively expand into various overseas markets to reduce reliance on any single market, while also extending the Group's overseas production footprint by advancing the production capacity of overseas factories. We will also implement a system of alternative suppliers by selecting suppliers from multiple countries for critical raw materials to ensure a stable supply chain.   the proportion of core technologies developed in-house. On the other hand, we will expand partnerships with technology companies to acquire technologies, thereby balancing overall investment in independent R&D with the costs of technology acquisition, and formulating more targeted R&D directions and market strategies.

## Risk Culture Development

We actively foster a risk management culture and enhance risk awareness among all employees. Through the "M-learning" platform, we conduct online risk management training, offering 37 course series covering theoretical knowledge, system development, and practical operations. This year, we launched English versions of these courses to support risk management efforts overseas. During the reporting period, more than 700 employees in risk management-related roles across Midea Group participated in the training, representing over 20 functional departments and subsidiaries.



• Risk-related course in "M-learning" platform

### Case Skills Training for Risk Control Liaison Officers



In November 2025, Midea Group's risk management department organized a skills training program for risk control liaison officers. The training covered foundational risk control knowledge, the Group's risk control framework, and risk control tools. It aims to enhance the professional capabilities of these officers and provide a platform for exchange among liaison officers from various units, thereby effectively contributing to the improvement of the quality of the Group's risk control efforts.

## Compliance Operation

Compliance operation is a cornerstone of sustainable development for a Group and a key safeguard for the Group's international expansion. Midea Group has consistently adhered to a risk-based approach, continuously refined its governance structure, optimized governance measures, actively fostered a corporate culture, and coordinated across departments to achieve cross-functional governance, thereby creating a synergistic force for compliance management.



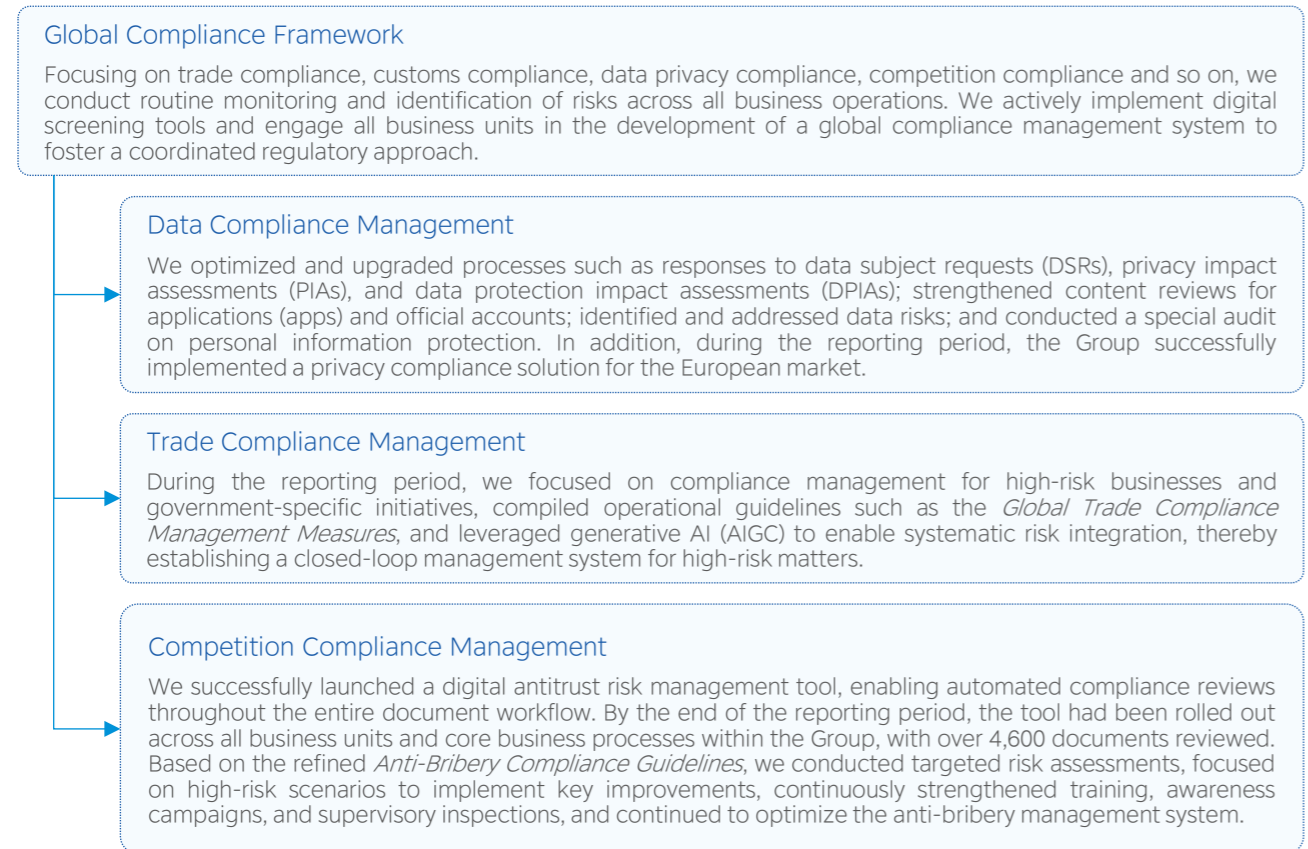
## Compliance Management Defense

To keep pace with domestic and international regulatory developments and meet the needs of the Group's global expansion, Midea Group benchmarked against domestic and international industry compliance standards and, during the reporting period, successfully passed the surveillance audit conducted by the British Standards Institution (BSI), and the Group's ISO 37301:2021 compliance management system remains valid and effective.



• ISO 37301: 2021 Compliance Management System Certificate

During the reporting period, guided by the principles of “compliance as foundation, global adaptability, system refinement, risk-oriented management, and value creation,” we continued to strengthen compliance management initiatives in key areas.

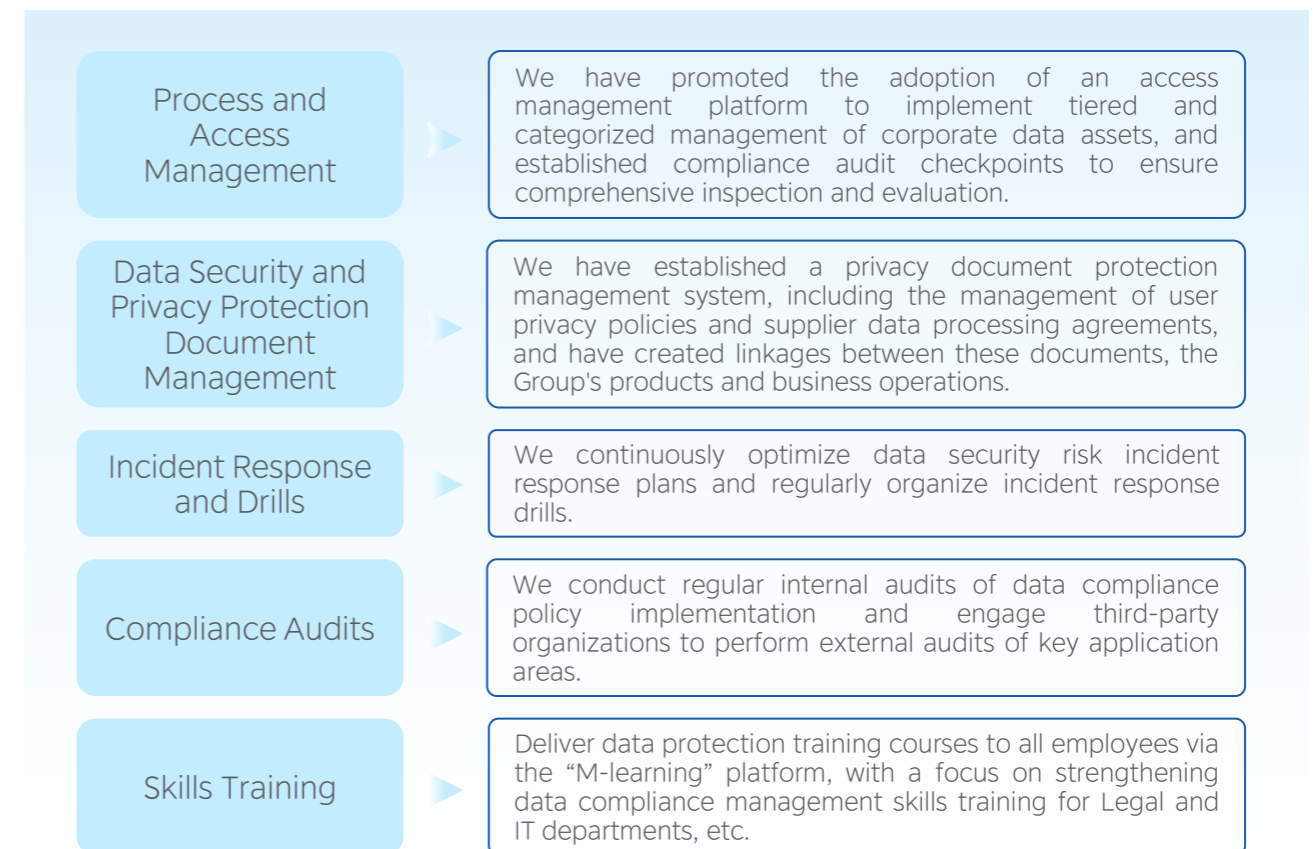


## Digital Compliance Infrastructure

We are committed to enhancing the Group's digital compliance infrastructure. During the reporting period, we utilized the Group's digital platform to standardize the drafting and review processes for privacy agreements and the use of templates, while also establishing integrated legal research and policy services. We have systematically strengthened the alignment of internal management systems, scenario-based guidelines, and external regulatory laws and regulations. Concurrently, we have progressively expanded the digital management of trade compliance by deploying a trade control screening system covering both domestic and overseas operations. As of the end of the reporting period, the system had completed over 122 million automated inspections, effectively improving compliance screening efficiency. Moving forward, we will continue to strengthen the development of the “I Compliance” compliance management system to achieve “one-stop compliance services and integrated compliance management” across the entire Group.

