



2023

Gree Electric Appliances, Inc. of Zhuhai
Environmental, Social and Governance Report

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OVERVIEW

Statement

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

References

This report has been prepared with reference to the "GRI Standards" issued by the Global Sustainability Standards Board (GSSB), the "Sustainable Development Goals (SDGs)" of the United Nations, the "Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on the Main Board" and "Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Business Handling" issued by the Shenzhen Stock Exchange.

Time Period

The Report covers the period from from January 1, 2023, to December 31, 2023. To enhance the completeness of the Report, some content may beyond the above time period.

Scope

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

Data

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

Executive Summary

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

Acquisition

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

Contact

If you have any questions, suggestions or comments on this Report, please contact:
Address: West Jinji Road, Qianshan, Zhuhai
Tel: 0756-8669232

Chairman's Message

Hello everyone, thank you for reading this report. On behalf of the Board of Directors of Gree, I would like to express my gratitude for your long-standing concern for Gree! In 2023, facing a complex and variable global economic environment, all Gree employees fought hard and rose to the challenge, creating the best results since the Company was founded 33 years ago. Our annual revenue reached CNY205.018 billion, with net profits attributable to shareholders of listed companies of CNY29.017 billion, and tax contributions of approximately CNY17.6 billion.

We understand that the success of a company is not only reflected in its economic benefits but also in its contributions to the environment and society. Environmental, Social, and Governance (ESG), as a concrete management tool for implementing the concept of sustainable development at the corporate level, makes it an undeniable responsibility for the company to carry out comprehensive and well-implemented ESG management and information disclosure. Hence, we have completed the compilation of our first ESG report, and we welcome everyone to learn about the related actions Gree has taken in the ESG area in recent years.

In fact, before the publication of this ESG report, we had already released social responsibility reports for seventeen consecutive years. Enterprises are builders of the nation, and every enterprise should become a healthy "cell" in society, actively taking on social responsibilities. The fate of enterprises is intertwined with that of the nation and humanity. Therefore, against the backdrop of global climate change, as a responsible manufacturing company, we should contribute to the planet and the good life of people.

In terms of the environment, we have always embraced the national sentiment of green development. As early as 2013, we proposed the slogan "For the Clearer Sky and Greener Earth", and integrated this concept into our innovation and production practices. Today, of Gree's 44 internationally leading technologies, 41 are related to green energy saving. In the era of low carbon, Gree serves green development with our products, creating some of the most energy-efficient products in the

global refrigeration industry. Gree's globally pioneering "Zero Carbon Source" PV energy-storage air-conditioning technology has won the first Chinese Patent Gold Award in the central air conditioning industry and received the highest award at the Global Refrigeration Technology Innovation Competition. This technology uses only one-fifth the energy of traditional technologies, and can generate and supply power by itself, reducing carbon emissions by nearly 90%. From the perspective of saving on electricity costs, the investment cost can be recouped within five years. Currently, this technology serves 35 countries globally, saving an average of 14,300 kWh per project annually.

In terms of industrial upgrading, since 2016, we have been vigorously promoting industrial upgrading, advancing digital development, continuously improving the level of intelligence, and committing ourselves to realizing the data operation and platform operation of the entire value chain. Particularly in the production chain, we have promoted the design, development and implementation of digital platforms. In 2023, the first high-density "automation, intelligence and digitalization" integrated production line of our "Black Light Factory" in Gaolan Port was put into operation. It incorporates a number of technologies such as automatic assembly, fastening, welding, pasting and testing, greatly improving the production efficiency, promoting the low-carbon and environmental protection in the production process, and accelerating the transformation of green development.

Socially, we develop home appliances around the needs of the people for a better life. The General Secretary proposed that the people's aspirations for a better life are our goal. Now we can say that Gree develops and manufactures whatever people need for a better life. Our "Windless Air Conditioner" solves the long-standing issue of discomfort caused by direct cold air blowing from air conditioners, and it can also save 15% energy; we have produced a flower-level fresh-keeping refrigerator, powered by -5°C cell-level fresh-keeping technology and -38°C deep freeze fresh-keeping technology, which not only prevents meat from spoiling but also keeps flowers fresh for 20 days without wilting or discoloration, allowing consumers to enjoy a better life; we have integrated air conditioner compressor technology into traditional

washer-dryers, developing a heat pump washer-dryer that can achieve 37°C low-temperature drying without damaging clothes, addressing the shortcomings of traditional washing machines in wrinkle and care removal, enabling dry cleaning at home.

In terms of corporate governance, we have always adhered to the governance principles of transparency, accountability and efficiency, earnestly implemented the "Company Law of the People's Republic of China" and other laws and regulations, and followed international best practices to ensure the creation of sustainable value for shareholders and society. To this end, we have rigorously selected and recruited board members who possess the necessary qualifications and experience, meet the requirements of diverse backgrounds, and bring in multiple perspectives to enhance the breadth and depth of decision-making; we have strengthened our internal control management system to ensure that all our business activities comply with the law and a high level of business ethics, thereby preventing risks and protecting the rights and interests of our stakeholders; we have always emphasized the importance of shareholder returns, with particular emphasis on protecting the rights and interests of small and medium-sized shareholders, ensuring that they can fairly share the fruits of the Company's development. To date, we have distributed more than CNY142 billion in dividends, demonstrating our long-term commitment to our shareholders.

Gree's remarkable achievements in 2023 are already engraved in the records, and the journey of pursuing dreams in 2024 has also begun. National intelligent manufacturing, green development, low-carbon innovation, and a better life are the eternal missions of Gree. In the Year of the Dragon, a lucky year for the Chinese nation, Gree will wave the banner of "Made in China" with the vigor of a soaring dragon, vigorously advancing on the path to becoming a powerful manufacturing nation.

About Gree

Company Profile

Gree Electric Appliances, Inc. of Zhuhai was established in 1991 and listed on the Shenzhen Stock Exchange in November 1996. The Company started by assembling and producing household air conditioners, and has now evolved into a diversified and technologically oriented global industrial manufacturing group. Its industries span consumer goods and industrial equipment, with products sold in over 190 countries and regions.

In terms of industrial layout, Gree has actively expanded in both domestic and foreign markets by establishing 77 manufactures facility across provinces and cities such as Guangdong, Chongqing, and Anhui, as well as in countries including Brazil and Pakistan. The Company has also set up six recycling facility, covering the entire industrial chain from upstream production to downstream recycling, achieving a green, recycling, and sustainable development model.

About innovation, Gree has set up 16 R&D center, covering multiple fields such as refrigeration technology and electromechanical technology. It hosts 152 research institutions, 1,411 laboratories, and an academician workstation. Gree sticks to the principle of "investing on demand without setting a ceiling" in scientific research investment, which brings remarkable achievements in technological innovation to the Company. As of March 2024, Gree has applied for a total of 119,842 patents, owns 44 "internationally leading" technologies, and has received multiple national scientific and technological awards.

Regarding quality management, Gree adheres to the principle of honest operation, customer-oriented approach, and strict control over quality and system construction. This commitment to quality has earned the Company a good reputation in the market, winning the third "China Quality Award" in 2018. Additionally, Gree actively participates in the formulation of national standards, to promote the improvement of industry quality levels.

With respect to transformation and upgrading, Gree actively responds to supply-side structural reforms, optimizes its industrial layout, and advances intelligent manufacturing upgrades. The Company has expanded from specializing in air conditioning production to a diversified high-end technology industry, including intelligent equipment and communication equipment. Gree's intelligent equipment not only supports the Company's own automation transformation but also provides advanced equipment and services for other industries.

Gree always adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, remains true to its original aspiration, keeps its mission firmly in mind, sticks to the real economy, follows the path of self-reliance and innovation, and accelerates the informatization of management, automation of production, and intellectualization of products, to continue to lead the global HVAC industry's technological development. The Company keeps striving in fields like intelligent equipment, communication equipment, and molds, creating more leading technologies to fulfill the global consumers' aspiration for a better life, and setting sail in the intelligent era to write a new chapter!



Corporate Culture

 <p>Vision</p>	 <p>Mission</p>	 <p>Spirit</p>
<p>Create a world-class enterprise, Achieve Gree to be a century-old brand</p>	<ul style="list-style-type: none"> ● Carry forward the industrial spirit, master core technology, ● Pursue perfect quality, provide first-class service, ● Strive for "Made in China, Loved by the World" 	<p>Loyalty, friendliness, diligence and ambition</p>

Gree's "real" culture



The corporate culture of Gree is centered around the core principles of "realism, trustworthiness, integrity, innovation, and respect", forming a culture of external expansion and internal restraint that emphasizes practicality and keeping pace with the times. This excellent traditional style and strong spiritual force powerfully promote the Company to always stick to its original aspirations, focus on industry, and relentlessly pursue first-class, excellence, and perfection, contributing the greatest value to society and creating a better life for humanity!



History

1. 1991: Brand 1.0

- **Brand slogan:** "Gree, Creates Much Sales Chance"
- **Brand positioning:** Turbo Cooling
- **Brand development strategy:** Initially establish a high-quality image of Gree air conditioners, and create core advantages of product

2. 1997: Brand 2.0

- **Brand slogan:** "Making Better Air Conditioners"
- **Brand positioning:** Quality Takes Priority
- **Brand development strategy:** "Excellent strategy" of producing excellent products and creating famous brands

3. 2010: Brand 3.0

- **Brand slogan:** "Gree, the Mastering of Core Technologies"
- **Brand positioning:** Leading in Science and Technology
- **Brand development strategy:** Transfer from "Made in China" to "Created in China"

4. 2013: Brand 4.0

- **Brand slogan:** "For the Clearer Sky and Greener Earth"
- **Brand positioning:** Undertake Responsibility
- **Brand development strategy:** Shoulder the responsibility of environmental protection and green development

5. 2015: Brand 5.0

- **Brand slogan:** "Made in China, Loved by the World"
- **Brand positioning:** Serve the World
- **Brand development strategy:** Reshape the image of "Made in China", to introduce Chinese independent brands to the world
- **Category slogan:** Gree produces excellent electrical appliances (2022)
- **Category positioning:** Changing from single air conditioner to full-space health appliances in the consumer category
- **Category development strategy:** Demonstrate Gree's technological innovation strength and diversified industrial layout in the field of household appliances

Core Products



Honors

Highlight 2023

Economic performance

The total operating revenue was CNY **205.02** billion

The net profit attributable to shareholders of listed company was CNY **29.02** billion

Adjusted net profit attributable to list company shareholders was CNY **27.57** billion

The accumulated equity financing amounted to CNY **5.27** billion, with total dividends exceeding CNY **142** billion. Among which, cash dividends totaled over CNY110 billion, and the amount spent on share repurchases totaled approximately CNY30 billion, including about CNY3 billion in share repurchases in 2023.

Governance performance

Held **1** General Meeting of Shareholders

2,343 people participated at the general meeting of shareholders

representing a total of **2,407,051,892** shares of the Company with voting rights

accounting for **42.88%** of the total number of shares of the Company with voting rights

Held **6** Board Meetings

Held **5** Supervisory Meetings

Over **40%** of independent directors

22.22% female directors

Held **4** investor relations communicate meetings



Answered **146** questions on the interactive platform of the Shenzhen Stock Exchange

Environmental performance



A total of **9** national green factories, **4** provincial green factories and **3** municipal green factories were authorized

Accumulatively processed more than **56.64** million units/sets of various waste electrical and electronic products



Carried out over **342** energy-saving and cost-reduction projects saving about **61.37** million kWh of electricity

The installed capacity of PV construction has reached **54**MW

566,831 Tons of CO₂ equivalent of greenhouse gas emissions directly reduced by emission reduction initiatives

Innovation performance

As of January 2024, the Company has **44** "internationally leading" technologies

As of March 2024, the Company has applied for **119,842** patents

A total of **21,148** domestic and foreign invention patents have been authorized

including **64,539** invention patents



The Company has set up **16** research institutes, **152** research institutions, **1,411** laboratories, and **1** academician workstation (motor and control)

It has one national key laboratory, one national engineering technology research center, one national industrial design center and **1** national enterprise technology center

It has trained and recommended **110** national, provincial, municipal, district (county) technical experts and **393** craftsmen who received the relevant honors

Social performance

Tax contribution was CNY **17.58** billion

72,610 people were employed

Employee physical examination rate reached **100%**

Completed **59** training projects

with a total of **25,000** person-times

and an average annual satisfaction rate of **98%**

100% of procurement staff passed sustainable procurement training

More than **500** suppliers involved in the "conflict minerals" survey



Customer satisfaction ranked first in the air conditioning industry for **12** consecutive years



Awards and Recognition (As of March 2024)

Innovation awards

<p>First and Second Prizes of Guangdong Science and Technology Award for Technological Invention</p> <p>———— ★ ★ ★ ★ ————</p> <p>People's Government of Guangdong Province</p>	<p>First and Second Prizes of Science and Technology Award of China National Light Industry Council</p> <p>———— ★ ★ ★ ★ ————</p> <p>China National Light Industry Council</p>	<p>First and Second Prizes of Innovation Award of China Energy Conservation Association</p> <p>———— ★ ★ ★ ★ ————</p> <p>China Energy Conservation Association</p>	<p>Several Geneva International Gold, Silver and Bronze Medals for Inventions</p> <p>———— ★ ★ ★ ★ ————</p> <p>Geneva International Exhibition of Inventions</p>	<p>Engineering Science and Technology Talent Contribution Award (Enterprise) of International Scientific Exchange Foundation of China</p> <p>———— ★ ★ ★ ★ ————</p> <p>International Scientific Exchange Foundation of China</p>
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ESG/CSR awards