## Data Compliance Management

We strictly comply with all applicable domestic and international laws and regulations regarding data security and privacy protection. We formulated and implemented internal policies such as the *Data Safety Management Measures* and the *Personal Information Protection and Management Measures*, and established a compliance framework for data protection across the entire lifecycle. During the reporting period, Midea Group did not experience any data breaches, nor were there any information security-related complaints or lawsuits.



## Intellectual Property (IP) Compliance Management

We have consistently treated IP management as a key component of the Group's compliance framework. We strictly implement internal regulations such as the *Patent Management Measures of Midea Group* and *Detailed Rules for Patent Agency Management of Midea Group*, refine the IP management system led by the Patent Committee, and continuously optimize the Group's digital patent management system. During the reporting period, we conducted a systematic patent asset inventory across the entire Group with a focus on strengthening the management of high-value patents based on the Group's global breakthrough strategy and regional revenue scale, while comprehensively reviewing low-value patents to ensure the rational allocation of patent assets. At the same time, we use AI tools that enhance efficiency to empower patent information data management and optimize patent business processes. As of the end of the reporting period, more than 30 entities within Midea Group had completed certification and surveillance audits in accordance with the *Enterprise Intellectual Property Compliance Management System—Requirements (GB/T 29490-2023)*.

We regularly organize specialized IP training courses for employees in Marketing, R&D, and Legal departments. The training covers domestic and international intellectual property laws and regulations, patent management theory, and intellectual property guidelines, effectively strengthening the intellectual property management skills of the Group's employees worldwide and raising their awareness of intellectual property protection.

Protecting the Group's Own IP

Integrate patent research and patent strategy planning into the R&D project management process; establish an intelligent patent information push platform; improve mechanisms for identifying patent and trademark infringements; and include intellectual property clauses in contracts with external partners.

Respecting Others' IP

Integrate patent risk assessment into the R&D project management process; strictly manage intellectual property risks throughout the R&D process; and avoid infringing on others' intellectual property.

### As of the end of the reporting period



Midea had filed over **165,000** valid patent applications worldwide, of which over **85,000** valid patent licenses were maintained. During the reporting period, the number of global patents authorizations reached over **13,000**, including over **5,000** invention patents.

### During the reporting period

Midea Group's numerous inventions were honored with a series of awards at the 25th China Patent Awards and the 10th Guangdong Patent Awards, highlighting the Group's outstanding achievements in patent management.



• Certificates for the 25th China Patent Awards

## Compliance Culture Development

During the reporting period, Midea Group, guided by the core principle of "regarding compliance as the cornerstone of sound business operations," deepened its efforts to foster a culture of compliance and established a comprehensive, multi-dimensional compliance culture development system in accordance with the *Midea Group Business Code of Conduct*.

### Case Midea Group Compliance Training Series

We have conducted more than 70 specialized online and offline training sessions covering a wide range of topics, including trade compliance, data compliance, antitrust and anti-bribery, advertising compliance, labor compliance, and basic knowledge of overseas laws. We have reinforced learning outcomes through a combination of Q&A training sessions and exams.

The "Midea Compliance" official account published over 50 articles, including contents of compliance information, regulation updates, case analyses and policy interpretations and so on, with individual articles receiving over 1,000 views.

We have promoted interpretation of the latest compliance-related laws, regulations, and updates; the Group's compliance information system now contains over 1,100 entries, and we have organized more than 50 online informational sessions.



• In-person training



• Online information system

# Business Ethics

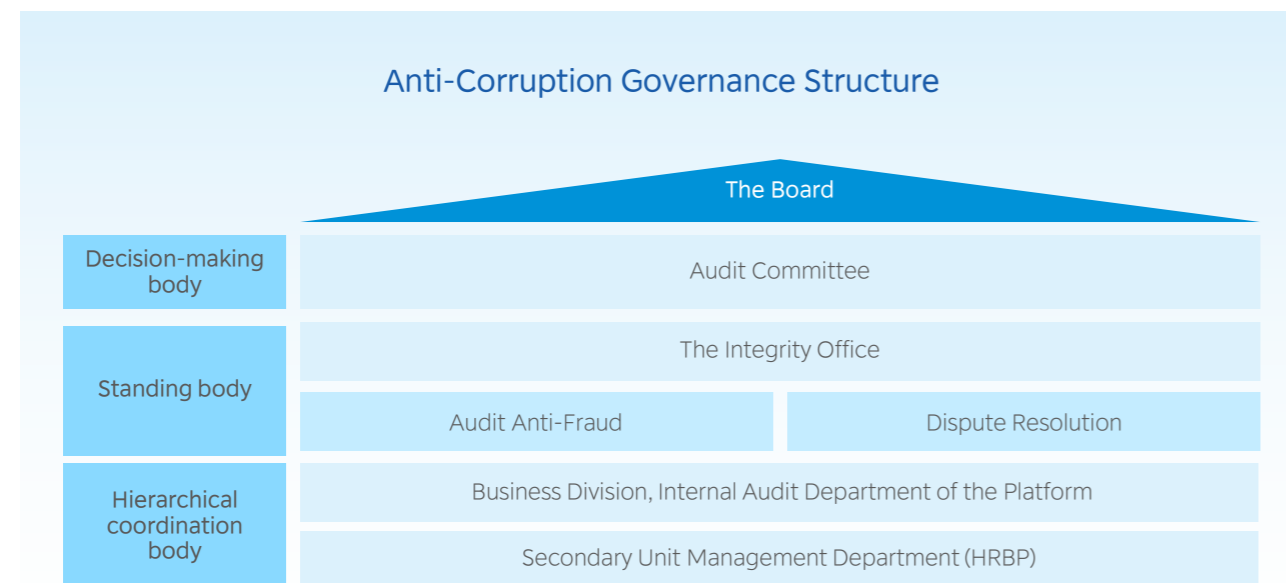
We adhere to business ethics, establish and strictly follow a code of conduct, conduct regular ethics audits, and consistently prioritize the development of a culture of integrity, striving to create a business environment that is honest, fair, and transparent.

## Business Code of Conduct

We adhere to the principles of business ethics, strictly enforce the *Midea Group Business Code of Conduct*, committed to earning the trust of the market through responsible business practices. During the reporting period, to support the development of the Group's overseas operations and further strengthen integrity governance at overseas entities, we issued the *Guidelines for Integrity Work at Overseas Entities (2025)* and improved the tiered investigation mechanism for whistleblower reports at overseas entities, ensuring a unified management approach to business ethics across the Group's global operations. During the reporting period, Midea Group did not experience any illegal or non-compliant conduct, such as bribery, embezzlement, or fraud, that had a significant impact on the Group's operations.

## Anti-corruption

To ensure the effective implementation of the Group's anti-corruption measures, we have established an anti-corruption governance framework led by the Board's Audit Committee. The Integrity Office handles daily anti-corruption efforts and collaborates with subsidiaries to build a comprehensive supervision network. The aim is to build an anti-corruption governance system that covers all business areas and processes within the Group, thereby providing a solid foundation for the Group's sustained and stable operations.



## Anti-money Laundering

The *Midea Group Business Code of Conduct* explicitly prohibits employees from engaging in money laundering activities, including concealing nature and source of illegal income and gains, as well as other illegal activities like smuggling and embezzlement. To enforce this prohibition, we conduct strict reviews of anti-money laundering efforts at all levels and proactively investigate suspicious large transactions in sales.

## Anti-unfair Competition

According to the requirements of laws and regulations such as the *Anti-Unfair Competition Law* and the *Interim Provisions on Anti-Unfair Competition on the Internet*, we have specifically optimized internal management systems, including the Midea Group's Marketing Compliance Red Line and Anti-trust Compliance Management Measures, to reinforce efforts against involutionary competition, commercial bribery, and infringements of data rights. We utilize risk maps to conduct targeted assessments of unfair competition risks. At the same time, we have focused on high-risk scenarios to implement key improvements, achieving a closed-loop management system that integrates "assessment, rectification, and supervision." Additionally, we have established a tiered training system. During the reporting period, we conducted more than 30 anti-unfair competition training sessions, reaching over 4,000 employees, which effectively strengthened the risk identification, analysis, and response capabilities of personnel in key positions.



## Business Ethics Audit

To ensure the effective implementation of business ethics management, during the reporting period, we formulated and optimized internal policies and systems, including the *Audit Code*, and incorporated business ethics audits as a key component of the annual audit plan for the reporting period, under the overall leadership of the Group's Board of Directors Audit Committee. Every three years, we conduct audits of potential business ethics risk points across all business operations, adhering to international frameworks and standards such as the ISO 26000 Social Responsibility, the ISO 37001 Anti-Bribery Management System, and the Social Accountability 8000 (SA8000), while strictly complying with internal policies and regulations including the Employee Code of Conduct, the *Anti-Commercial Bribery Policy*, and the *Gift and Hospitality Management Regulations*.

## Integrity Culture Development

To cultivate the value of integrity, each year, we conduct integrity training for all employees, including directors and senior management, as well as part-time and contract staff, to continuously enhance the Group's "soft power" in integrity while building a solid foundation of anti-corruption infrastructure. At the same time, we continue to improve the Group's whistleblowing mechanisms to ensure effective oversight, appropriate disciplinary action, and thorough corrective measures.

## Reporting Mechanism

Strictly adhering to the *Management Measures for Integrity Reporting*, we have established multiple complaint channels including hotlines, email, mail, and online reporting platforms, while vigorously protecting the personal information of whistleblowers and combating any form of threat or intimidation to effectively safeguard the legitimate rights and interests of whistleblowers. We have established an independent investigation mechanism to conduct rigorous and standardized investigations into all reported cases. Depending on the severity of the violation, we impose penalties such as warnings, removal from office, or dismissal on those found to be involved, firmly upholding a "zero-tolerance" policy. At the same time, we promptly notify whistleblowers of the investigation and resolution outcomes, handle reported cases appropriately, and foster a fair, transparent, and safe work environment.

### Reporting Channels

Customer service and complaint hotline:

Tel: 4008899315

Email: [mideasmart\\_service@midea.com](mailto:mideasmart_service@midea.com)

Integrity and compliance reporting and consultation channels of Midea Group:

Mailing address: Integrity Office, Midea Headquarters Building, No. 6, Midea Avenue, Shunde District, Foshan City, Guangdong Province, China

Postal code: 528311

Tel: 0757-2660 5599

E-mail: [tousu@midea.com](mailto:tousu@midea.com); [compliance@midea.com](mailto:compliance@midea.com)

## Integrity Training

We are committed to collaborating with internal and external stakeholders to implement anti-corruption and anti-fraud measures and to collectively adhere to the Business Code of Conduct. During the reporting period, we conducted online and in-person integrity training for employees and partners, covering topics such as business conduct standards, the employee code of ethics, oversight and whistleblowing mechanisms, and cautionary case studies on corruption, thereby enhancing integrity awareness among all parties. During the reporting period, we conducted 2 sessions of business ethics and anti-corruption training for the Board of Directors, with all 10 directors in attendance. We also place great emphasis on supplier integrity management and have established a supplier anti-corruption policy that all Group suppliers are required to strictly adhere to, and of which implementation effect is regularly verified. Furthermore, we have signed *Integrity Cooperation Agreement* with all suppliers to establish close anti-corruption partnerships that work together to foster a healthy business environment.

### Case

### Integrity Training Sessions



In January 2025, the Integrity Office conducted an integrity awareness campaign themed "With Passion and Integrity for the Long Haul." The campaign analyzed typical cautionary cases from the past year, explained relevant laws, regulations, and internal Group policies, which fostered an awareness of red lines, reinforced bottom-line thinking, and urged employees to uphold the integrity baseline.



From April to November 2025, the Integrity Office organized a special training session on integrity and compliance titled "Crossing Mountains and Seas, Integrity in Our Hearts" for employees at overseas factories and sales companies in Thailand, Indonesia, Vietnam, Egypt, and other locations. The training aims to ensure that overseas employees are familiar with relevant local laws, regulations, and compliance policies, thereby ensuring the compliant operation of overseas business.



• special training session on integrity and compliance

# Building Resilient Supply Chain

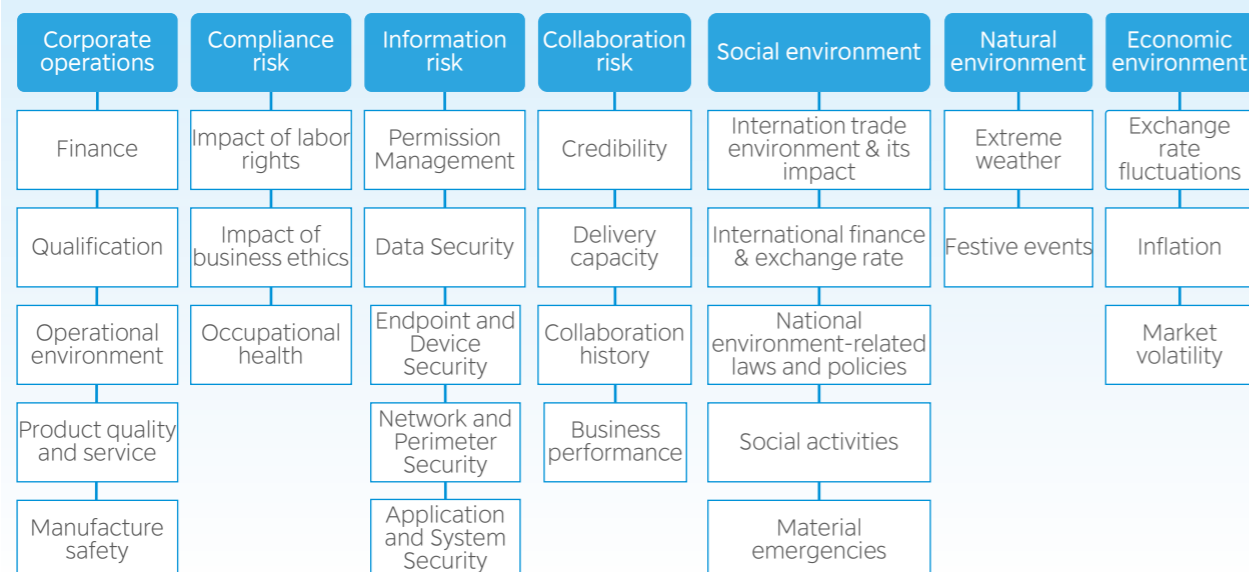
Building a resilient supply chain is critical to ensuring the stability of the Group's operations and realizing long-term value. Midea Group collaborates with partners to jointly build a responsible supply chain that benefits all parties. Through management strategies that span the entire supplier lifecycle and leveraging its own resource advantages, the Group empowers the comprehensive growth and development of its suppliers, working together with partners to scale new heights in co-creating value.

The Board of Directors has established an ESG Committee as the highest decision-making body that is responsible for overseeing the implementation of the Group's supplier ESG management initiatives. Under the ESG Committee, the Green Supply and Conflict Minerals Sub-Committee is tasked with driving specific implementation efforts, including social responsibility management, environmental impact assessments, green certification, raw material traceability, and conflict minerals management within the supply chain.

## Supply Chain Management

We have established a systematic and routine supply chain security management mechanism. By comprehensively identifying and analyzing risks and implementing categorized management, we ensure the stability of the supply chain. When assessing supplier risk, we evaluate the overall business relevance of the products they supply (including market resources, substitution barriers, procurement scale and so on), and take into account the supplier's operational management risks, quality risks, and social and environmental risks. Suppliers are classified into high, medium, or low risk based on operational governance, quality, and social and environmental risks. We continue to control risks from high-risk suppliers and promptly implement mitigation actions for identified risks to ensure the stability and sustainability of the supply chain.

### Dimensions of supply chain risk assessment include:

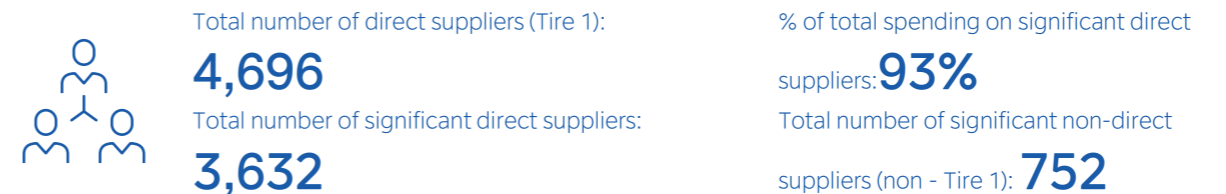


## Lifecycle Management of Supply Chain

Midea Group strictly complies with the relevant laws and regulations of the countries and regions where it operates and has established a series of supply chain management systems that comprehensively cover the entire lifecycle of supplier relationships—from Onboarding to termination—as well as internal management requirements.



### By the end of the reporting period



During the onboarding phase, we set strict supplier onboarding criteria and conduct onboarding reviews of potential suppliers across dimensions including production capacity, quality, environmental protection, and labor practices. We thoroughly assess their qualification levels to ensure they meet basic onboarding requirements. In this process, we perform supplier ESG assessments to comprehensively evaluate their performance in key areas such as environmental governance, labor management, occupational health and safety, and business ethics.

We incorporate labor management performance factors into the Group's supplier scoring system alongside price and quality and give priority to suppliers with outstanding labor management performance. Labor management performance factors account for 16% of the CSR scorecard. Preference is also given to suppliers with better ESG performance and certifications such as ISO 9001, ISO 14001, ISO 50001, ISO 45001, IPC 1401, and those with good labor management performance, all else being equal.

For supply assessment, in line with internal procedures, we annually assess the quality and ESG management of all suppliers, including direct suppliers, indirect suppliers, and raw material suppliers, through desk assessments and on-site reviews, with mandatory on-site audits for all high-risk direct and raw material suppliers.


When reviewing suppliers' ESG management, in accordance with the *Supplier CSR Audit Form*, the ESG management practices of both new and existing suppliers are evaluated, as well as their compliance with the *Midea Supplier Code of Conduct*. At the same time, we continuously monitor the Group's procurement processes to ensure that selected suppliers strictly adhere to the *Midea Supplier Code of Conduct* in their business operations, thereby mitigating ESG-related risks in the supply chain.

### Supplier ESG Audit Dimensions

Labor Management	Environmental Protection	Business Ethics	Management System
Management of human and labor rights, including prohibition of forced labor, prohibition of child labor, anti-discrimination and anti-harassment efforts, remuneration, working conditions and hours, and workplace safety.	Environmental impact management, including the management of waste water, waste gas, solid waste, and greenhouse gas emissions, and the setting of emission reduction targets.	Business ethics management, including the development of business ethics policies and management systems, the compliance with the Midea Integrity Agreement, and supplier integrity management.	Management systems and certification, including ISO 14001, ISO 9001 and social responsibility management system certification, their suppliers' social responsibility management and the development of conflict minerals management systems.

During the reporting period, we refined the Group's supplier ESG evaluation system: we established a dynamic ESG performance assessment mechanism covering all suppliers, ensuring comprehensive in-depth reviews every three years; we explicitly incorporated ESG evaluations into the mandatory processes for supplier onboarding and collaboration; and we launched an online ESG evaluation dashboard to track coverage in real time, ensuring that all partner suppliers pass ESG compliance audits.

#### During the reporting period



We conducted on-site and desk assessments of **3,498** suppliers.


We conducted on-site and desk assessments of **2,703** significant suppliers.

Number of suppliers assessed with substantial actual/potential negative impacts: **165**

Regarding labor management in the Group's supply chain, we employ internal and third-party audits to review direct suppliers, indirect suppliers, and raw material suppliers, thereby safeguarding workers' rights. For direct suppliers, after identifying high-risk suppliers through systematic analysis, we include all such suppliers in the Group's audit scope and conduct inspections across various areas, including quality management and labor management. Indirect suppliers are also subject to both regular and ad hoc audits, with a focus on component quality, supply chain transparency, and labor management performance. Additionally, we include part of the raw material suppliers in the Group's audits to review raw material quality, sourcing, and environmental and labor impacts, thereby promoting green and sustainable development throughout the supply chain.