<p>Green Design Demonstration Enterprise of Industrial Products</p> <p>———— ★ ★ ★ ★ ————</p> <p>National Ministry of Industry and Information</p>	<p>2023 Corporate Climate Action Case</p> <p>———— ★ ★ ★ ★ ————</p> <p>Ministry of Ecology and Environment</p>	<p>20th Anniversary of Zhuhai Charity Federation - "2023 Outstanding Contribution Compassionate Enterprise" Award</p> <p>———— ★ ★ ★ ★ ————</p> <p>Zhuhai Charity Federation</p>	<p>2022 "Charitable Loving Enterprise" Award</p> <p>———— ★ ★ ★ ★ ————</p> <p>Zhuhai Charity Federation</p>
<p>2023 Most Influential Employer</p> <p>———— ★ ★ ★ ★ ————</p> <p>Haitou.cc</p>	<p>Reputation List of China Listed Companies for 2022 - Most Socially Responsible Listed Company</p> <p>———— ★ ★ ★ ★ ————</p> <p>National Business Daily</p>	<p>China ESG Benchmark Enterprise Award</p> <p>———— ★ ★ ★ ★ ————</p> <p>iiMedia Research</p>	<p>Excellent Case of Green Development in 2023</p> <p>———— ★ ★ ★ ★ ————</p> <p>Beijing News Zero Carbon Research Institute</p>

Comprehensive awards

<p>Credit List of Top 500 Listed Companies in China</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China Enterprise Reform and Development Society</p>	<p>"Golden Wutong" Listed Company with the Most Investment Value</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Chinese Industrial Co-operatives, Jian Financial Information, and TMTPOST</p>	<p>Greater Bay Area Navigation Award – Award for Outstanding Contribution (Enterprise)</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Hong Kong Ta Kung Wen Wei</p>	<p>2023 Zhuhai Excellent Private Enterprise</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Zhuhai Municipal Committee of the Communist Party of China, Zhuhai Municipal People's Government</p>	<p>2022 Fortune's Most Influential IoT Innovation List</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Fortune</p>
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Brand and marketing awards

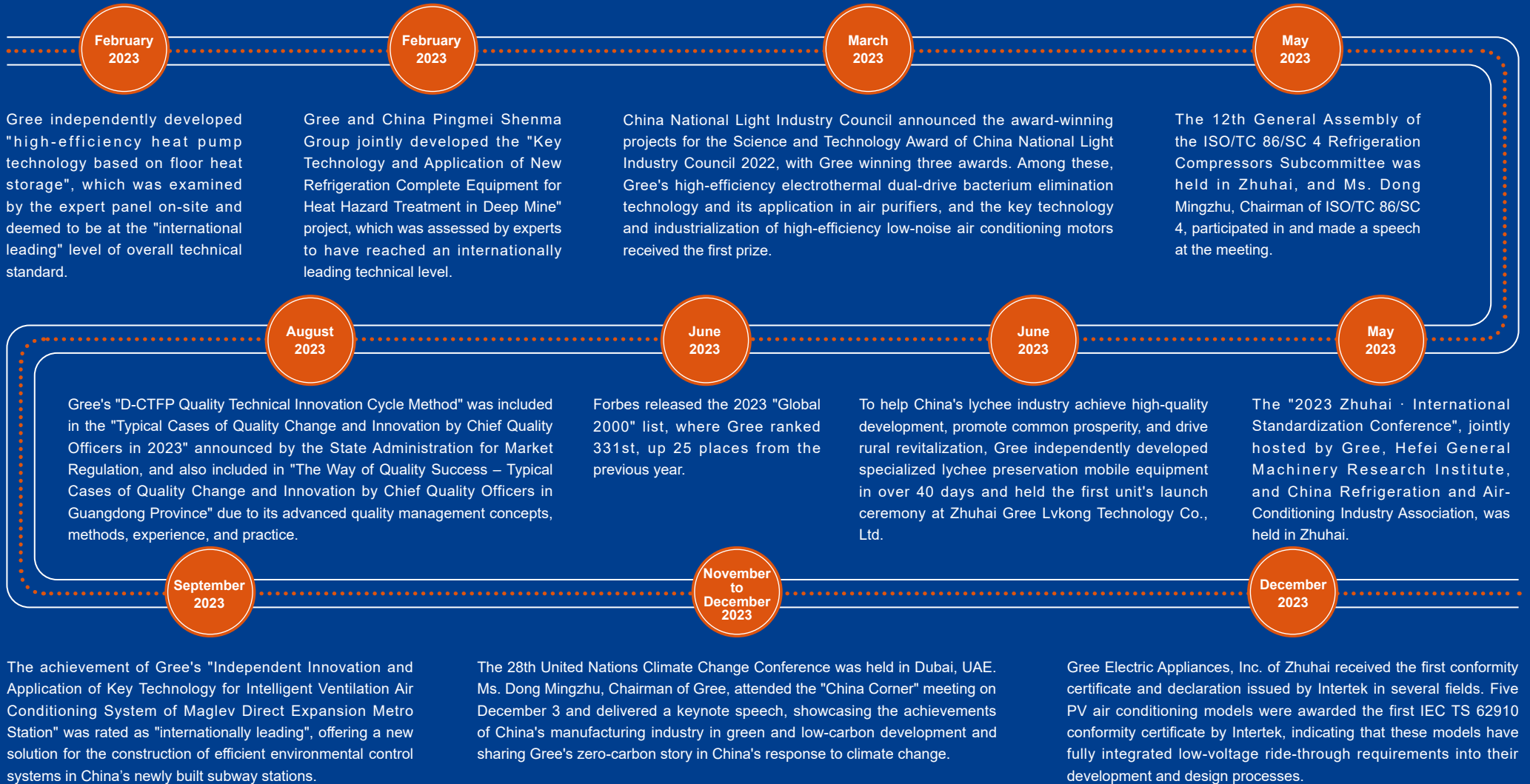
Governance awards/certifications

<p>2023 Guangdong Enterprise Brand and Enterprise Culture Construction Model Unit</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Guangdong Research Committee of Corporate, Guangdong Brand Research Committee, and Guangdong Market Economy Promotion Association</p>	<p>Brand Value Leader</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China Council for Brand Development</p>	<p>Outstanding Contribution Brand Unit</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China Council for Brand Development</p>	<p>"Give a Like for My Favorite China's Brands in 2022" by China National Brand Network</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China National Brand Network</p>	<p>2023 China Ecological Brand Forum - Top 100 Annual Brands List</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Sina Finance</p>	<p>2022 Annual Model Enterprises for Honest and Trustworthy Business Practices</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China Enterprise Reform and Development Society</p>
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Product awards

<p>A number of German Red Dot Awards in the product design category</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>German Design Association</p>	<p>"Wisdom Wind" air conditioner for the elderly was selected for the 2022 Promotion Catalog of Smart Health and Elderly Care Products and Services</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>National Ministry of Industry and Information</p>	<p>The GMV Enjoy series household central air conditioning was approved as an innovative consumer product of "Upgraded and Innovative Consumer Product (Light Industry, Tenth Batch)"</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>China National Light Industry Council</p>	<p>PV energy-storage multi-connected unit won the gold medal at the 2023 China Refrigeration Expo</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Organizing Committee of China Refrigeration Expo</p>	<p>The Guofeng cabinet air conditioner received the AWE2024 Gold Award</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Gree Kinghome "Global Freshness" Refrigerator won the Health Star of Chinese Household Appliances</p>	<p>Gree Kinghome "Global Freshness" Refrigerator won the Health Star of Chinese Household Appliances</p> <p>———— ★ ★ ★ ★ ★ ————</p> <p>Household Appliances Magazine</p>
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2023 Key Events or Timeline



ESG Management

Stakeholder Communication

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

Major stakeholder	 Government department and regulatory authority	 Shareholder and investor	 Customer	 Partner	 Employee	 Society and the public	 Environment
Key Issue	<ul style="list-style-type: none"> • Law-abiding and compliant operation • Transparent disclosure • Improving corporate governance • Adherence to business ethics 	<ul style="list-style-type: none"> • Law-abiding and compliant operation • Intellectual Property Protection • Transparent disclosure • Risk Management • Improving corporate governance • Adherence to business ethics • Technological innovation 	<ul style="list-style-type: none"> • Customer management • Product quality and safety • Accessibility of products and services 	<ul style="list-style-type: none"> • Adherence to business ethics • Industry exchange and development • Supply Chain Management 	<ul style="list-style-type: none"> • Occupational health and safety • Career training and development • Protection of employee rights and interests • Employee communication and democratic management • Employee care • Diversity and equal opportunity 	<ul style="list-style-type: none"> • Responding to national strategies • Practicing social responsibility 	<ul style="list-style-type: none"> • Energy management • Water resource management • Waste management • Addressing climate change • Green Office • Developing circular economy
Communication and channel	<ul style="list-style-type: none"> • Inspection by leaders and competent authorities • Compliance patrols and inspections • Regular meetings with local government representatives • Forums, conferences and seminars • Daily policy implementation 	<ul style="list-style-type: none"> • General Meeting of Shareholders • Investor exchange meetings • Online performance briefing • Shenzhen Stock Exchange Easy Interaction Q&A • Investor Hotline • Company research • Telephone consultation • E-mail • Regular reports and information disclosure on official website 	<ul style="list-style-type: none"> • Customer satisfaction survey • E-mail and daily phone communication • Customer e-mail • Responding to customer complaints • Customer visits 	<ul style="list-style-type: none"> • Selection assessment • Procurement process • Performance evaluation • Regular communication with business partners (e.g. e-mails, meetings) 	<ul style="list-style-type: none"> • Training and induction training • E-mail and suggestion box • Regular meeting • Employee performance evaluation • Employee Activities 	<ul style="list-style-type: none"> • E-mail • Tel • Company announcement • Social network platform • Company website • Social media • Charitable donations and voluntary services • Community activities 	<ul style="list-style-type: none"> • Carrying out carbon footprint verification, energy conservation and emission reduction • Developing clean energy • Carrying out product carbon footprint accounting • Cultivation of low-carbon awareness of users

Materiality matrix

In 2023, Gree conducted an ESG materiality assessment to effectively respond to the expectations and demands of various stakeholders, continuously improving the level of ESG management. During this reporting period, we orderly carried out the research on material issues based on the process of "stakeholder communication—issue identification—issue evaluation—materiality confirmation".



Matrix of ESG Materiality Assessment Analysis for Gree 2023



Governance		Social			Environment		
1	Law-abiding and compliant operation	8	Occupational health and safety	15	Product quality and safety	22	Energy management
2	Intellectual Property Protection	9	Career training and development	16	Accessibility of products and services	23	Water resource management
3	Transparent disclosure	10	Protection of employee rights and interests	17	Industry exchange and development	24	Waste management
4	Risk Management	11	Employee communication and democratic management	18	Technological innovation	25	Addressing climate change
5	Protecting investors' rights and interests	12	Employee care	19	Supply Chain Management	26	Green Office
6	Improving corporate governance	13	Diversity and equal opportunity	20	Responding to national strategies	27	Developing circular economy
7	Adherence to business ethics	14	Customer management	21	Practicing social responsibility	28	Green product

01

Improving Governance and Compliant Sound Operations

Good corporate governance is an essential foundation for achieving excellent operational performance and long-term sustainable development for the Company. Enhancing corporate governance not only safeguards the interests of all stakeholders but also helps maximize company value. Gree follows its "Articles of Association", continuously improves its governance system, benchmarks against excellent international peer practices, and constantly improves its corporate governance mechanism to drive the Company to create sustainable value.