#### During the reporting period

we conducted labor management audits of 2,396 suppliers, among which 99% complied with the labor standards of the Midea Supplier Code of Conduct; 23 suppliers had non-conformities primarily involving substandard workplace safety conditions and inadequate management system documentation. Currently, with the support of Midea Group, all suppliers with non-conformities have completed corrective actions and passed the final inspection.




**2,396** suppliers undergo labor management audits

**99%** of suppliers comply with the labor standards outlined in the Supplier Code of Conduct.

Based on the supplier assessment results, we apply tiered management for suppliers. In response to issues identified in supplier assessment, we require suppliers to implement rectification plans within a specified timeframe and verify the effectiveness of these plans once completed. When suppliers face significant quality issues or repeatedly experience the same type of quality issues, we mandate suppliers to collaborate with Midea Group for on-site investigation and submit an analysis and rectification report within one week. For non-conformities identified in ESG management review, suppliers should analyze the root cause and, upon receiving the Follow-up Form for On-Site Review Non-Conformities, submit plans for corrective actions and preventive measures. They are also required to set the completion time of the plans and take corrective actions.

When ESG management issues or weaknesses (such as in CSR, conflict minerals, quality management, and trade compliance) are founded during supplier reviews, we provide supplier support on the implementation of corrective and improvement actions. If necessary, we provide them with one-on-one on-site coaching to improve their performance and ESG management capabilities.

#### During the reporting period



- Number of suppliers assessed with substantial actual/potential negative impacts for whom corrective actions have been implemented: **152**
- Number of suppliers with substantial actual/potential negative impacts that were terminated: **13**
- Number of significant suppliers implementing corrective and improvement measures who received Midea's support: **152**
- Number of significant suppliers covered by capacity-building programs: **884**

## Green Supply Chain

We actively share experiences and resources with the Group's supplier partners to jointly build a green, low-carbon supply system, striving to minimize the Group's environmental impact throughout the entire product lifecycle.

During the reporting period, we established a “three-in-one” carbon footprint management system based on Midea Group's ESG management platform. This system comprises four core modules designed to support the green and low-carbon transformation of the Group's supply chain.

### Product Carbon Footprint Management

Systematizes the process from Life Cycle Assessment (LCA) modeling to data collection, covering the entire life cycle from raw material sourcing to end-of-life recycling; reduces the time required for product carbon footprint calculation through intelligent matching with a carbon factor database.

### Supply Chain Collaboration Management

Leverages the Group's internal Supplier Relationship Management (SRM) system to identify suppliers for procured components and utilizes the Global Supplier Cloud (GSC) platform to automate task assignment, enable online data submission, and facilitate intelligent review.

### Visualized Reporting System

Supports the customized generation of Environmental Product Declarations (EPDs) or Product Environmental Footprint (PEF) reports, and provides sensitivity analysis dashboards, enabling carbon emissions data to serve as a critical basis for product iteration decisions.

### Product Carbon Factor Library

Based on the Ecoinvent database, this system compiles the datasets for product carbon footprint calculations, including material factors, transport factors, energy factors, and end-of-life factors. It allows internal experts to manually add specialized factors and establish Group-specific factor dataset, laying the groundwork for future expansion into industry-specific datasets.

### During the reporting period



we encouraged suppliers to conduct carbon footprint verification and established a dedicated carbon footprint database for the home appliance industry, while encouraging suppliers to use the Supply Chain Collaboration Management System to submit carbon footprint data online.

a total of **122** suppliers provided product carbon footprint certification to Midea Group;

**19** suppliers used the Supply Chain Collaboration Management System to submit carbon footprint data online.

We have established the “Green Supplier Evaluation Criteria” and designed Midea Group's Green Supplier Evaluation Model, incorporating dimensions such as supplier energy management, green manufacturing, and low-carbon logistics into Midea Group's green supplier assessment and certification process. Through this process, we prioritize green and low-carbon suppliers selected for business collaboration.

### By the end of the reporting period



**44** suppliers had been certified as Midea Green Suppliers.

To further enhance the professional capabilities of the Group's green supply chain talent pool, we have established the “Golden Seed” Green Supply Chain Talent Certification Standards based on two key dimensions—carbon emissions management and ESG assessment—and are systematically advancing the certification process. At the same time, we organized training sessions on supplier ESG management for employees in supply chain-related roles.

During the reporting period, the Group conducted a series of training sessions and assessments centered on ESG and green procurement. For external suppliers, we organized 13 ESG-themed training sessions, online or in-person. For internal procurement staff, we also held 8 specialized training sessions, reaching 664 participants with a coverage rate of nearly 90%. Furthermore, we invited third-party organizations to conduct 2 specialized training sessions on carbon emissions accounting for internal employees. These sessions helped employees gain a deeper understanding of the Group's ESG management requirements for suppliers across the three dimensions of environment, society, and governance, and enabled them to master the relevant audit tools and carbon emissions calculation methods.

### During the reporting period



**10** employees passed “Golden Seed” Green Supply Chain Talent Certification Standards

### Case

### Midea Refrigerator Division Conducts ESG Empowerment Training for Supply Chain Staff



In March 2025, the Midea Refrigerator Division conducted an online training session titled “ESG Empowerment” for supply chain staff, with a focus on supplier's ESG assessment criteria, evaluation dimensions, key considerations for supplier self-assessments and internal audits, and key points for on-site assessments, effectively empowering relevant staff to enhance their professional capabilities in ESG assessments.

# Conflict Minerals Management and Hazardous Substance Management

Midea Group strictly manages risks associated with conflict minerals and hazardous substances in its supply chain, promotes supply chain transparency and compliance, and upholds sustainable development and social responsibility. In March 2026, Midea Group officially become a member of the Responsible Minerals Initiative (RMI).

## Conflict Minerals Management Policy

We have established the *Midea Group Conflict Minerals Management Policy*, committing to neither procuring nor supporting the use of any conflict minerals that directly or indirectly finance armed conflict. We continue to refine the Group's conflict minerals management mechanism and risk prevention processes.

## Conflict Minerals Risk Management

Before the admission of the suppliers, we use the Global Supplier Cloud platform to identify suppliers with conflict mineral risks and require them to report material origins to avoid purchasing from regions involved in human rights violations or illegal activities. Partner suppliers are contractually bound to source conflict-free minerals which is specified in the *Midea Group Material Supplier Cooperation Agreement* that the sources of minerals used in manufacturing the Group's products do not involve conflict minerals.

During the reporting period, we continued to refine the Group's online screening and traceability mechanisms for conflict minerals. Through automated system analysis to evaluate screening results, we effectively improved the efficiency of conflict mineral risk identification and enhanced the accuracy of the Group's screening processes.

We have established a conflict minerals due diligence framework based on the five-step framework outlined in the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. Due diligence on the Group's suppliers is conducted every year to identify, assess, and manage conflict minerals risks, require suppliers to trace the origin of minerals in their products, and submit information on mineral sources on a regular basis.

### Step 1 Establish strong company management systems

- Establish a conflict minerals management system, including policies, procedures, and an internal management framework, to support supply chain due diligence.
- Develop a control system, join the (RMI) and leverage its resources to further identify risks associated with upstream stakeholders.
- Communicate conflict minerals requirements to suppliers and provide training for them.
- Establish feedback and grievance mechanisms.

### Step 2 Identify and assess risk in the supply chain

- Identify suppliers that may pose high risks.
- Define the scope of supplier risk assessments.
- Conduct annual supply chain due diligence.
- Conduct due diligence on suppliers involved in relevant mineral raw materials via the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT).
- Require suppliers to conduct tier-by-tier investigations to identify smelters.

### Step 3 Design and implement a strategy to respond to identified risks

- Develop a risk management plan that requires suppliers to avoid the use of conflict minerals in the supply chain
- Conduct training on conflict mineral management for suppliers to raise awareness
- Encourage upstream suppliers to obtain RMI's RMAP certification

### Step 4 Carry out independent third-party audit

- Engage an independent third party to conduct an audit when necessary

### Step 5 Report on supply chain due diligence

- Disclose relevant progress annually in Midea Group's ESG report

## During the reporting period

We conducted conflict minerals screenings of over 5,000 partner and registered material suppliers, requesting and verifying source information for 3TG, cobalt, and mica via CMRT and EMRT, among which 3,039 suppliers submitted their responses online.

We have identified 534 significant suppliers involved in the use of tin, tantalum, tungsten, gold, cobalt, or mica. Through due diligence, we have found no risk of conflict minerals among these suppliers, among which 91.2% of suppliers have upstream smelters that have obtained RMAP certification.

Moving forward, Midea Group will continue to raise supplier admission standards from the source, conduct regular inspections and implement routine management practices, and require smelters in their upstream supply chains that have not yet been certified to undergo audit and certification processes, fulfilling the Group's commitment to conflict-free mineral.



Over **5,000** material suppliers have conducted conflict minerals screening.

**3,039** suppliers submitted their responses online.

**91.2%** of suppliers have upstream smelters that have obtained RMAP certification.

## Hazardous Substance Management

Midea Group strictly implements its hazardous substances management system and complies with relevant international and domestic laws and regulations. We require that the raw materials and components we purchase comply with the EU's RoHS Directive, REACH Regulation, and China's *Administrative Measures for Restricted Hazardous Substances*. We have established internal guidelines such as the *Guidelines for the Management of Hazardous Substances in Products of Midea Group*, the *Regulatory Map for Hazardous Substances of Midea Group*, and the *List of High-Risk Material Thresholds of Midea Group*. A dedicated management team is also equipped in this context.



During the reporting period, many business division including Midea Residential Air Conditioner Division, Midea Refrigerator Division, Midea Fabric & Floor Care Division, Building Technology Division, Midea Microwave and Oven Appliance Division, Midea Kitchen and Water Heater Appliances Division received the QC080000 hazardous substance process management certification.