Solidifying Corporate Governance	14
Improving Compliance and Risk Control System	17
Strengthening Investor Relations Management	18
Standardizing Business Ethical Behavior	20
Focusing on Information Security Protection	22

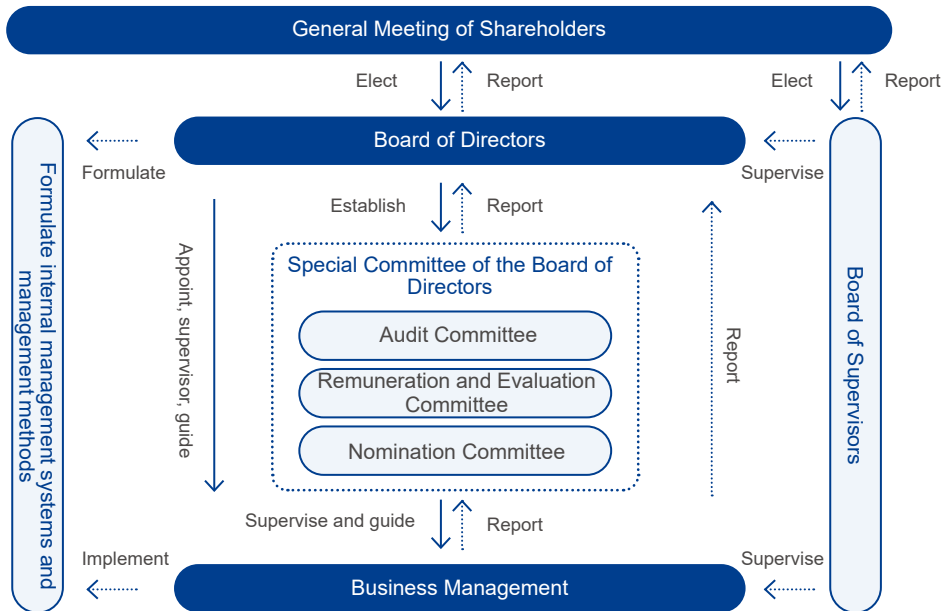
SDGs benchmarking



Solidifying Corporate Governance

Gree is committed to establishing an efficient and transparent governance structure. Based on the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Code of Corporate Governance for Listed Companies", and other relevant laws, regulations, and normative documents, the Company has formulated and implemented a series of internal governance systems, such as the "Articles of Association" and "Procedural Rules for Shareholders' General Meetings", and established a structure of General Meeting of Shareholders, Board of Directors, Board of Supervisors, and management layer to solidify the foundation of corporate governance and promote efficient and sustainable development of the Company.

Corporate Governance Structure Diagram



Shareholders and General Meeting of Shareholders

The Company strictly adheres to laws, regulations, normative documents, and the provisions of the "Articles of Association" and "Procedural Rules for Shareholders' General Meetings", and standardizes the convocation, holding, and voting procedures of the general meeting of shareholders. It treats all shareholders equally, especially ensuring the legal rights of minority shareholders, safeguarding shareholders' rights to information, participation, and voting on significant company matters, and facilitating shareholder attendance at meetings to fully exercise their legal rights. After the proposal for general meeting of shareholders is procedurally reviewed, the Meeting deliberates on the agenda items listed in the meeting notice.



During the reporting period, the Company held **1** general meeting of shareholders and deliberated **12** proposals.

Directors and Board of Directors

The Board of Directors is accountable to the general meeting of shareholders and strictly follows national laws, regulations, and the provisions of the "Articles of Association". Leveraging their extensive experience, the Board effectively oversees the Company's strategic direction and key risks, provides guidance to management, considers and approves major decisions, supervises business, and evaluates company performance. The Company carries out the procedures for the selection and appointment of directors and the management of their powers in compliance with the law, focuses on the diversity of the Board of Directors, and seeks to enrich the representativeness of the members of the Board of Directors in terms of gender, experience, qualifications and professional backgrounds, so as to provide more comprehensive and professional decision-making for the development of the Company.

As of the end of 2023 the Company's Board of Directors consisted of **9** directors, including five directors, four independent directors and **2** female directors.



During the reporting period, the Company held **6** board meetings and deliberated **26** proposals.



Name	Position Held	Gender	Age	Date of Initial Appointment	Education Background	Professional Ability
Dong Mingzhu	Chairman and President	Female	69	2012.05	Master Degree	Industry expert
Zhang Wei	Secretary of the Party Committee and Director	Male	47	2019.01	Bachelor Degree	Industry expert
Guo Shuzhan	Director	Male	67	2019.01	Associate Degree	Industry expert
Zhang Jundu	Director	Male	63	2012.05	Associate Degree	Industry expert
Deng Xiaobo	Director, Vice President, and Secretary of the Board	Male	48	2020.12	Undergraduate	Industry expert
Liu Shuwei	Independent director	Female	71	2019.01	Master Degree	Financial expert
Wang Xiaohua	Independent director	Male	62	2019.01	Master Degree	Legal expert
Xing Ziwen	Independent director	Male	61	2019.01	Doctor	Industry expert
Zhang Qiusheng	Independent director	Male	56	2022.03	Doctor	Financial expert

There are three specialized committees under the Board of Directors, including the Remuneration and Evaluation Committee, the Nominating Committee and the Audit Committee, with independent directors comprising over 50% of each professional committee.



During the reporting period, the Company held **4** meetings of the Audit Committee, and **2** meeting of the Remuneration and Evaluation Committee.



Audit Committee

- Proposing the appointment or replacement of external audit firms;
- Overseeing the Company's internal audit system and its implementation;
- Managing communication between internal and external audits;
- Reviewing the Company's financial information and its disclosure;
- Examining the Company's internal control system;



Nomination Committee

- Advising the Board of Directors on its size and composition based on the Company's business activities, asset size, and shareholding structure;
- Researching and suggesting criteria and procedures for selecting directors and senior management;
- Select qualified candidates of directors and senior management;
- Reviewing candidates for directors and president and making recommendations;



Remuneration and Evaluation Committee

- Assessing the performance criteria for directors and senior management and providing suggestions;
- Studying and reviewing the compensation policies and plans for directors and senior management.

Supervisors and Board of Supervisors

The Board of Supervisors supervises the legality of the Company's financial operations and the performance of duties by directors and senior management, safeguards the legitimate rights and interests of the Company and its shareholders, examines the Company's financial situation, expresses opinions on relevant major matters, and is accountable to, and reports to, the General Meeting of Shareholders in strict accordance with national laws, regulations, and the "Articles of Association". The members of the Board of Supervisors of the Company were elected in accordance with relevant laws and regulations and the Company's internal regulations, conscientiously performed their duties by attending the general meetings of shareholders and attending the board meetings, and fulfilled the duties of the Board of Supervisors in good faith, diligently and conscientiously.



As of the end of the reporting period, the Board of Supervisors of the Company consisted of **3** supervisors, including **1** employee representative supervisor.



During the reporting period, the Company held **5** meetings of Board of Supervisors and deliberated **18** proposals.

Improving Compliance and Risk Control System

Gree firmly believes that a mature internal control system can ensure the standardized operation and healthy development of the Company and safeguard the legitimate rights and interests of shareholders. The Company has established and continuously improves an effective internal control management system, regularly identifies risks faced by the Company, and significantly enhances compliance awareness and major risk control capabilities.

Compliance Management

The Company establishes an effectively operating internal control system in accordance with the "Company Law" and other laws, regulations and provisions, and continuously improves the internal control system in accordance with the internal control guidelines and the actual situation of the Company to ensure the effectiveness of the internal control system. The Company earnestly carries out internal control and compliance assessment work. The Board of Directors, Audit Committee, Board of Supervisors and operational management clearly define their roles and responsibilities, and connect the internal control work of each unit with the Company's business processes, so as to closely link the internal control work with daily operations and realize the closed-loop operation of risk management work.

Meanwhile, the Company engages a third-party professional organization to conduct self-assessment of the compliance and effectiveness of the Company's internal control system every year, and timely updates and improves the internal control system in accordance with the provisions of the "Basic Specifications for Internal Control of Enterprises" and its accompanying guidelines, taking into account the Company's internal and external environments, changes in its internal organization and management requirements, etc., and discloses the financial reports issued by the annual auditor in the relevant media to be reviewed and supervised by the relevant parties.

Risk Control

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



Strengthening Investor Relations Management

Gree values communication with investors, and always follows the principles of compliance, equality, initiative, honesty and trustworthiness. With reference to the "Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on the Main Board", "Guidelines for Investor Relations Management of Listed Companies", and other laws, regulations and standardized documents, the Company has formulated the "Investor Relations Management System" and the "Measures for the Administration of Information Disclosure" to disclose the relevant information of the Company in a comprehensive and timely manner through announcements, so as to ensure that the investors are able to fully understand the Company's operation status and development prospects.

Information Disclosure

The Company strictly abides by the principles of information disclosure, fulfills its information disclosure obligations truthfully, accurately, completely, timely and fairly, and continues to deepen the institutionalization and standardization of its information disclosure work, strengthen the disclosure of environmental, social and corporate governance information, and continuously enhance the transparency of the Company.



During the reporting period, the Company released **55** announcements to the public.



including **8** periodic reports and **47** interim reports.

Information disclosure channel	Information disclosure content
<ul style="list-style-type: none"> China Securities Daily Journal Shanghai Securities News Securities Daily CNINFO Securities Times 	<ul style="list-style-type: none"> Periodic reports: including annual, interim and quarterly reports. Interim reports: announcements of major events, etc. Other information required to be disclosed by laws and administrative regulations.

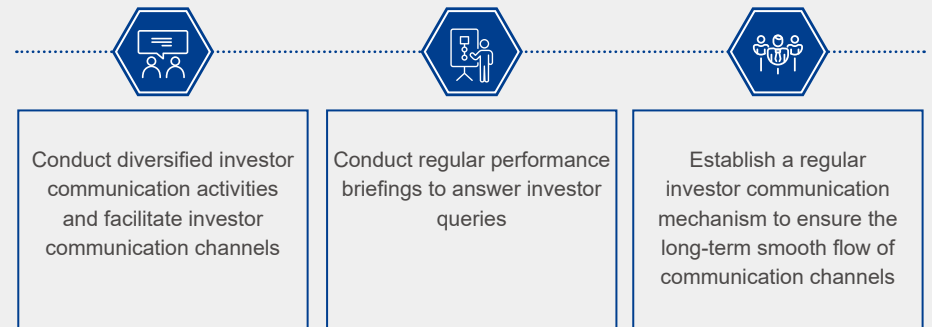
Shareholder Returns and Dividends

While the Company continues to promote its own sound development, it has always placed an important position on rewarding its shareholders so that they can share the fruits of the Company's development and promote the rational development of the capital market. Since its listing in 1996, the Company has accumulated CNY5.269 billion of equity financing and CNY142 billion of dividends, including more than CNY110 billion of cash dividends and about CNY30 billion of share repurchases. During the reporting period, the amount of repurchased company shares was about CNY3 billion.


Protecting Investors' Rights and Interests

In order to better serve investors, the Company has equipped a professional team to deal with investor relations related matters, and proactively communicates with investors through various channels such as communication on the Easy Interaction platform, general meeting of shareholders, performance briefings, telephone communication, and meeting communication, to enable investors to better understand the Company's development strategy and current situation.

Gree investor communication methods and activities





During the reporting period, the Company:

 held **1** annual performance briefing

 conducted **2** performance roadshows

 held **1** investor open day

 held **4** investor relations exchange meetings

 answered **146** questions on the interactive platform of the Shenzhen Stock Exchange

 answered about **700** calls from investors



The Company attaches importance to the needs of small and medium-sized investors who wish to enhance their understanding of the Company and communicate with the Company, and actively participates in the activities carried out by investor protection organizations to safeguard the legitimate rights and interests of investors.

Case Actively promoting the participation of small and medium-sized shareholders in general meetings of shareholders

In June 2023, the Company held a general meeting of shareholders, where the Company actively pursued online voting by providing a clear and easy-to-use online voting platform and ensuring that all shareholders were free to access and use the platform. The Company also invited a third-party law firm to monitor the voting to ensure its fairness and transparency. This facilitates the participation of small and medium-sized investors in major corporate decisions and enhances the transparency and fairness of corporate governance. According to statistics, a total of 2,340 small and medium-sized shareholders and shareholders' proxies participated in the on-site meeting and online voting at the general meeting of shareholders, representing a total of 1,069,862,628 shares of the Company with voting rights, accounting for 19.0576% of the total number of shares of the Company with voting rights. Among them, 2,277 shareholders voted through the Internet, representing a total of 716,283,439 shares of the Company with voting rights, accounting for 12.7592% of the total number of shares of the Company with voting rights. The implementation of online registration and online voting facilitates investors' participation in corporate decision-making, enhances the interaction between investors and the Company, and provides a strong guarantee for the improvement of corporate governance.

At the same time, the Company has established a comprehensive independent director system to effectively protect the rights and interests of small and medium-sized investors, playing the role of "participation in decision-making, checks and balances, and professional consultation". It carefully considers the motions and expresses independent opinions on the relevant motions, and provides advice and suggestions for the promotion of the Company's long-term and stable development.

Case Carrying out the small and medium-sized investors' communication campaign of "Understanding My Listed Company - Entering the Blue Chips"

In August, the Company participated in the series of activities of "Understanding My Listed Company - Entering the Blue Chips", led the Shareholder Observation Mission, which included individual investors, to visit the headquarters of Gree Electric, and had in-depth exchanges with the Chairman, the Secretary of the Board of Directors, and the relevant technical personnel of Gree. The Chairman of the Company took the initiative to answer questions on diversified development strategies and other issues of concern to investors, and interacted with the on-site audience, strongly deepening communication with small and medium-sized investors and safeguarding the rights and interests of small and medium-sized investors.

Standardizing Business Ethical Behavior

In order to strengthen the control of business ethics issues and prevent and reduce the Company's risks, Gree strictly follows the relevant laws and regulations such as the "Company Law", "Anti-monopoly Law", "Anti-Money Laundering Law", "Anti-Unfair Competition Law", "Oversight Law" and the provisions of the "Articles of Association", and has formulated the "Measures for Administration of Discipline Inspection and Supervision" and other systems, to prevent unethical business conduct such as bribery, bribe-taking, fraud, money laundering, unfair competition, and conflicts of interest, promoting a clean and ethical working style and adherence to business ethics.