In addition, we promptly incorporate the latest regulatory requirements into the Group's internal guidelines to ensure that the raw materials and components we procure comply with applicable regulations. Each business division has established a regulatory interpretation team responsible for collecting and interpreting regulatory requirements, as well as conducting regular internal and external training sessions to communicate these requirements and mitigate risks arising from delays in obtaining regulatory information.

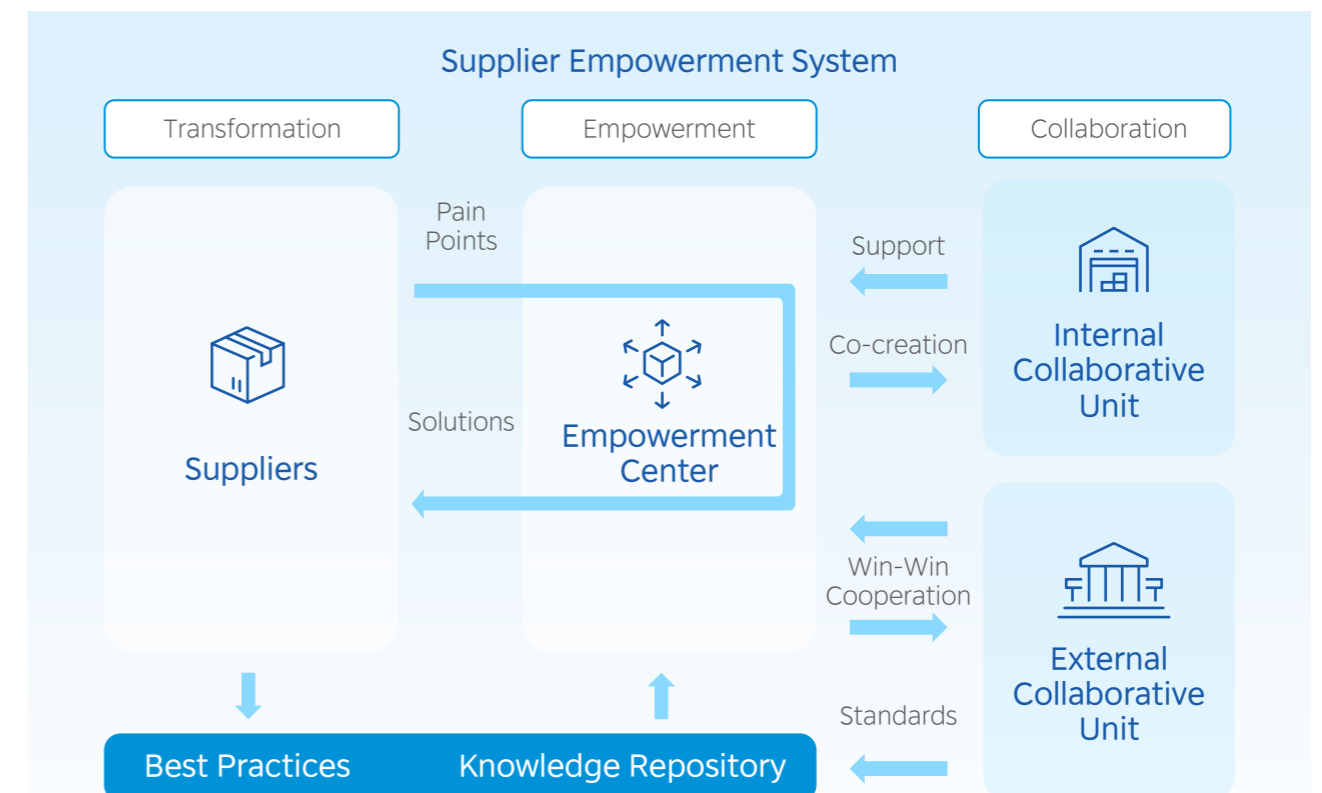
<b>Case</b>	<h3>Building Technology Division Conducts Training on Environmental Control Requirements for the Hazardous Substances Free (HSF) Among Suppliers</h3>	
<p>During the reporting period, the Building Technology Division conducted training on HSF environmental control requirements for 624 suppliers. By interpreting 11 environmental regulations, reviewing market inspection cases, and outlining supplier environmental standards, suppliers' capabilities are strengthened in managing hazardous substances, thereby promoting the substitution of environmentally friendly materials within the supply chain and the optimization of management systems.</p>		

## Co-constructing Industry Ecosystem

Grounded in sustainable business practices, Midea Group upholds the principles of harmonious coexistence, mutual benefit, and shared development to actively collaborate with partners across the entire industrial chain to build an industry ecosystem characterized by green and low-carbon operations, compliance, orderliness, and mutually beneficial development. Adhere to equal and open cooperation, we treat small and medium-sized enterprises (SMEs) with impartiality by ensuring that equal access is granted in terms of information channels, bargaining power, transparent cooperation rules, and standardized payment terms. During the reporting period, we publicly disclosed overdue payments to SMEs on the National Enterprise Credit Information Publicity System in accordance with regulations. To specify, the Group has not incurred any instances of overdue payments to SMEs.

## Value Chain Empowerment

Midea Group strengthens suppliers fulfillment capacity and ESG management capabilities through annual training and exchanges. We have built a supplier empowerment system covering quality management, ESG capacity building and other key area, where we share industrial resources and Midea's experience with suppliers for mutual growth.



During the reporting period, we conducted 13 ESG training sessions for suppliers to emphasize Midea Group's specific ESG requirements. The training covered topics such as the dissemination of the *Supplier Code of Conduct*, sharing of best ESG practices, energy conservation and carbon reduction, conflict minerals management, hazardous substances management, environmental compliance, and anti-corruption. We also shared suppliers' best practices in ESG management, with the aim of enhancing their ESG management awareness and capabilities.

**Case** Midea Group launched "Supplier Green Empowerment" Training


In June 2025, Midea Group launched the "Supplier Green Empowerment" themed training conference, with over 170 suppliers participating on-site and more than 900 people covered both online and offline. During the training, we actively shared Midea Group's practical experience in ESG and green manufacturing, and invited outstanding ESG-practicing enterprises at home and abroad such as Schneider and Baosteel to share their experiences. Meanwhile, the Building Technology Division and Residential Air Conditioner Division shared information on green industrial equipment based on their own product characteristics, providing suppliers with excellent green practice references. After the training, suppliers enthusiastically signed up for on-site guidance and improvement plans for energy equipment.



• "Supplier Green Empowerment" Training

Focusing on supply chain carbon reduction, we have formulated a long-term plan for improving suppliers' ESG capabilities and collaborated with suppliers to carry out low-carbon material substitution and process improvement projects. During the reporting period, we launched a green and low-carbon empowerment improvement plan for key suppliers based on the Group's accumulated methodology in green manufacturing. We conducted special on-site research and diagnosis on suppliers' energy-consuming equipment, photovoltaic energy storage facilities, and digital systems, and provided diagnostic improvement suggestions to help suppliers achieve green transformation.

During the reporting period



we implemented green and low-carbon empowerment initiatives at **24** significant suppliers.

**Case** On-site Investigation of Suppliers' Energy-consuming Equipment and Provision of Energy-saving Improvement Suggestion

In September 2025, we conducted an on-site equipment investigation of a key supplier. Combining its equipment status and subsequent new factory building needs, we carried out on-site visits and investigations into the supplier's air compressors, HVAC lighting, photovoltaic energy storage and other equipment, and had in-depth communication with the supplier. Meanwhile, the supplier visited the Shunde factory of Midea Residential Air Conditioner Division for on-site observation and learning. Through this exchange, we put forward 13 equipment improvement suggestions to the supplier, and the supplier has adopted 10 of them and carried out targeted improvements.

## Industry Exchange and Standard Development

### Industry Exchange

Midea Group fosters a thriving industry ecosystem and promotes sustainable development through cooperation. We have joined the UN Global Compact (UNGC) to contribute to global sustainable development. By complementing resources with the Group's partners and actively participating in international forums and industry events, we are working together to drive progress and development in the industry.

**Case** Midea Group Officially Announced as One of the First Partner Companies with the Building Sustainable Brands

In September 2025, Midea Group officially became one of the first "Building Sustainable Brands" partner companies, marking a key milestone in the Group's implementation of sustainability strategy and promotion of global business sustainability. As one of the initiative's first partners, Midea Group centers its efforts on "sustainable brand building" to deepen global collaboration in green R&D, low-carbon production and others. In this case, we promote low-carbon development across its supply chain through "Midea Sustainable Development Solutions," while adopt cutting-edge concepts and technologies through international platforms. This accelerates the development of its own ESG framework, and the implementation of its carbon neutrality goals, setting an example for global sustainable business development and helping to build a global partner ecosystem in sustainability based on "shared responsibility and shared value."



• Certificate of One of the First Partner Companies with the Building Sustainable Brands

**Case** Midea Group Showcases at C&R 2025 in Spain

In November 2025, Midea Group showcased its ECOMASTER energy-saving system at C&R 2025 | Air conditioning, Ventilation and Heating fair – IFEMA in Spain. By monitoring indoor and outdoor environments in real time, the system dynamically adjusts equipment operation with  $\pm 0.3^{\circ}\text{C}$  precision, reducing energy consumption by over 30% while ensuring comfort, thereby setting a new benchmark for smart, eco-friendly air conditioning.



• Midea Group in C&R 2025 in Spain

### Case Midea Group with the World-Leading R290 Eco-Friendly Refrigerant Technology at the UNIDO Conference

In July 2025, a side event of the 47th Open-Ended Working Group (OEWG) of the United Nations Industrial Development Organization (UNIDO) was held in Bangkok, Thailand. Experts from Midea Residential Air Conditioner Division presented the Midea's experience and stories in successfully promoting the use of R290 as a natural refrigerant in the air conditioning industry, covering technical challenges, safety considerations, market acceptance, and the environmental benefits achieved.