The Company has set up the Discipline Inspection and Supervision Office, which is specifically responsible for carrying out the Company's discipline inspection and supervision management work, conducting integrity education, preventing corruption risks, and implementing the investigation and handling of suspected violations of the law. The Company reviews and updates this series of business ethics practices from time to time.



Anti-corruption

Gree has formulated the "Ten Provisions on Integrity in Practice" in accordance with the "Measures for Administration of Discipline Inspection and Supervision" and other systems, clarified the Company's stance on conflict of interest issues in business, provided a clear definition of specific related persons, regulated the activities of specific related persons in terms of their hiring, holding office as well as the Company's business dealings, and clarified the relevant management policies, to effectively prevent the risk of corruption of personnel and create a working environment of clean practice.

The Company regularly carries out integrity education, including publishing the "Integrity Briefing" and carrying out discipline education and study month work, covering all employees, so as to comprehensively improve employees' awareness of business ethics, establish the concept of integrity and prevent business ethics risks. At the same time, all suppliers are required to comply with the Company's business ethics and anti-corruption related systems in order to achieve long-term sustainable and collaborative development of the supply chain.

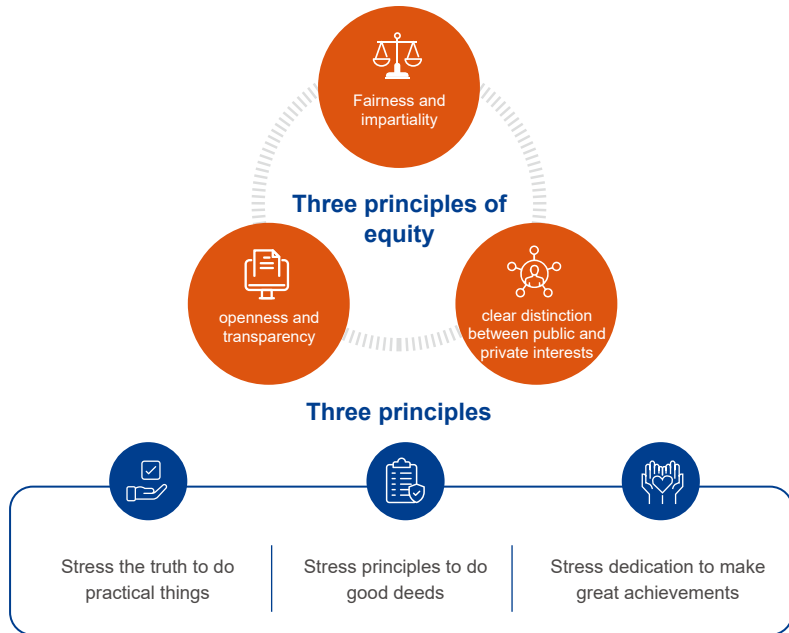
Case Actively carrying out the annual self-inspection of clean employment

At the beginning of 2023, Gree carried out its annual integrity self-inspection. Senior management, middle-level managers, and key personnel from various departments and branches filled out integrity self-inspection forms, self-inspecting and reporting on issues like acceptance of gifts, information disclosure, and misuse of company assets. Through the annual self-inspection, Gree effectively guides all employees to enhance the ideology of integrity, practice the Company's development philosophy, and protect the healthy development of the Company.



Complaints and Reporting

In order to maintain the principles of "three opennesses and three stresses" of the enterprise, Gree adheres to the principles of fairness and impartiality, openness and transparency, and clear distinction between public and private interests to carry out production and operation, to ensure the smooth implementation of reporting work, standardize the duties and content of information acceptance, investigation and processing, file management, protection, reward and punishment of reporting work, and develop the "Reporting Management Measures" combined with the actual situation of the Company. The Measures clearly stipulate the investigation and handling of reported incidents, whistleblower rewards and punishments, investigator recusal and whistleblower protection mechanism, to ensure the effectiveness of the reporting work throughout the whole process, and safeguard the rights and interests of employees.



Gree complaints and reporting management



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

E-mail and hotline: The Company has designated the Enterprise Management Department and the Discipline Inspection and Supervision Office to be responsible for complaints about work quality and integrity, providing public reporting e-mail and hotlines.



Investigators with a potential conflict of interest in their specific investigative responsibilities must explain to their supervising leaders and, upon approval, recuse themselves.



The Company mandates strict protection of the personal rights and other legal rights of the whistleblowers; no one may retaliate against whistleblower or employees cooperating with the investigation.

The department handling reported incidents and its investigators shall not:

1. Violate confidentiality requirements or disclose reporting information;
2. Privately store, detain, alter, forge, replace, conceal, lose, or destroy reporting materials;
3. Exceed their authority, handle reporting materials without authorization, or illicitly give them to the reported individuals;
4. Conceal, falsely report, or fail to report significant reporting information within the prescribed timeframe, causing severe consequences;
5. Use reporting materials for personal gain or provide convenience for retaliation against the whistleblower;
6. Engage in other illegal or disciplinary violations.

Focusing on Information Security Protection

In order to safeguard the confidentiality, integrity and availability of the Company's information assets, Gree has formulated the "Measures for Administration of Information Security" and other systems to standardize the flow management for the exchange of various types of information internally and externally and the requirements for the use and storage of such information in accordance with relevant national laws and regulations, so as to comprehensively and effectively implement the information and data security. As of the end of 2023, the Company has obtained the ISO27001 Information Security Management System Certificate.

The Company actively carries out information security education, specifies the first responsible person and security administrator of each subsidiary and department, coordinates and manages all kinds of information security management work, and independently evaluates the Company's information security management methods and information security control objectives, control measures, strategies, etc. at least once a year to ensure that the system is perfect and reasonable. When major changes occur, it is necessary to immediately organize the relevant units to carry out the review work, record the review situation, follow up and rectify the problems found in the review.



As of the end of 2023, the Company **has obtained the ISO27001 Information Security Management System Certificate.**

02

Green development for the guardianship of Earth

Gree adheres to the concept of "For the Clearer Sky and Greener Earth", and always follows the principles of green and energy-saving for innovative research, development and manufacturing. The Company adheres to the energy policy of "rational use of energy, and improvement of energy efficiency", innovatively puts forward the cyclic development model of "green design - green manufacturing - green recycling", and vigorously invests in green, energy-saving and emission reduction technological reform projects to contribute to the sustainable development of the industry and the world.

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SDGs benchmarking



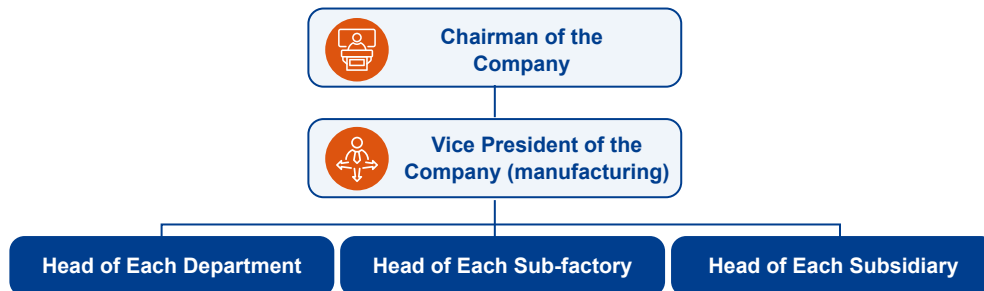
Deepening the Implementation of Environmental Management

The Company conscientiously implements the national environmental protection guidelines, policies and laws and regulations. Based on the requirements of national environmental protection laws and regulations, and considering the actual environmental situation of the Company, it has developed the "Measures for Administration of Environmental Protection", which clarifies the division of environmental responsibilities among different units, comprehensively implements the environmental protection responsibility system, and prevents environmental pollution incidents. Additionally, in response to changes and requirements in national policies, the Company timely enhances the environmental management standards and strictly enforces the latest environmental protection requirements to continuously deepen the implementation of environmental management.

Environmental Management System

The Company adheres to the scientific development concept of "comprehensive, coordinated, and sustainable development", and has formulated various environmental management methods including the "Measures for Administration of Corporate Environmental Protection Responsibility System", "Measures for Administration of 'Three Simultaneities' for Construction Projects", and "Hazard Source and Environmental Factor Management Method". Each year, it signs an "EHS Responsibility Agreement" with various units to reinforce environmental responsibilities and ensure the effective operation of the environmental protection system. The Company has obtained the ISO14001 Environmental Management System Certificate.

Environmental Protection Management Structure of Gree

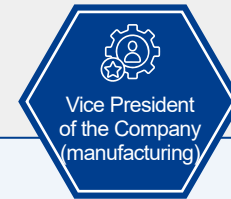


Moreover, the Company has clarified the environmental protection responsibilities of administrative leaders at all levels and various functional departments, and implemented environmental objectives and management measures by the persons and departments in charge, to comprehensively supervise, manage, inspect, and resolve the Company's environmental protection issues.

Environmental protection responsibilities (partial)



- The Chairman is the primary responsible person for the Company's environmental protection work, taking overall responsibility for it.
- Establish and improve the environmental protection responsibility system, organize the formulation of environmental protection regulations, and emergency rescue plans for major environmental accidents, and ensure the necessary investment in environmental protection funds.
- Set up the Company's environmental protection management institutions, equip environmental management personnel, and approve the planning and plans for environmental protection work.
- The Chairman is responsible for coordinating the Company's environmental pollution prevention and control work.



- Carry out the national guidelines, policies, laws and regulations on environmental protection, take direct responsibility for the organization and management of the Company's environmental protection work, and be responsible for the Company's environmental accidents.
- Improve the Company's environmental protection management organization, enrich the full-time environmental professional management personnel, and supervise them to carry out environmental protection management.
- Approve the project funds for environmental protection measures and environmental emergency rescue funds, and ensure that the funds for environmental protection and environmental emergency rescue funds are earmarked for specific purposes.
- Organize the development, revision and review of the Company's internal environmental protection management rules and regulations, and organize the implementation.
- Conscientiously implement environmental protection administrative licensing and "three simultaneities" system for new construction, alteration and expansion projects.
- Regularly organize inspections and supervise the implementation of environmental work in the departments under his/her charge.
- Organize the investigation and handling of environmental accidents.

Environmental Emergency Protection

The Company has formulated the "Emergency Response Plan for Environmental Emergencies" in accordance with relevant national laws and regulations, and regularly organizes emergency response drills for environmental emergencies, such as fire and explosion, chemical leakage, excessive discharge of wastewater, excessive discharge of waste gas and leakage of hazardous waste, to enhance the Company's environmental protection emergency response capability and to ensure that environmental emergencies are properly handled and dealt with in a proper manner.

Case Gree actively carried out environmental emergency drills

In 2023, according to the environmental protection emergency drill plan, the Company and its subsidiaries has carried out emergency drills themed on "fire and explosion", "excessive discharge of waste gas", "excessive discharge of wastewater", "chemical leakage", "leakage of hazardous waste", etc. Through the activities of emergency drills and exercises, the Company continuously strengthens the employees' awareness of environmental safety risk prevention and control and their ability to deal with them, improves the Company's overall environmental safety risk management level, and safeguards the environment and safety of its employees and local communities.

In 2023, various units of the Company's headquarters conducted a total of 27 environmental emergency drills.



Special emergency drill for excessive wastewater discharge incident at Gree

Promoting Green Development Throughout the Life Cycle

Adhering to the concept of "For the Clearer Sky and Greener Earth", Gree is committed to the green management of the whole life cycle of the environment, covering the utilization of resources, green processes, green products, green factories, waste management and emission management. The Company actively promotes green production, continuously optimizes resource utilization and process flow, and is committed to creating environmentally friendly green products, building green factories and implementing strict waste treatment and emissions management to ensure that the entire production process complies with environmental protection standards and contributes to sustainable development and environmental protection.

Resource Utilization

Gree highly focuses on energy and resource conservation, and is committed to promoting scientific and technological innovation and green energy-saving technology. Through the establishment and operation of the resource and energy management system, vigorously promoting the improvement of energy-saving and water-saving technology, and continuously carrying out green energy-saving product design and R&D, Gree has created a low-carbon and energy-saving enterprise with sustainable development.



Energy management

The Company actively implements the national dual-carbon strategy, formulates the "Measures for Administration of Energy Resource Conservation" and other systems in accordance with relevant laws and regulations, and builds a perfect and sound energy management system with reference to the ISO50001:2018 energy management system standard to vigorously promote the Company's process of energy conservation, consumption reduction and green development. As of the end of 2023, the Company has obtained the ISO50001 Energy Management System Certificate.

The Company practices the energy management concept of "a drop of water, a piece of paper". In order to reduce the consumption of fossil fuels and carbon dioxide emissions, it carries out a two-pronged carbon reduction program, vigorously develops PV power generation projects, and actively promotes energy-saving technological reforms to achieve the goal of comprehensive reduction of energy consumption. In 2023, the Company's overall energy consumption of CNY10,000 output value decreased by 3.32% compared with that of 2022.

Improve the efficiency of energy utilization. In 2023, the Company carried out 335 energy-saving technological reform projects, saving 75.806 million kWh of electricity and 836,000 cubic meters of natural gas, and reducing carbon dioxide (equivalent) by 45,042 tons.

Increase the proportion of clean energy. In 2023, the Company utilized 572 million kWh of nuclear power and 28.06 million kWh of PV power generation, reducing carbon dioxide emissions by 16,003 tons, an increase of 9.8% compared with 2022. Combined with Gree's self-developed titanate energy storage cabinets for peak cut, 160MWh of energy storage was put in, with a cumulative peak shifting of 72 million kWh of electricity.



The Company has continued to build PV power generation projects over the years. As of the end of 2023, the installed capacity of the Company's PV projects has reached **54MW**, and the capacity of PV projects under construction is **60MW**.

Case Gree actively utilizing clean energy with continuous construction of PV projects

In 2023, the Company built a new 6.8MWp distributed PV power generation project at Zhuhai Gree Lvkong Technology Co., Ltd., with an annual power generation capacity of about 6.8 million kWh, and an annual emission reduction of 3,878 tons of carbon dioxide.



Distributed PV power generation project at Zhuhai Gree Lvkong Technology Co., Ltd.

Energy use of Gree

Index	Unit	2023
Total energy consumption	Tons of standard coal	256,892
Natural gas	10,000m ³	3,341
Liquefied petroleum gas	Ton	7,012
Purchased electricity	10,000 kilowatt-hour	160,278.47

Index	Unit	2021	2022	2023	
Clean energy consumption	PV power generation	10,000 kilowatt-hour	2,360	2,555	2,806
	Nuclear power consumption	10,000 kilowatt-hour	0	0	57,212.7

Water resource management

Gree strictly abides by the requirements of national and local laws and regulations, actively carries out water conservation measures, minimizes water intensity, and effectively reduces water consumption through water recycling.

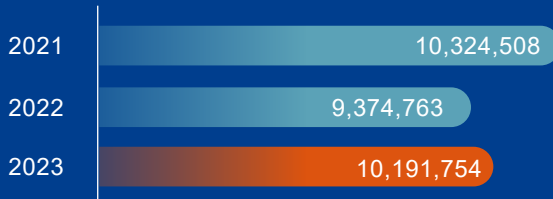


Water-saving enterprise certification



Water resource consumption of Gree in 2021-2023

Purchased municipal water (Unit:m³)



Case Sponge City Initiative: New Base

In March 2023, the new base construction of Gree was designed according to the urban sponge engineering design specifications, fully utilizing the geographical advantage of abundant rainfall in the project area. The overall landscaping of the plant incorporates the rainwater storage function, enhancing the factory's resilience to environmental changes and natural rain disasters, while also promoting the recycling of water resources.



Sponge City Initiative: New Base

Case Three-tier water recycling

In August 2023, the sheet metal spraying sub-factory constructed a concentrated water recycling system in the spraying workshop, which achieves 0 discharge of concentrated water and 100% water recycling in the spraying workshop through multi-layer recycling of water resources, and saves 29,000 tons of tap water annually after the implementation of the project, reflecting the Company's concept of assuming social responsibility and realizing the sustainable development of water resources.

Case Improving energy efficiency in the air conditioning machine room of Zhuhai headquarters

During the reporting period, Gree implemented a comprehensive energy efficiency improvement solution for the air conditioning machine room at its Zhuhai headquarters. This included seven technical improvement measures such as equipment replacement and optimization of layout design, resulting in overall energy savings. Through these improvements, the energy efficiency of the machine room increased from 3.5 to over 5.0, saving approximately 1.57 million kilowatt-hours annually and reducing carbon dioxide emissions by about 895 tons.



Improving energy efficiency in the air conditioning machine room of Zhuhai headquarters

Case Improving energy efficiency in the air compression station of Zhuhai headquarters

Gree independently developed a constant pressure control system for the air compression station, which uses an automatic adjustment and operation mode to achieve constant pressure control, energy savings, and reduced consumption. It also introduced high-efficiency energy-saving equipment to significantly improve the energy efficiency of the air compression station and reduce electricity consumption. This technical improvement project saves 6.77 million kilowatt-hours of electricity annually and reducing carbon dioxide emissions by about 3,860 tons.



Improving energy efficiency in the air compression station of Zhuhai headquarters

Green Technology

The Company actively practices green economy and promotes resource conservation. In the air conditioning production process, it adopts green and environmentally friendly processes to replace traditional production methods. For instance, it changed the heating method for pipeline welding from traditional fossil fuel combustion to green energy heating and ultrasonic vibration welding, reducing the use of fossil fuels and lowering carbon dioxide emissions. The new processes also contribute to improving product quality, enhancing the production workshop environment, and maintaining a leading position in the industry.

Case The ultrasonic sealing technology for air conditioners

In January 2023, the Company changed the sealing process of process tubes in the air conditioning production process from the traditional flame brazing process to the ultrasonic sealing process, and changed fossil fuels to environmentally friendly green electricity, reducing the use of liquefied petroleum gas (LPG) and natural gas, and decreasing carbon dioxide emissions.

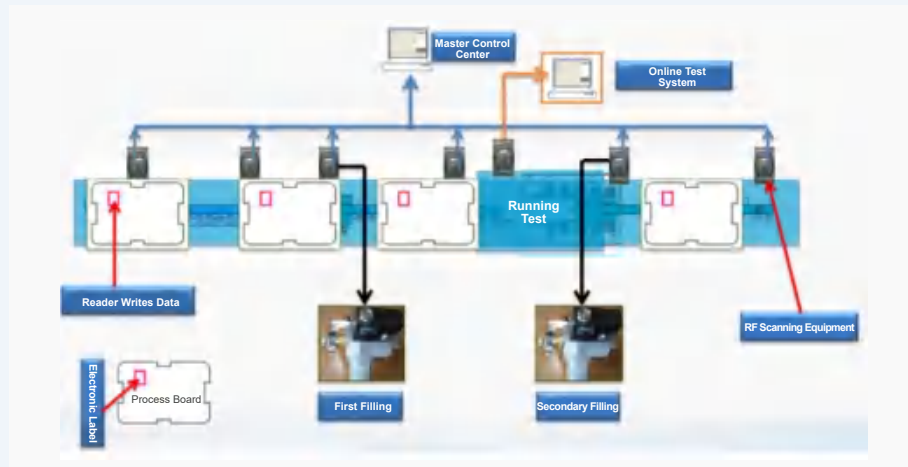
During the reporting period, the Zhuhai and Wuhu bases of the Company collectively reduced carbon dioxide emissions by approximately 400 tons and reduced copper pipe materials by about 363.18 tons.



Ultrasonic sealing green technology of Gree

Case Creating a smart factory with RFID information technology

In April 2023, as the core backbone platform of the production management of the assembly sub-factory, the RFID information system of the assembly sub-factory, through the use of RFID technology, configures the corresponding hardware in the key positions of the production line, and effectively integrates with enterprise's MES and BOM systems to provide various information services for assembly production, eliminate the manual data scanning and collection operation, and realize the automation, digitization, and informatization of the smart factory, enabling comprehensive product lifecycle control.



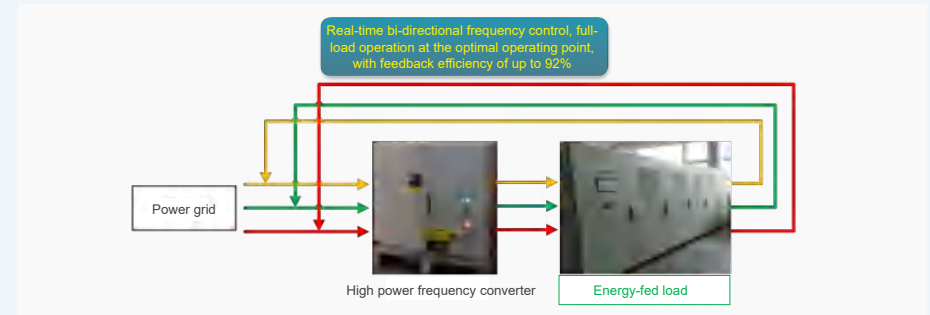
RFID information system



The assembly sub-factory achieved paperless management in the production process, saving a significant amount of paper and ink consumables, with the entire group saving approximately CNY **3** million in consumables annually.

Case Development of efficient energy-saving technology

The Company has developed bidirectional control frequency technology for power feeding load and frequency converter based on the simulation test of large power frequency converter temperature adjustment. Compared with the traditional motor towing + resistance load mode, this technology has changed the pure energy-based power consumption.



High-efficiency and energy-saving bidirectional frequency control technology of Gree



Currently, this technology is being used normally at the Company's headquarters in Zhuhai, saving **315,560** KW·H of electricity annually, equivalent to reducing carbon emissions by **179.96** tons per year.



The "High-efficiency PM synchronous frequency conversion centrifugal ice storage dual-mode unit" has been selected for inclusion in the National Catalog of Advanced Green and Low-carbon Technology Achievement



Various technologies including permanent magnet-assisted reluctance motors technology, air conditioning AI energy-saving technology, and high-efficiency evaporative cooling chillers were selected for the 2023 Energy-saving Technology and Equipment Catalogue of Guangdong Province

Green Product

As a globally renowned air conditioning brand, Gree undertakes the responsibility of addressing high energy consumption and high emissions in air conditioning. The Company continues to develop high-efficiency and energy-saving products through research and development to reduce fossil fuel emissions and achieve resource conservation and environmental protection.

Gree Electric Appliances vigorously develops green energy-related technologies and products. As of the end of January 2024, Gree has 44 international leading technologies, of which 41 are related to green energy. These technologies will continue to provide technical support for promoting comprehensive development of the green economy and achieving the "dual-carbon" goal.

Moreover, to further accelerate the achievement of the "dual-carbon" goal, Gree made a long-term depth layout of new energy industry, and added new business areas such as lithium-ion batteries, new energy commercial vehicles, and special vehicles, thus establishing an integrated new energy industry chain. The combination of core technologies such as Gree Titanium's batteries and Gree's multi-dimensional low-carbon technologies such as "zero carbon source" of Gree subsidiaries helps to increase the speed of green transformation in production and lifestyle, fully leveraging overall resource advantages.

Gree-Cosmos won the "Green Low Carbon Award" in the Grand Final of the 4th Smart Appliance Application Scenario Development Competition



Carbon Footprint Certification

As of the end of 2023, the company has conducted carbon footprint certification for multiple products and obtained carbon footprint certificates.



Examples of certificates

Case

Research and application of key technology for low-carbon dynamic operation of inverter air conditioner

In response to the lack of a method for evaluating the dynamic operating efficiency of air conditioners and the uneven actual energy-saving effects, Gree has developed the "Key Technology for Low-Carbon Dynamic Operation of Inverter Air Conditioner". This includes the invention of a dynamic efficiency optimization control technology of air conditioners based on AI algorithms, achieving optimal dynamic operation of air conditioners; the invention of a room load adaptive technology based on neural network self-learning, realizing rapid temperature control for comfort and energy saving; and the development of an AI chip highly applicable to dynamic energy saving of air conditioners, establishing a dynamic energy-saving hardware platform to meet the computational needs of air conditioners. According to third-party testing, air conditioners equipped with 'Key Technology for Low-Carbon Dynamic Operation of Variable Frequency Air Conditioners' have achieved a dynamic energy efficiency improvement of over 15.8% annually, and a reduction in annual electricity consumption by more than 13.6%. The project results have reached an "internationally advanced" level.



High-efficiency and low-carbon inverter air conditioning product

Case Central air conditioning assisting Shenzhen Metro Line 12 in energy saving and emission reduction

Shenzhen Metro Line 12 adopted Gree's all-working-condition high-efficiency frequency conversion equipment. Through BIM technology, deepened design was conducted for equipment selection, equipment room layout, system pipelines, and energy-saving control, achieving prefabrication of pipeline factories and on-site assembly construction at installation sites, reducing pipeline resistance, achieving zero material consumption, and zero loss. According to the data, the average comprehensive refrigeration efficiency of the refrigeration room is above 5.0 per year, and the average comprehensive refrigeration efficiency of the air conditioning system is above 3.0 per year. It is estimated that it can save 17.36 million kWh of electricity for Shenzhen Metro Line 12 per year, reducing carbon emissions by 13,636 tons.



Air conditioning unit in Shenzhen Metro



Reducing carbon emissions by **13,636** tons

Case Saudi PV energy-storage air conditioning application project

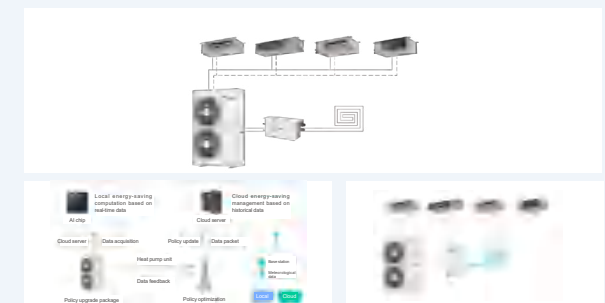
With abundant sunlight and high demand for air conditioners, Gree's "Zero Carbon Source" PV energy-storage air conditioning system can fully utilize sunlight resources to meet cooling needs. At the Saudi Marsha factory, over 100 PV multi-unit systems were installed, with a PV installed capacity of 850 kWp. The system integrates clean PV power generation, safe energy storage regulation, efficient air conditioning electricity usage, and intelligent system power management, achieving integrated complementary functions and multi-dimensional energy saving and emission reduction.