Based on a calculation and analysis of carbon emissions across the entire lifecycle of air conditioning systems, using a 3.5 kW rated cooling capacity room air conditioner with a first-class energy efficiency rating as an example, equivalent CO<sub>2</sub> emissions of the refrigerant over the system's entire lifecycle can be reduced by 34% with R290 refrigerant compared to R410A. Compared to R32 air conditioning systems, CO<sub>2</sub> emissions are reduced by 12%.

### Case Midea Group joined the Global Sustainable Consumption Initiative<sup>27</sup>, and Annto Selected for Global Sustainable Consumption Case Study Collection

In April 2025, the 5th Sustainable Consumption Themed Event was successfully held at the 5th China International Consumer Products Expo in Haikou. At the event, Midea Group officially joined the Global Sustainable Consumption Initiative, pledging to steadfastly implement its green strategy, actively undertake the green mission of addressing global climate change, strive toward net-zero emissions, and commit to achieving carbon neutrality across the entire value chain.

Additionally, the Global Sustainable Consumption Initiative and the China Sustainability Tribune officially released *Unleashing Consumption Potential, Embracing Green Living: A Collection of Exemplary Cases in Sustainable Consumption (2025)* at the event, aiming to guide and inspire more enterprises to explore innovations in the field of green and sustainable consumption. Annto's case study, titled *Driving Full-Chain Low-Carbon Transformation Through Green Smart Logistics*, was successfully selected, making it the only logistics company included in the collection.



• The venue of the 5th Sustainable Consumption Themed Event

### Case Annto and GLCC Jointly Released the Research Report on the Construction of a Reverse Logistics System for Waste Electrical and Electronic Equipment

On October 24, 2025, the 40th Conference on High-Quality Development of the Logistics Industry, hosted by the China Federation of Logistics & Purchasing (CFLP), was held in Shenzhen. At the conference, Annto and Green Logistics Committee of CFLP (GLCC) jointly released the *Research Report on the Construction of a Reverse Logistics System for Waste Electrical and Electronic Equipment*. Drawing on Annto practical experience and approaches in the reverse logistics of waste electrical and electronic equipment as a model case, the report provides theoretical, technical, and practical guidance for all in building a full-chain green recycling system connecting consumers, manufacturers, dismantling facilities, and recycling facilities.



• The launch for the Research Report on the Construction of a Reverse Logistics System for Waste Electrical and Electronic Equipment

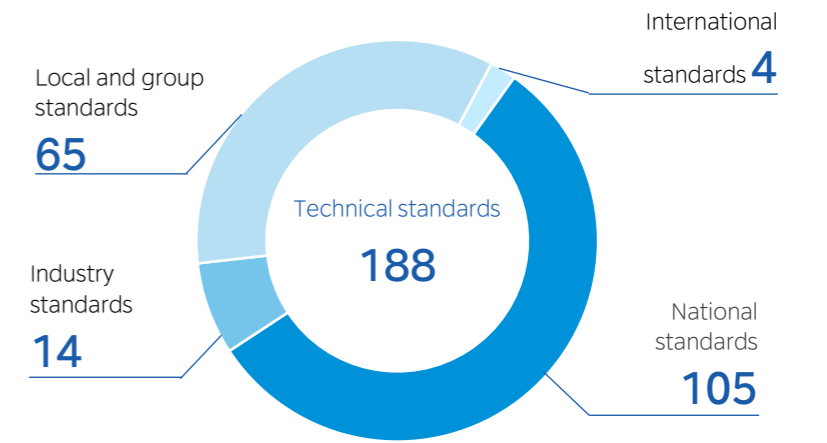
<sup>27</sup> The Global Sustainable Consumption Initiative was launched at the first China International Consumer Products Expo in 2021. It was initiated by the China Sustainability Tribune in collaboration with companies that have actively engaged sustainable development for many years while promoting sustainable consumption.

## Standard Development

Midea implements the "3+1" standardization strategy of Innovation Patentability, Patent Standardization, Standard Internationalization and Midea Standard Goes Out. Through a two-tier (Group-business divisions) standardization management system and a dual-drive mode of "standard innovation + product innovation," we quickly transform innovations into advanced standards to support industry development. This year, we continued to support domestic and international innovations and deepened global standard construction to support overseas product localization.

### During the Reporting Period

Midea Group participated in the formulation and revision of over 188 technical standards, including 4 international standards, 105 national standards, 14 industry standards and 65 local and group standards. These include 50 standards related to energy efficiency, environmental sustainability, and health. The technical standards we helped develop and revise have received 1 IEC 1906 Award, and 18 awards for outstanding or advanced units and individuals from the Technical Committee of National Standardization Administration.



### Midea Group Leads the Development of National Standards for Air Conditioner Carbon Footprints

During the reporting period, Midea Group collaborated with the China Household Electric Appliance Research Institute (CHEARI) to develop and release the home appliance industry's first national standard for product carbon footprints: *GB/T 46027-2025 Greenhouse gases—Quantification requirements and methods of product carbon footprint—Room air conditioners*. This national standard not only provides standardized methodological guidance for the carbon footprint calculation of room air conditioners but also offers robust technical support for the implementation of product carbon labeling certification, from policy formulation to practical application.



<sup>27</sup> The Global Sustainable Consumption Initiative was launched at the first China International Consumer Products Expo in 2021. It was initiated by the China Sustainability Tribune in collaboration with companies that have actively engaged sustainable development for many years while promoting sustainable consumption.

# Appendix I: Awards and Honors

## Brand Recognition

World's Best Companies 2025 - Asia Pacific

TIME

Leader in Trade-in Brand

People's Daily

World's Top Companies for Women

FORBES

World's Best Employers

FORBES

2025 Sustainable Brand Model – Responsible Governance Award

HUXIU

## Technical Recognition

Carbon-Neutral Factory certification (Midea Fabric & Floor Care Division Hefei Washing Machine Factory)

SGS

ISO46001 Water efficiency management systems (Midea Residential Air Conditioner Division Wuhu Factory)

SGS

Carbon Footprint Management Platform

TÜV SÜD and CVC

## ESG Award

Outstanding ESG Practice Award

2025 Greater Bay Area Purchase Summit

Annual Outstanding ESG Model Enterprise

Greaterbay Financier Association, CCX Green Finance International Limited

Listed in 2025 Fortune China ESG Impact List

FORTUNE

Selected for the Global Sustainability Yearbook 2026

S&P Global

Selected for the Sustainability Yearbook 2025 (China Edition)

S&P Global

ESG New Benchmark Enterprise Award

www.stockstar.com

ESG JINNIU Awards Top 100

China Securities Journal

2025 Top 100 Best ESG Practices Among Chinese Listed Companies

WIND

2025 Top 100 Chinese Companies for ESG

Sina Finance ESG Rating Center ESG

# Appendix II: Key Performance Indicators

## GHG Emission Data

Indicators	2025	2024	2023
Total GHG Emissions (Scope 1+2) (Tons of CO <sub>2</sub> equivalent)	2,098,936	2,203,472	2,298,311
Emission Intensity (Tons of CO <sub>2</sub> equivalent per 10k revenue)	0.046	0.055	0.061
Scope 1 GHG Emissions <sup>28</sup>	507,184	681,036	1,017,606
Scope 2 GHG Emissions <sup>29</sup>	1,591,752	1,522,436	1,280,705
Scope 3 GHG Emissions <sup>30</sup>	211,444,459	196,247,729	4,960,000
Scope 3 - Category 1 Procurement of Products and Services	8,405,052	8,494,973	/
Scope 3 - Category 4 Upstream Transportation	1,254,207	1,340,856	/
Scope 3 - Category 11 Use of Sold Products	201,785,200	186,411,900	4,960,000
Total GHG Emissions (Scope 1+2+3) (Tons of CO <sub>2</sub> equivalent)	213,543,395	198,451,201	7,258,311

<sup>28</sup> Scope 1 GHG Emissions are measured in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard (2004)* and primarily result from natural gas consumption by fixed production equipment and cafeterias, refrigerant leaks during product manufacturing, and refrigerant recovery during repairs.

<sup>29</sup> Scope 2 GHG Emissions are location-based, covering purchased electricity and heating, and are quantified in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard (2004)*. The data of the above emission sources are sourced from official files such as expense invoices and production reports. Emission factors for purchased electricity are obtained from the *Announcement of the Ministry of Ecology and Environment on the Release of the Carbon Dioxide Emission Factor of Electricity in 2023* (National average CO<sub>2</sub> emission factor for electricity: 0.6096 kgCO<sub>2</sub>/kWh), and the IEA Emission Factors 2022 issued by the International Energy Agency. Emission factors for purchased heating refer to the *Guidelines for the Accounting Method and Reporting of Corporate Greenhouse Gas Emissions (Trial)* issued by the National Development and Reform Commission. Other emission factors refer to the *Guidelines for National Greenhouse Gas Inventories (Trial)* in 2006 issued by the IPCC (Intergovernmental Panel on Climate Change) and other guidelines.

<sup>30</sup> Scope 3 GHG Emissions are calculated by categories in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard (2004)*, including Category 1, Category 4, and Category 11. For Category 1, emission factors for purchased materials are sourced from the Ecoinvent 3.11 database, and Category 11 has been further refined compared to 2024 to include additional product categories sold.