Saudi model project

Case Efficient heat pump technology based on floor heat storage

The existing heat pump floor heating systems in the market exhibit significant thermal inertia, leading to the heat pumps' inability to respond timely to changes in building heat load, resulting in mismatches between supply and demand of floor heating and significant energy wastage. Additionally, there are industry challenges such as low actual operating efficiency of air-source heat pumps and significant efficiency degradation during frosting periods. Gree has optimized the operation time and heating capacity of the heat pump units based on the thermal storage capacity of building floors and future outdoor conditions, planning both system energy and efficiency simultaneously, achieving an overall optimization of energy supply-demand match and efficiency. Tested by national authoritative institutions, the new generation of heat pump floor heating units equipped with this technology have significantly reduced energy consumption during continuous 24-hour operation, saving more than 32% electricity compared to traditional floor heating; indoor temperature fluctuations are reduced by more than 40% compared to traditional floor heating; under severe frosting conditions, the operating efficiency is improved by 12% compared to traditional heat pump units. The project results have reached an "internationally leading" level.



Efficient heat pump technology based on floor heat storage

Green Factory

Gree actively engages in green initiatives related to environmental protection, energy conservation, low carbon, and emission reduction, leading in the field of green development. Starting from the Company's environmental actions, Gree adheres to a strategy of balancing environmental protection with production, continuously optimizes clean production, selects green raw materials, enhances product energy efficiency, uses green packaging, and optimizes production processes, to establish a green supply chain management system.

All subsidiaries of the Company actively pursue green factory certifications. As of the end of 2023, the Company has obtained a total of 16 green factory certifications, including 9 national-level green factory certifications, 4 provincial-level green factory certifications and 3 municipal-level green factory certifications.



List of green factories of Gree

As of the end of 2023, the Company has

obtained a total of **16** green factory

certifications, including **9** national-level green

factory certifications, **4** provincial-level green

factory certifications and **3** municipal-level

green factory certifications

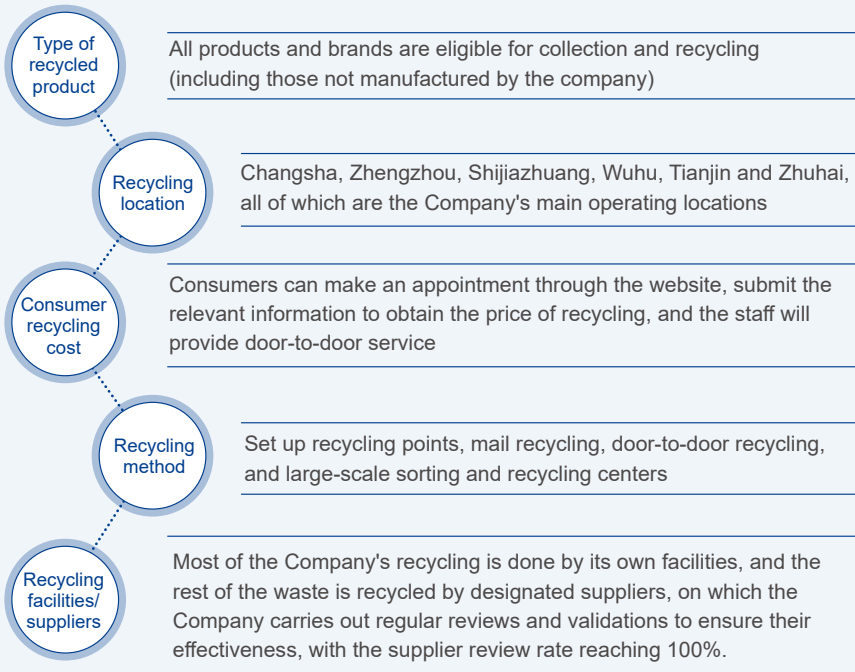


Company Name	Award Level	Award Date	Company Name	Award Level	Award Date
Gree (Luoyang) Electric Appliances Co., Ltd.	National Level	2023	Gree (Wuhu) Electric Appliances Co., Ltd.	Provincial Level	2020
	Provincial Level	2023		Municipal Level	2019
Gree TOSOT (Suqian) Home Appliances Co., Ltd.	Provincial Level	2023	Shijiazhuang Green Resources Recycling Co., Ltd.	National Level	2019
Gree (Nanjing) Electric Appliances Co., Ltd.	Provincial Level	2023	Gree Changsha HVAC Equipment Co., Ltd.	National Level	2018
Gree (Chongqing) Electric Appliances Co., Ltd.	National Level	2022	Zhuhai Kaibang Motor Manufacture Co., Ltd.	National Level	2021
Gree (Hangzhou) Electric Appliances Co., Ltd.	Municipal Level	2022	Gree (Zhengzhou) Electric Appliances Co., Ltd.	National Level	2019
Zhuhai Landa Compressor Co., Ltd.	National Level	2020	Gree (Shijiazhuang) Electric Appliances Co., Ltd.	National Level	2022
Tianjin Green Resources Recycling Co., Ltd.	Municipal Level	2020		Provincial Level	2020
			Gree Altairnano New Energy Inc.	National Level	2019

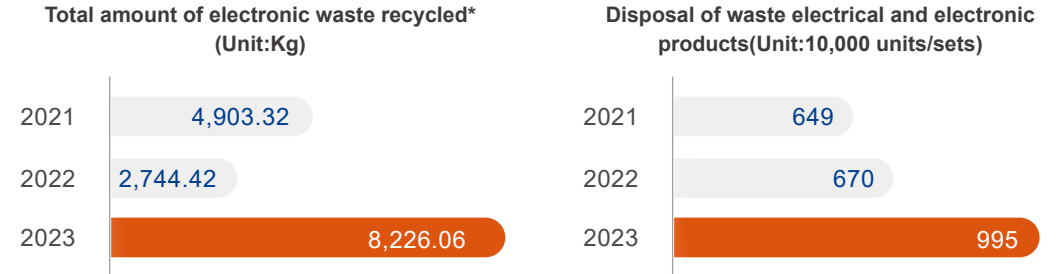
Waste Recycling

In electronic waste management, Gree actively responds to national calls, implements responsibilities for recycling old appliances, integrates social recycling resources for reuse, and contributes to green and low-carbon development. The Company has independently proposed a circular development model of "green design—green manufacturing—green recycling" to ensure the entire industry chain is green and efficient. Since 2010, Gree has established six recycling resource bases in Changsha, Zhengzhou, Shijiazhuang, Wuhu, Tianjin, and Zhuhai, mainly engaged in the recycling and processing of waste electronic products, scrap cars, waste printed circuit boards, and deep processing of waste plastics.

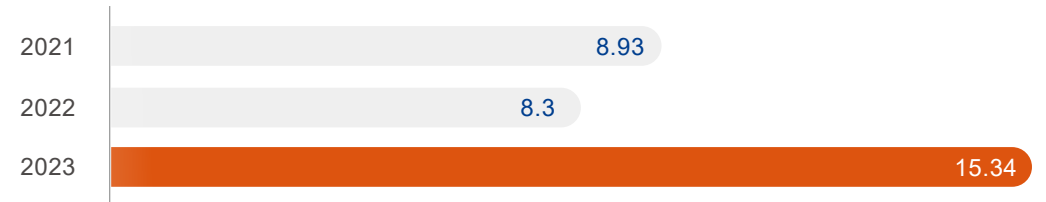
Electronic waste recycling management of Gree



Electronic waste recycling achievements of Gree



Conversion of recycled copper, iron, aluminum, and plastics (Unit:10,000 tons)



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



As of the end of 2023, Green Renewable Resources Recycling Co., Ltd. had cumulatively processed over **56.64** million units/sets of various waste electrical and electronic products, saving an estimated **2.402** billion kilowatt-hours of energy, **3.8219** million cubic meters of water, reducing carbon dioxide emissions by **876,100** tons (446 million cubic meters), and effectively avoiding environmental harm caused by discarded appliances.

Case Cash for Old Appliances Program by Gree Electric Appliances

Gree has established a long-lasting green recycling mechanism, creating the reverse logistics recycling platform for used household appliances named 'Mingzhu Green Loop Recycling.' Utilizing an 'Internet + Recycling' approach, the platform offers consumers professional and convenient services for appliance trade-ins and recycling. Bookings can be easily made with one-click through the WeChat Mini Program, where users can submit relevant information to receive a recycling quote, followed by doorstep service from staff. Through vigorous online and offline promotion, the platform has enhanced the accessibility of appliance recycling for consumers, significantly advancing the management and recycling process of electronic waste, and notably driving the development of electronic waste management in the home appliance industry.



Gree waste household appliances recycling platform

Emission Management

Gree strictly complies with environmental protection laws and regulations and adheres to the ISO 14001 Environmental Management System standards. It has established an internal system for the management of emissions and waste pollutants, and conducted systematic environmental protection management to ensure that all pollutant emissions from the Company meet environmental protection standards.

Greenhouse gas emissions

Gree actively responds to the national "dual carbon" strategy. As a leader in domestic "PV energy-storage" and "zero carbon source" air-conditioning technologies, with the vision of "For the Clearer Sky and Greener Earth", Gree consistently practices the development philosophy that "lucid waters and lush mountains are invaluable assets", and is committed to promoting clean and low-carbon energy use in production and operations, creating a healthy and green life for consumers and society. Gree vigorously promotes the Company's green development from the multiple aspects, actively addressing climate change.

In recent years, Gree has continuously carried out company-level greenhouse gas emission inventories and implemented carbon reduction measures, including actively developing PV power generation, continuously investing in energy-saving technological renovations, and deepening the cyclic treatment of regenerated resources, effectively reducing the total carbon emissions of the Company.

Greenhouse gas emissions of Gree in 2021-2023

Index	Unit	2021	2022	2023
Direct (scope 1) greenhouse gas emission	Ton of CO ₂ equivalent	836,414	709,422	726,654
Indirect (scope 2) greenhouse gas emission	Ton of CO ₂ equivalent	830,758	740,658	587,784
Emission intensity	Ton of CO ₂ equivalent/ CNY10,000 revenue	0.088741	0.076729	0.064113

Carbon reduction approach and corresponding carbon reduction amount of Gree in 2021-2023

Energy saving and carbon reduction method	Unit	Carbon reduction			
		2021	2022	2023	Total amount (2021-2023)
PV	Ton of CO ₂ equivalent	13,459	14,571	16,003	44,033
Nuclear power	Ton of CO ₂ equivalent	-	-	326,284	326,284
Green technology (energy-saving technical transformation)	Ton of CO ₂ equivalent	39,164	4,520	45,042	88,726
Resource recycling (electronic waste treatment)	Ton	100,971	93,997	179,502	374,470

Note: 1. The carbon dioxide emissions factor of power is the 2022 annual national grid average carbon emission factor of 0.5703 tCO₂ / MWh released by MEE (Ministry of Ecology and Environment). 2. The data accounting scope includes the Company headquarters and all its branches and subsidiaries.

Case

The 28th United Nations Climate Change Conference Held | Dong Mingzhu narrated Gree's zero-carbon story

From November 30 to December 12, 2023, the 28th Conference of the Parties to the "United Nations Framework Convention on Climate Change" was officially held in Dubai, UAE. During the Conference, the Chinese delegation held the "China Corner" series of events in Expo City, Dubai. Dong Mingzhu, Chairman and President of Gree, attended the meeting as a representative of enterprises from Guangdong on December 3rd and delivered a keynote speech, showcasing the achievements of China's manufacturing industry in green and low-carbon development and sharing Gree's zero-carbon story in China's response to climate change.



Case

Gree implemented a green logistics system

While vigorously promoting the development of green products, Gree places great emphasis on energy-saving and carbon reduction during transportation, creates a green logistics system and comprehensively initiates the electrification upgrade of vehicles. By the end of the reporting period, there were 881 electric forklifts and 272 diesel forklifts, totaling 1,153 units, with electric forklifts accounting for 76.4%, as well as 34 diesel buses and 482 electric buses, totaling 516 units, with electric buses accounting for 93.4%.



Waste gas emission

The main air pollutants from Gree include particulate matter, nitrogen oxides, sulfur dioxide, VOCs, etc. The Company manages and controls these emissions from the source collection, process control, and final treatment, and configures facilities including paint spraying waste gas treatment system, condenser/evaporator drying waste gas treatment system, and spraying waste gas treatment system, to ensure that the waste gas emissions meet standards. The Company strictly follows the requirements of the pollutant discharge permit, develops testing plans, and entrusts professional third parties to monitor these pollutants, with all results complying with emission standards.

Case

Gree upgraded and transformed the waste gas treatment equipment

Gree continuously updates its environmental control equipment and adopts efficient management technologies such as regenerative combustion and catalytic combustion for standard enhancement modifications. For example, regenerative combustion technology is used to manage the condenser/evaporator drying waste gas, further enhancing management efficiency and reducing emissions of pollutants.