## Other Environmental Data<sup>31</sup>

Indicators	Unit	2025	
Exhaust Gas	NO <sub>x</sub>	Tons	64.66
	SO <sub>x</sub>	Tons	45.54
	Volatile Organic Compounds (VOC)	Tons	196.42
	Particle matter (PM)	Tons	204.06
Wastewater	Total Industrial Wastewater Discharge	Tons	5,124,856.41
	NH <sub>3</sub> -N	Tons	13.02
	Chemical Oxygen Demand (COD)	Tons	207.33
Waste	Total hazardous waste	Tons	22,061.02
	Intensity of hazardous waste	Tons/ 10k revenue	0.00048
	Total general solid waste	Tons	716,397.95
	Intensity of general solid waste	Tons/ 10k revenue	0.01557
	Recovery and utilization amount of general solid waste	Tons	12,905.34
Use of energy <sup>32</sup>	Total comprehensive energy consumption	MWh	3,622,856.57
	Total direct energy consumption	MWh	708,969.93
	Total indirect energy consumption	MWh	2,913,886.64
	Energy consumption intensity	MWh/ 10k revenue	0.07876
	Compressed/pipeline natural gas consumption	m <sup>3</sup>	65,513,086.11
Use of water resource	Total water withdrawal	Tons	25,759,769.34
	Intensity of total water withdrawal	Tons/ 10k revenue	0.55999
	Total water consumption	Tons	20,634,912.93
Packaging material use <sup>33</sup>	Total usage	Tons	711,861.00
	Usage density	Tons/ 10k revenue	0.01547

<sup>31</sup> For wastewater and exhaust gas, we refer to the *Manual on Pollutant Emission Calculation Methods and Coefficients for Industrial Sources*, issued by the Ministry of Ecology and Environment of the People's Republic of China on June 11, 2021.

<sup>32</sup> In 2025, the types of energy consumed by the Group include Compressed/pipeline natural gas consumption, purchased electricity and purchased heating, and the sources of the above data are the relevant invoices or production statements. The energy consumption factors refer to the conversion factor provided by the International Energy Agency and the national General Rules for Calculating Comprehensive Energy Consumption (GB/T 2589-2020).

<sup>33</sup> Packaging materials include corrugated paper, specialty paper and other paper materials.

## Social Data

Indicators		Unit	2025	
Employee Type	Employees headcount	'000 People	198	
	By gender	Male	'000 People	140
		Female	'000 People	58
	By region	Chinese Mainland, Hong Kong, Macau, and Taiwan	'000 People	150
		Overseas	'000 People	48
	By age group	Aged 30 and below	'000 People	77
		Aged 31 to 50	'000 People	105
		Aged over 50	'000 People	16
	By employment type	Full-time	'000 People	195
		Part-time	'000 People	3
By position level	Management	'000 People	4	
	General employees	'000 People	194	
Employee Diversity	Minority employees	'000 People	11	
Employee Turnover Rate	Employee Turnover Rate	%	35.7	
	By gender	Male	%	25.5
		Female	%	10.1
	By age group	Aged 30 and below	%	20.7
		Aged 31 to 50	%	14.1
		Aged over 50	%	1.0
	By region	Chinese Mainland, Hong Kong, Macau, and Taiwan	%	31.0
		Overseas	%	4.9

Indicators		Unit	2025	
Occupational Health and Safety	The number of deaths due to work-related accidents	2023	Person	0
		2024	Person	0
		2025	Person	0
	The rate of deaths due to work-related accidents	2023	%	0
		2024	%	0
		2025	%	0
	Number of workdays lost due to occupational injuries	Day	2,954.0	
	Lost workday rate	/	0.04	
	Work injury insurance	Investment amount	RMB Million	82.476
		Coverage rate	%	100
Coverage of trained employees by gender	Male	%	71.5	
	Female	%	28.5	
Coverage of trained employees by employee category	Senior management	%	0.1	
	Middle management	%	2.2	
	General employees	%	97.7	
Average training hours by gender	Male	Hour	21.9	
	Female	Hour	19.8	
Average training hours by employee category	Senior management	Hour	44.4	
	Middle management	Hour	54.9	
	General employees	Hour	19.6	
Employee training coverage	%	100		
Amount invested in supporting employee continuing education	RMB million	8.665		
Amount spent on training and development	RMB million	170		

<sup>34</sup> The formula for calculating the proportion of trained employees is: the number of trained employees in this category / the total number of trained employees. The training data is the course information recorded on the M-learning platform, and it does not include some data from offline trainings that have not been recorded on the M-learning platform.

Indicators		Unit	2025	
Social Public Welfare	Social public welfare contribution hours by field	Environmental protection field	Hour	7,002.0
		Health field	Hour	1,429.0
		Other fields	Hour	49.5
	Number of participants in social public welfare	Person-times	4,320	
Suppliers <sup>35</sup>	Number of suppliers by region	South China	/	1,888
		East China	/	2,096
		Central China	/	289
		North China	/	110
		Northeast China	/	12
		Northwest China	/	11
		Southwest China	/	164
		Hong Kong, Macao and Taiwan	/	29
Product Responsibility	Customer satisfaction	%	99.02	
	Product and service complaint rate	%	0.05	
Anti-corruption <sup>36</sup>	Number of anti-corruption training by employee category	Management	'000 People	4
		General employees	'000 People	194
	Coverage of anti-corruption training by employee category	Management	%	2.0
		General employees	%	98.0

<sup>35</sup> Refer to material suppliers.

<sup>36</sup> The anti-corruption training data only counts the number of participants on the online M-learning platform and does not include the number of participants in offline anti-corruption training.

# Appendix III: Report Index Table

## Issues Index Table

Dimension	Issues in the <i>Sustainability Report Guidelines</i> of SZSE	Midea 2025 Sustainability Issues List
Environment	Climate response	Adapt to Climate Change
	Pollutant discharge	Pollutant Emissions
	Waste disposal	Circular Economy and Waste Management
	Ecosystem and biodiversity protection	Biodiversity Conservation
	Environmental compliance management	Environmental Compliance Management
	Energy utilization	Use of Energy
	Water resources utilization	Sustainable Water Resource Management
	Circular economy	Circular Economy and Waste Management
Social	Rural revitalization	Community Contribution
	Social contributions	Community Contribution
	Innovation	Innovation and R&D, Intellectual Property Protection
	Ethics of science and technology	Innovation and R&D

Dimension	Issues in the <i>Sustainability Report Guidelines</i> of SZSE	Midea 2025 Sustainability Issues List
Social	Supply chain security	Supply Chain Management and Safety, Conflict Minerals Management
	Equal treatment of SMEs	Supply Chain Management and Safety
	Product and service safety and quality	Product Quality and Safety, Responsible Marketing and Communications, Consumer Experience
	Data security and customer privacy	Data Security and Customer Privacy Protection
	Employees	Employee Rights and Diversity, Employee Health and Safety, Employee Training and Development
	/	Promoting Industry Development
Sustainability-related governance	Due diligence	Environmental Compliance Management, Conflict Minerals Management, Employee Rights and Diversity
	Stakeholder engagement	Midea Group has established a regular, multi-channel stakeholder communication mechanism that covers all relevant topics; therefore, this specific issue has not been listed separately.
	Anti-commercial bribery and anti-corruption	Anti-commercial Bribery and Anti-corruption
	Fair competition	Anti-Unfair Competition
	/	Corporate Governance
	/	Shareholder Rights

# Report Content Index Table

## HKEX Main Board Listing Rules-Appendix C2 Environmental, Social and Governance Reporting Code

Issues in the Guild line	Index No.	Response
Governance Structure	(i)	Sustainable Development Governance
	(ii)	Sustainable Development Governance
	(iii)	Sustainable Development Governance
Reporting Principles	Materiality	About the Report
	Quantitative	About the Report
	Consistency	About the Report
Reporting Boundary		About the Report
A1 Emissions	General Disclosure	Sustainable Waste Resources Management
	A1.1	Other Environmental Data
	A1.3	Other Environmental Data
	A1.4	Other Environmental Data
	A1.5	Waste and Emission Management
	A1.6	Waste and Emission Management
A2 Use of Resources	General Disclosure	Energy Management, Sustainable Water Resources Management
	A2.1	Other Environmental Data
	A2.2	Other Environmental Data
	A2.3	Environmental Management System, Energy Management
	A2.4	Sustainable Water Resources Management
	A2.5	Other Environmental Data
A3 The Environment and Natural Resources	General Disclosure	Environmental Management System, Upholding Ecological Redlines
	A3.1	Upholding Ecological Redlines
B1 Employment	General Disclosure	Employee Training and Development, Employee Rights and Diversity
	B1.1	Social Data
	B1.2	Social Data

Issues in the Guild line	Index No.	Response
B2 Health and Safety	General Disclosure	Employee Health and Safety
	B2.1	Social Data
	B2.2	Social Data
	B2.3	Employee Health and Safety
B3 Development and Training	General Disclosure	Employee Training and Development
	B3.1	Social Data
	B3.2	Social Data
B4 Labour Standards	General Disclosure	Employee Rights and Diversity
	B4.1	Employee Rights and Diversity
	B4.2	Employee Rights and Diversity
B5 Supply Chain Management	General Disclosure	Supply Chain Management
	B5.1	Social Data
	B5.2	Supply Chain Management
	B5.3	Supply Chain Management
	B5.4	Supply Chain Management
B6 Product Responsibility	General Disclosure	Value Chain Empowerment
	B6.1	Product Quality and Safety
	B6.2	Customer Service and Experience
	B6.3	Compliance Operation
	B6.4	Product Quality and Safety
	B6.5	Data Safety and Privacy Protection
B7 Anti-corruption	General Disclosure	Business Code of Conduct
	B7.1	Business Code of Conduct
	B7.2	Integrity Culture Development
	B7.3	Integrity Culture Development
B8 Community Investment	General Disclosure	Rural Revitalization, Educational Support, Public Welfare
	B8.1	Rural Revitalization, Educational Support, Public Welfare, Social Data
	B8.2	Rural Revitalization, Educational Support, Public Welfare, Social Data

## Part D: Climate-related Disclosures

Governance		
D19 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Addressing Climate Change-Governance
D19 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Addressing Climate Change-Governance
Strategy		
D20 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Addressing Climate Change-Governance
D20 (b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.	Addressing Climate Change-Governance
D20 (c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Addressing Climate Change-Governance
D20 (d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change-Governance
D21 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain	Addressing Climate Change-Governance
D21 (b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Addressing Climate Change-Governance
D22 (a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	Addressing Climate Change-Governance
D23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Addressing Climate Change-Governance
D24 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Addressing Climate Change-Governance
D24 (b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Based on the Group's assessment, the Group is not exposed to any significant risks that would result in material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting period.
D25 (a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i)its investment and disposal plans; and (ii)its planned sources of funding to implement its strategy.	For detailed qualitative information, see "Addressing Climate Change-Strategy" Based on the Group's assessment, Midea Group has not disclosed quantitative information regarding the expected financial impact, as some of these impacts cannot be identified separately and the measurement methods used to assess them are subject to significant uncertainty.
D25 (b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
D26 (a)	The issuer's assessment of its climate resilience as at the reporting date	Addressing Climate Change-Strategy
D26 (b)	How and when the climate-related scenario analysis was carried out.	Addressing Climate Change-Strategy

Risk Management		
D27 (a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	Addressing Climate Change-Climate Risk Management
D27 (b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities)	Addressing Climate Change-Climate Risk Management
D27 (c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	Addressing Climate Change-Climate Risk Management
Metrics and Targets		
D28 (a)	Scope 1 greenhouse gas emissions	Appendix II-GHG Emission Data
D28 (b)	Scope 2 greenhouse gas emissions	Appendix II-GHG Emission Data
D28 (c)	Scope 3 greenhouse gas emissions	Appendix II-GHG Emission Data
D29 (a)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Appendix II-GHG Emission Data
D29 (b)	Disclose the approach it uses to measure its greenhouse gas emissions	Appendix II-GHG Emission Data
D29 (c)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions;	Appendix II-GHG Emission Data
D29 (d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Appendix II-GHG Emission Data
D30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Based on the Group's assessment, Midea Group currently has no assets that are significantly exposed to climate-related transition risks or physical risks, nor does it currently have any assets associated with climate-related opportunities.
D31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
D32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
D33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Addressing Climate Change-Strategy
D34 (a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	By the end of the reporting period, Midea Group has not yet incorporated carbon pricing into its decision-making processes.
D34 (b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
D35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Addressing Climate Change-Governance
D36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	D36 is an encouraged disclosure guideline while this report does not disclose industry-based metrics.

Metrics and Targets		
D37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	For details on the Group's greenhouse gas emission targets, please refer to "Addressing Climate Challenges—Metrics and Targets." For details on the procedures used to audit and monitor progress toward these targets, please refer to "Addressing Climate Challenges—Governance." This target was established by Midea Group and has not yet been verified by a third party, nor does it follow industry-standard decarbonization methodologies. As this is not a net-zero target, it does not involve the use of carbon credits.
D38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	
D39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
D40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target;  (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;  (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;  (d) whether the target was derived using a sectoral decarbonisation approach; and  (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
D41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	

### GRI Standards Index

GRI Standards	Chapter
<b>GRI General Disclosures 2021</b>	
2-1 Organizational details	Introduction to Business
2-2 Entities included in the organization's sustainability reporting	About the Report
2-3 Reporting period, frequency and contact point	About the Report
2-4 Restatements of information	Addressing Climate Change
2-5 External assurance	Appendix IV: Assurance Statement
2-6 Activities, value chain and other business relationships	Introduction to Business
2-7 Employees	Social Data
2-9 Governance structure and composition	Sustainable Development Governance
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance
2-13 Delegation of responsibility for managing impacts	Sustainable Development Governance
2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Governance

GRI Standards	Chapter
2-17 Collective knowledge of the highest governance body	Letter from the Management
2-18 Evaluation of the performance of the highest governance body	Sustainable Development Governance
2-22 Statement on sustainable development strategy	Sustainable Development Governance
2-26 Mechanisms for seeking advice and raising concerns	Business Code of Conduct
2-27 Compliance with laws and regulations	Throughout the Report
2-29 Approach to stakeholder engagement	Stakeholder Engagement
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	Double Materiality Assessment
3-2 List of material topics	Double Materiality Assessment
3-3 Management of material topics	Throughout the Report
<b>GRI 101: Biodiversity 2024</b>	
101-1 Biodiversity Policy and Commitment	Upholding Ecological Redlines
<b>GRI 201: Economic 2016</b>	
201-2 Financial implications and other risks and opportunities due to climate change	Strategy
<b>GRI 205: Anti-Corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	Risk Management, Integrity Culture Development
205-2 Communication and training about anticorruption policies and procedures	Integrity Culture Development
<b>GRI 206: Anti-Competition Behavior 2016</b>	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Code of Conduct
<b>GRI 301: Materials 2016</b>	
301-3 Reclaimed products and their packaging materials	Circular Economy Practice
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organization	Other Environmental Data
302-2 Energy consumption outside of the organization	Other Environmental Data
302-3 Energy intensity	Other Environmental Data
302-5 Reductions in energy requirements of products and services	Product Efficiency Promotion

GRI Standards	Chapter
<b>GRI 303: Water and Effluents 2018</b>	
303-1 Interactions with water as a shared resource	Sustainable Water Resources Management
303-2 Management of water discharge-related impacts	Sustainable Water Resources Management
303-3 Water withdrawal	Other Environmental Data
303-4 Water discharge	Other Environmental Data
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	GHG Emission Date
305-2 Energy indirect (Scope 2) GHG emissions	GHG Emission Date
305-4 GHG emissions intensity	GHG Emission Date
305-5 Reduction of GHG emissions	Sustainable Development Management
<b>GRI 306: Waste 2020</b>	
306-2 Management of significant waste-related impacts	Other Environmental Data
306-3 Waste generated	No significant leaks
306-4 Waste diverted from disposal	Waste and Emission Management
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, Conflict Minerals Management and Hazardous Substance Management
<b>GRI 401: Employment 2016</b>	
401-1 New employee hires and employee turnover	Social Data
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Diversity
401-3 Parental leave	Employee Rights and Diversity
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-1 Occupational health and safety management system	Employee Health and Safety
403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety
403-3 Occupational health services	Employee Health and Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety
403-5 Worker training on occupational health and safety	Employee Health and Safety

GRI Standards	Chapter
403-6 Promotion of worker health	Employee Health and Safety
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety
403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety
403-9 Work-related injuries	Employee Health and Safety, Social Data
403-10 Work-related ill health	Employee Health and Safety
<b>GRI 404: Training and Education 2016</b>	
404-1 Average hours of training per year per employee	Social Data
404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	Social Data
<b>GRI 406: Non-Discrimination 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Diversity
<b>GRI 413: Local Communities 2016</b>	
413-1 Operations with local community engagement, impact assessments, and development programs	Public Welfare
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1 New suppliers that were screened using social criteria	Supply Chain Management
414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management
<b>GRI 416: Customer Health and Safety 2016</b>	
416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety
<b>GRI 417: Marketing and Labeling 2016</b>	
417-1 Requirements for product and service information and labeling	Responsible Marketing
417-2 Incidents of non-compliance concerning product and service information and labeling	Responsible Marketing
417-3 Incidents of non-compliance concerning marketing communications	Responsible Marketing
<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Safety and Privacy Protection

# Appendix IV: Assurance Statement



## ASSURANCE STATEMENT

### REPORT ON SUSTAINABILITY ACTIVITIES IN THE MIDEA GROUP CO., LTD.'S ESG REPORT FOR 2025

#### NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Midea Group Co., Ltd. (hereinafter referred to as Midea Group) to conduct an independent assurance of the Midea Group's ESG Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Midea Group's Stakeholders.

#### RESPONSIBILITIES

The sustainability information in the Midea Group's ESG Report for 2025 and its presentation are the responsibility of Midea Group's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018).

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
AA1000AS v3 Type 2	Moderate

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information in the Midea Group's ESG Report for 2025 and evaluation of adherence to the following reporting criteria:

Reporting Criteria
AA1000 AccountAbility Principles (2018)
GRI Standards 2021 (With Reference to)
Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by Hong Kong Exchanges and Clearing Limited (HKEX)

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 6 Midea Avenue, Beijiao Town Shunde District, Foshan, Guangdong Province, China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Midea Group and did not include traceability of all original data from subordinate institutions.

#### LIMITATIONS

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.



The greenhouse gas emissions related data (scope 1, scope 2 and scope 3) in the ESG Report for 2025 was calculated by Midea Group. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

This assurance engagement was limited to conducting interviews with departmental managers and selected employees of Midea Group, in addition to reviewing relevant documents and records.

#### INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Midea Group, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

#### FINDINGS AND CONCLUSIONS

##### ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we believe that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated. The Midea Group's ESG Report for 2025 has been prepared in accordance with the Four Principles of AA1000.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

##### ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

##### INCLUSIVITY

The Midea Group's ESG Report for 2025 has demonstrated that the organization identified its stakeholders, collected their expectations and concerns, established methods for stakeholder communication and engagement, and undertaken various forms of dialogue and interaction with them.

##### MATERIALITY

The Midea Group's ESG Report for 2025 has reasonably disclosed significant issues and indicators that materially affect stakeholder evaluations and decisions, reflecting the organization's most significant impacts on economic, environmental, and social matters based on the concerns raised by relevant stakeholders.

##### RESPONSIVENESS

The Midea Group's ESG Report for 2025 has demonstrated the established channels for stakeholder interaction and has fully addressed stakeholder concerns and expectations. Additionally, it has provided transparent responses on material issues to an appropriate extent.

##### IMPACT

The Midea Group's ESG Report for 2025 has provided an account of the monitoring and measurement of the principal activities' impacts concerning environmental, social, and governance (ESG) issues.

##### QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the methodology described and the verification work performed, we checked management documents, HR system data, receipts, minutes of meetings, ISO certifications, etc. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for Midea Group.

##### ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Midea Group's ESG Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

##### ADHERENCE TO APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY HKEX

The assurance team concludes that the Midea Group's ESG Report for 2025 has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by HKEX.

# Appendix IV: Assurance Statement



**RECOMMENDATIONS**  
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly communicated with relevant management divisions of Midea Group to serve as a reference for their ongoing efforts towards continuous improvement.


Signed:  
  
For and on behalf of SGS-CSTC

David Xin  
Sr. Director – Business Assurance  
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Mar. 21<sup>st</sup>, 2026  
WWW.SGS.COM



CN26/00001909



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000-8/V3-NZ59J



2025 MIDEA GROUP  
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



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