Waste gas treatment equipment

Wastewater discharge

The main pollutants in the Company's production wastewater include chemical oxygen demand, ammonia nitrogen, and total nitrogen. The Company has a dedicated wastewater treatment station to process production wastewater, which is discharged after meeting the standards. Gree entrusts qualified third-party units to monitor the wastewater pollutants, and all monitoring results comply with the emission standards. Additionally, the Company actively improves spray production processes by upgrading from phosphating to ceramic processes, thus eliminating the generation of phosphates from the source.

Case Gree actively carrying out solid waste reduction work

Gree is proactive in reducing solid waste, such as the sludge reduction project at the wastewater station, which uses efficient heat pump technology for low-temperature drying equipment. This has reduced the moisture content of the sludge from 70% before drying to 12% after drying, effectively reducing the amount of waste sludge disposed of.



Wastewater treatment equipment

Solid waste

The solid waste at Gree is mainly categorized into general industrial solid waste, hazardous waste, and household garbage. The Company has formulated relevant management methods in accordance with national laws and regulations, carried out targeted treatment methods according to different types of waste, disposed of waste legally and in compliance with regulations, and maximized the recycling rate of waste. Additionally, the Company actively researched and promoted the reduction, harmlessness and resourcefulness of hazardous wastes, and carried out projects such as sludge reduction, container reuse and centralized oil supply to reduce the generation of hazardous waste from the source.

Waste types and treatment methods of Gree



Hazardous waste

Collect, store and transport in accordance with national laws and regulations, and entrust units qualified in hazardous waste treatment to carry out legal disposal



General waste

After sorting in the plant, it is handed over to resource recycling manufacturers for recycling and disposal



Domestic waste

Transfer to designated sanitation recycling points for disposal by the sanitation department

Case

Gree reduced solid wastes from the source

In order to reduce the overall generation of solid waste, the Company improved the precision of the molds used in the production of injection molded parts at the design stage, so that the surface burrs of the final molded parts can be reduced, thus reducing the solid waste generated from disposal.



Injection molding parts after upgrading

Actively Implementing Green Actions

To further promote the Company's green and sustainable development, Gree has progressively advanced green financial projects on the foundation of whole lifecycle green management. This approach aims to secure more funding to support sustainable development projects focused on environmental protection and energy conservation, continuously driving the Company towards a transformation in green and sustainable development. Meanwhile, for many years, the Company has actively conducted environmental training, to enhance employees' awareness and professional capabilities through diverse environmental cultural education and construction, create a green corporate atmosphere, and achieve a virtuous cycle between economic growth and ecological balance.

Green Finance

To advance the development of the green economy, during the reporting period, Gree issued its first tranche of green ultra-short-term financing bonds. These green bonds, amounting to CNY900 million, were allocated 100% to the manufacture of energy-efficient air conditioners with top-level energy efficiency.

First tranche of green ultra-short-term financing bonds of Gree in 2023

Bond amount CNY900 million **Issuance date** March 27, 2023

Project operation The project has now been completed and officially put into operation, and a total of 6 lines, 3 domestically and 3 internationally, have been constructed according to the project plan.

Environmental protection measures of the project All environmental facilities involved in the project are fully equipped and functioning properly.

Use of funds raised The amount issued for this period's ultra-short-term financing bonds is CNY900 million. As of October 2023, it has been fully utilized in the production of high-efficiency and energy-saving household appliances, specifically for energy-efficient air conditioners.

Environmental Protection Training

The Company actively carries out environmental protection training, empowers employees with the concept of green development, and enhances their knowledge of environmental protection and risk resistance. The Company provides basic environmental protection knowledge training for new employees upon their entry; while for current employees, the Company adopts a multi-tiered training model, which first provides special training for the person in charge of environmental protection of each subsidiary or factory, who then train the employees of their respective subsidiaries or factory areas. The training content primarily focuses on environmental laws and regulations as well as typical societal cases.



Gree carried out diversified environmental protection training



During the reporting period, the Company conducted **79** environmental protection trainings for different employee groups, covering **4,786** employees.

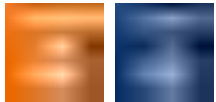
03

Intelligent Manufacturing and Persistent Technological Innovation

Gree consistently upholds the philosophy that "innovation is the primary productive force", and is committed to independently nurturing talent, deeply cultivating core technologies, and steadfastly pursuing a path of independent innovative development. In fields such as product innovation, consumer upgrading, and intelligent manufacturing, the Company continually contributes value to consumers, society, and the nation.

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SDGs benchmarking



Improving the Innovative R&D System

Gree believes that outstanding product innovation is driven by a robust R&D system. By creating a self-transcendent innovation culture, building a high-level and highly integrated R&D platform, and implementing innovation incentives and IP protection, the Company is able to continuously lead and compete at the product and technological level, and maintain sustainable competitiveness.

R&D Concept and Achievements

Gree insists on "independent R&D of core technologies" and adheres to the principle of "investing on demand without setting a ceiling". The Company has established a multi-level and high-standard R&D platform system based on national-level scientific research platforms, and formed a technology innovation system that is enterprise-led, market-oriented, and integrates industry, academy and research. The innovation chain drives the value chain, and the value chain supports the innovation chain.

As of the end of the reporting period, Gree has developed 16 research institutes, 152 research institutions, 1,411 laboratories, and one academician workstation (motor and control) around the new energy environment, intelligent equipment, refrigeration, freezing, washing and other technologies, and owns a national key laboratory, a national engineering technology research center, a national industrial design center, and a nationally recognized enterprise technology center. Furthermore, the Company has become a research and comment base for refrigeration equipment of the National Notification & Enquiry Center and a national standard verification point (energy saving of refrigeration equipment).



The Company possesses **44** "internationally leading" technologies, and has cumulatively won **2** National Science and Technology Progress Awards, **2** National Technological Invention Awards, **3** China Patent Gold Awards, **3** China Appearance Design Gold Awards, **14** Geneva Invention Exhibition Gold Awards, and **10** Nuremberg Invention Exhibition Gold Awards.



Case

Maglev direct-expansion intelligent ventilation air conditioning system for subway stations

All air conditioning environmental control systems in Luoyang subway adopt Gree's independently developed maglev direct-expansion intelligent ventilation air conditioning system. The large and small systems feature independent cooling sources and single-sided air delivery for each unit. Taking the Citizen's Home Station as an example, during the cooling season (July 25 - September 20), the total refrigeration capacity of the system is 143,550 kWh, the total power consumption is 23,800 kWh, the energy efficiency of cooling station in the machine room is 7.25, and the efficiency of the environmental control system reaches 6.03. This project is the first in the country where the installed cooling station capacity is less than 500RT, and the energy efficiency ratio of the cooling machine room exceeds 7.0. The project outcomes have reached an "internationally leading" level.

Gree maglev direct-expansion intelligent ventilation air conditioning system for subway stations

Case 120°C+ industrial large-capacity high-efficiency and high-temperature centrifugal heat pump

Heat pump is the best way to convert electricity into heat efficiently, and it also meets the needs of the development of end-use energy electrification. The Company has independently developed three major innovative technologies: a 120°C+ high-speed direct-drive high-temperature and heat-pump centrifugal compressor, a 60K+ temperature rise dual-compressor series connection, and a multi-stage compression air-supplementing efficient industrial heat pump unit. It has also developed a low-carbon refrigerant R1233zd(E) based 120°C+ industrial large capacity high-efficiency and high-temperature centrifugal heat pump, characterized by high temperature, high efficiency, low carbon emission, large capacity, and high temperature rise. Compared to traditional industrial boilers, it significantly enhances energy conservation and carbon reduction, meeting the demands in food, pharmaceuticals, distillation, dyeing, and other industries, supporting low-carbon energy development. This heat pump unit was tested by the third party, with a heating capacity of 9114 kW at a 60K temperature rise and a 120°C condensing temperature, achieving a heating COP of 4.36 W/W. At a 65K temperature rise, the condensing temperature can reach up to 130°C, with a maximum capacity of 10 MW, reaching an "internationally leading" level.



120°C+ industrial large-capacity high-efficiency and high-temperature centrifugal heat pump

Case COP7.0+ Dual-stage PM inverter screw chiller

The Company broke through the technical bottleneck of the chiller in the small and medium cooling capacity segment, and pioneered a dual-stage PM inverter water-cooled screw chiller with an energy efficiency level exceeding 7.0. This was the first unit that applies the dual-stage screw compressor technology to the water-cooled chiller. It features interstage air supplementation to enhance system energy efficiency and is equipped with a new high-efficiency rotor profile with small pressure ratio, isomeric tooth and constant volume and a position-free identification and accurate adaptive control system of two-stage pressure ratio to significantly enhance full-operational efficiency. The unit, with a single compressor head of 180RT, achieves a nominal cooling performance coefficient (COP) of 7.22, an integrated part-load performance coefficient (IPLV) of 10.1 according to GB standards, and IPLV of 12.01 according to ARI standards, surpassing the national Level 1 energy efficiency standard by 34.7%, the highest level in the industry for maglev system by 14.5%, and the highest level in the industry for inverter screw system by 11.6%. The energy-saving effects are significant, making it widely applicable in various fields such as public buildings, rail transportation, and energy renovation. The project outcomes have reached an "internationally leading" level.



COP7.0+ Dual-stage PM inverter screw chiller



Case

Research and application of key technology for fruit, vegetable and meat preservation in household refrigerator

Addressing the challenges of preserving fruits and vegetables, Gree started research from improving the average humidity and reducing humidity fluctuations, and developed a fruit and vegetable preservation technology based on a self-balancing high-permeability membrane and air-source humidification. This technology effectively solves the technical challenges of consistently establishing and maintaining high humidity in complex storage scenarios. The measured humidity reaches 95% with stable control. Data shows that the measured supercooling degree reaches 4.2°C, significantly reducing the juice loss and drying rate of meat. Moreover, the Company has developed a super-freezing storage technology for meat based on a wide-frequency fully-enclosed piston compressor, addressing the rapid decay of volumetric efficiency and reliability issues under ultra-high frequency conditions of existing refrigerator compressors. The R600a fully-enclosed piston compressor can operate at a maximum frequency of 120Hz, allowing the refrigerator to run stably at -38°C for a long term. The project outcomes have reached an "internationally leading" level.



Research Incentive Mechanism

To fully leverage the enthusiasm and creativity of the extensive scientific and management personnel, and to promote continuous breakthroughs in core technological areas, Gree, based on the national guidance for scientific and technological awards and considering the actual circumstances of the Company, has formulated the "Measures for Administration of Scientific and Technological Progress Award". Each year, high-level incentives are awarded to units and individuals who achieve outstanding results in the field of technological innovation. During this reporting period, 210 award-winning projects were selected, covering 48 units and over 2,300 individuals, including two top awards.



During this reporting period, **210** award-winning projects were selected

Scientific Research Communication and Cooperatio

Through multi-level and multi-dimensional collaborations with over ten domestic and international universities and research institutions such as Tsinghua University, Xi'an Jiaotong University, and the International Energy Agency, Gree actively explores new mechanisms for integrated development in directions such as system energy saving and high-efficiency heat exchange. This continuously enhances the project's collaborative innovation capacity and accelerates the pace of results transformation.

Case

Gree clinched two gold awards at the Geneva International Exhibition of Inventions

In May 2023, at one of the top three international invention exhibitions, the Geneva International Exhibition of Inventions, Gree successfully won two gold awards, one silver award, and one bronze award. As a "permanent guest" of the exhibition, the Company has won 14 gold invention awards.

One of the gold awards was granted for the continuous heating high-efficiency thermal gas defrosting technology of the air source heat pump, which significantly improved the defrosting efficiency, shortened the defrosting time, broke through the traditional bottleneck of indoor heat absorption during air conditioner defrosting, and achieved simultaneous outdoor defrosting and indoor heating, keeping the indoors warm and comfortable.

Another gold award was granted to the high-efficiency ambient temperature catalytic de-formaldehyde air purifier, equipped with a new generation of formaldehyde decomposition technology. By building an active oxygen catalytic composite de-formaldehyde network, it completely oxidizes formaldehyde into carbon dioxide and water, with a cumulative purification volume of up to 10,000mg, and paired with an "ultrafiltration" composite filter, achieving sustained high-efficiency formaldehyde removal.

IP Protection

Gree has formulated an IP strategy aligned with the Company's development vision, planning IP work from the height of the Company's business strategy, making full use of IP information resources, and combining creation, application, protection, and management of IP to promote corporate technology and management innovation. This has enabled the Company to achieve and maintain a competitive advantage in the market, leading industry technology trends.

The Company always adheres to a quality-first patent application strategy, ensuring patent quality through pre-application patent search quality checks, in-application document quality checks, and post-application review response quality checks. This strict quality control ensures the market value of the company's patents.

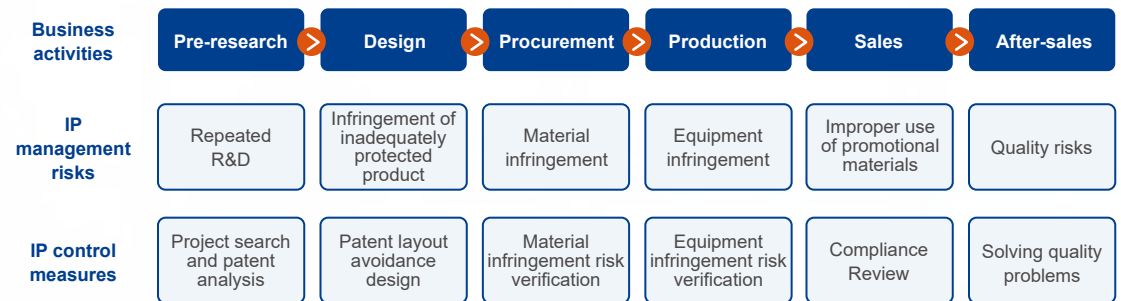


As of March 2024, Gree

- has applied for a total of **119,842** patents domestically and internationally, including **64,539** invention patents and **21,148** granted invention patents.
- The Company has won **77** Chinese Patent Awards, including three gold awards for inventions and three gold awards for designs.
- It has ranked among the **top ten** in invention grant volume nationwide for **eight consecutive years**, consistently **leading** the household appliance industry.
- Seven subsidiaries have been selected as national IP demonstration enterprises, and **17** companies have been selected as national IP advantage enterprises.

After years of practice, Gree has established an IP management system covering the entire product lifecycle, embedding IP management in all stages from material procurement, product R&D, to sales. This ensures the legal monopoly of self-innovated technologies and stringent risk control.

Lifecycle IP management system of Gree



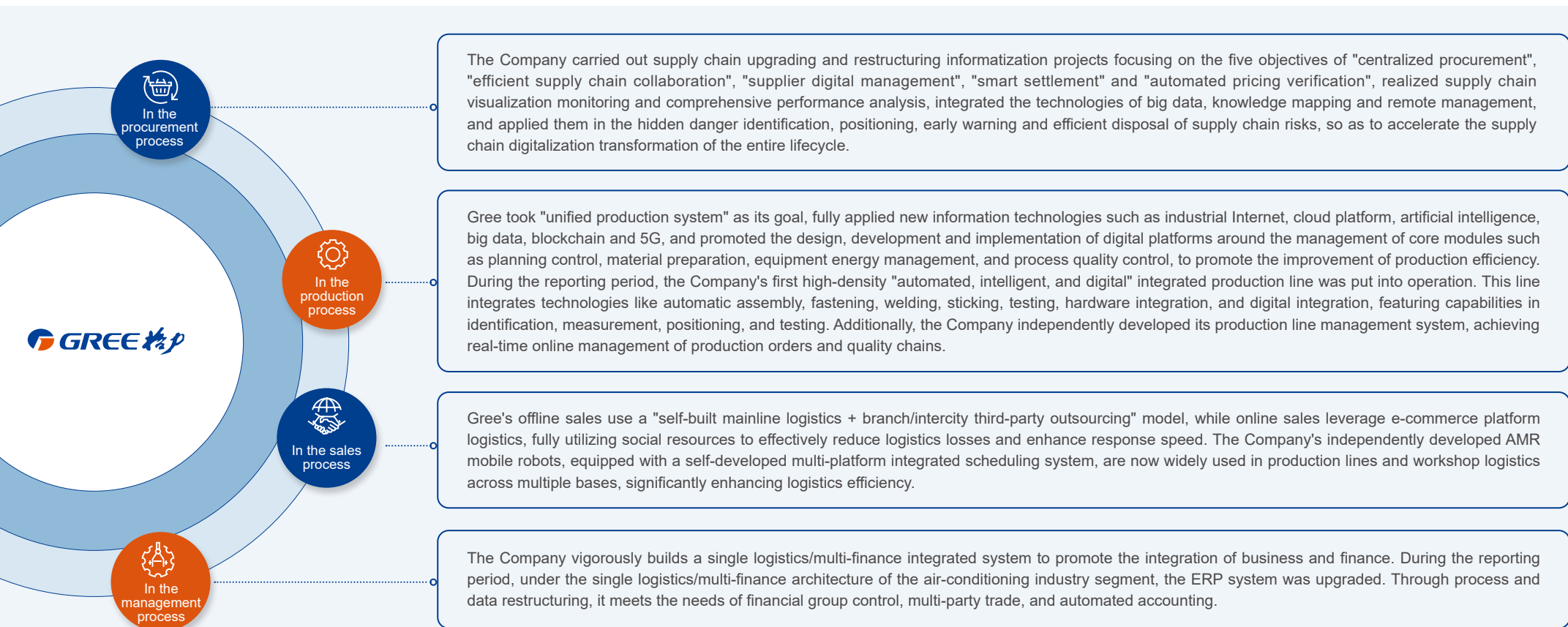
The Company has established an industry-leading full-process IP management system platform, which integrates a patent value assessment system, enterprise product patent navigation, and patent operation processes, and effectively interfaces with project management platforms, PDM management platforms, and patent agency platforms. This aids in shortening the patent application cycle and enhancing the efficiency of patent work.

In addition, Gree places high importance on the construction of a high-quality IP personnel team. The Company has a dedicated IP department with over 800 IP staff, including more than 80 full-time patent administrators with patent agent or legal professional qualifications. The quantity and overall quality of personnel lead among Chinese enterprises. The Company continually enhances the theoretical knowledge and practical skills of the patent talent team through internal training, expert training, external commissioned training, and mock courts, among other multi-channel and multi-form training mechanisms.

Gree is committed to promoting the tangible benefits of IP intangible assets. It conducted IP custodianship and assistance for upstream enterprises to improve patent quality and reduce infringement risks. For peer and downstream enterprises, the Company led industry technology development and enhanced consumer experiences through patent licensing and transfers. Additionally, the Company initiated the establishment of the Intellectual Property Alliance of China Air Conditioning Industry and served as the first chairman unit, standardized the IP competition environment in the air conditioning industry and promoted patent operations in the industry, demonstrating the responsibility of an industry leader.

Leading the Path to Digital and Intelligent Transformation

The transformation towards digitalization and intelligence is a crucial direction for enhancing the core competitiveness of the manufacturing industry and an important path towards high-end manufacturing. Since 2016, Gree has vigorously promoted digital development, continuously improved the level of intelligence, and is committed to realizing the data operation and platform operation of the whole value chain, promoting efficiency improvement, value creation and improvement of business objectives, and creating a new situation of "industrial Internet enterprise". In 2023, the Company accelerated the digital and intelligent transformation across various segments including production, management, sales, logistics, and supply chain.



Case "Dark Factory" Illuminated "Made in China"

Changsha Gree HVAC Equipment Co., Ltd., a subsidiary of Gree, the second-largest comprehensive base following the Zhuhai headquarters, was established in 2014 with a focus on high-standard intelligent manufacturing. It employs a large number of leading international and independently developed intelligent equipment and has developed corresponding management software. Built and put into operation in 2016, it was recognized the following year by the Ministry of Industry and Information Technology as a "Pilot Demonstration Enterprise for Intelligent Manufacturing" and "Pilot Demonstration Enterprise for Industrial Internet Applications". Today, this base fully integrates industrial robots, CNC machines, 5G, and other advanced equipment and technologies into its production, management, and logistics scenarios, setting a benchmark for automation and the latest intelligent technologies in the national appliance manufacturing industry.

Awards received by the Company in the field of digitization in 2023

2023 Smart Manufacturing Pilot Demonstration Initiative

A demonstration "digital pilot" enterprise integrating the development of new generation information technology and manufacturing

Main content
 Zhuhai Gree Intelligent Manufacturing Co., Ltd. was approved as an intelligent manufacturing demonstration factory

Gree All-field Digital Management and Control Demonstration Project

Competent department
 National Ministry of Industry and Information

National Ministry of Industry and Information



Creating A Better Life with Technology

Gree has always adhered to user-oriented principles, driven by technological innovation. With a commitment to excellence and outstanding control over details, the Company continuously enriches the depth and breadth of its product line. It uses technology to create clean, safe, intelligent, and efficient living and working environments. During the reporting period, the Company launched the following high-performance and high-quality new products:

Household consumer goods sector

Supreme air conditioner

- ◎ **Newly upgraded cooling and heating distribution technology, significantly improving cooling and heating efficiency**
 Equipped with a newly upgraded internationally leading distributed air supply technology, it achieves full upper air supply for cooling and full lower air supply for heating. The cold air does not blow on people, but warm air warms the whole body. This eliminates direct cold air blowing, hot head and cold feet situations, and upgrades temperature balancing effects, creating a zero temperature difference balanced space with a vertical temperature difference in the human activity area of <math><0.1^{\circ}\text{C}</math>
- ◎ **Whole-house climate ecological management:** It integrates air conditioning, fresh air fan, humidifier, dehumidifier, and purifier functions into one unit, achieves multidimensional climate regulation optimization and creates a comfortable living climate for the whole house
- ◎ **Whole-house IoT ecological management:** Serving as the smart central hub of the home, it can connect with all Gree smart household appliances, providing real-time monitoring of appliance operation status



High-temperature air conditioner - Silent King+

- ◎ **Coolness upgrade and comfort upgrade:** Equipped with the second-generation Gree cold external unit, it challenges the 65°C high-temperature refrigeration zone and 360° sports large air deflector, and realizes anti-direct blowing in the whole area and a variety of air supply angles
- ◎ **Equipped with Gree's dynamic power compressor:** It has strong performance, and is capable of realizing high-frequency, high-pressure, and efficient operation, fearless against high-temperature challenges, and full of power
- ◎ **Three-ring heat exchange control technology:** Through three major technologies, it upgrades the air-conditioning air duct system, heat conduction system, and temperature control system, and achieves efficient heat exchange, fearless of "heat" tests





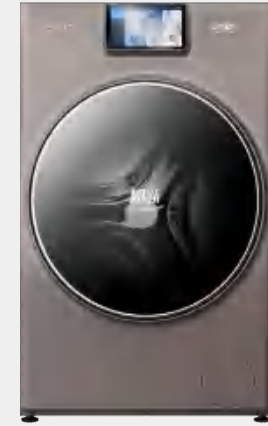
Kinghome "Global Freshness" refrigerator 516L

- ⦿ **Freezing and fresh 2.0 technology:** Realize no freezing at -5°C, and maintain freshness for two weeks, easy to cut with a single knife
- ⦿ **38°C super-freezing freshness locking technology:** Realize rapid freezing, minimize cell damage, and preserve precious nutrients
- ⦿ **Photosynthetic water moisturizing freshening technology:** Reduce nutrient loss such as fruit and vegetable moisture and vitamins, and delay fruit and vegetable spoilage
- ⦿ **HCP full-time antibacterial and deodorizing technology:** Equipped with visual dynamic sterilization module, the sterilization rate is up to 99%, and the taste is purified in 15 minutes
- ⦿ **Provide a safe, healthy and long-lasting storage environment for all kinds of fresh ingredients**



Formaldehyde hunter air purifier

- ⦿ **International leading Hi-fresh formaldehyde decomposition technology:** Continuously decompose formaldehyde harmlessly into water and carbon dioxide, with a decomposition rate of 99.9%
- ⦿ **Professional-grade purification:** Realize digital display of formaldehyde and PM2.5 concentrations, and accurately detect formaldehyde concentration up to 0.001 mg/m³
- ⦿ **Inhibiting bacteria and viruses:** Realize double-sided six-layer purification, whole-house 3D purification, H1N1 flu removal rate ≥99.99%, staphylococcus removal rate >99.99%, and allergen removal rate ≥99%.



Ruxin heat pump washing machine

- ⦿ **Self-developed heat pump washing and care technology:** Achieve gentle drying at 37°C without damaging clothes
- ⦿ **Wash, dry, and wear immediately:** Integrate washing, drying, and care, equipped with GRS rapid drying system, taking only 1 hour for washing and drying
- ⦿ **Global super-fine steam washing 2.0:** Enjoy free clothing care at home, soften fibers, and remove wrinkles and fluffiness

Industrial equipment sector

PV energy-storage flexible air-conditioning system

- ⦿ **Integrated ecology:** Using air conditioning as the energy and information center, it integrates clean PV power generation, safe energy storage and power adjustment, efficient air conditioning power saving, and smart IEMS power management, creating a direct current ecological system of "source, storage, network, and load".
- ⦿ **Low-carbon and efficient:** Through on-demand configuration, it provides high-quality energy, assisting in achieving the national "dual carbon" goal



Deep mine refrigeration equipment

- ⦿ **Efficient cooling and dehumidification:** Solve problems such as poor cooling and dehumidification effects, and high resource consumption, significantly improving the underground working environment
- ⦿ **Enhanced mine safety:** Reduce failure rates, improve reliability, enhance mine safety levels, and create a good working environment for mine workers



Air-source heat pump floor heating system

- ⦿ **Substantial energy consumption reduction:** The new generation of heat pump floor heating unit saves over 32% energy consumption compared to traditional floor heating during continuous 24-hour operation
- ⦿ **Outstanding innovation advantage:** Optimize heat supply and demand matching, cloud-edge collaborative control of heat pump floor heating, achieve efficient energy saving, and adapt to high-quality energy needs



High-speed bridge-type (five-axis) gantry CNC machine tool

- ⦿ **High rigidity and temperature:** The bridge-type gantry structure is made of high-quality cast beam, enjoying high rigidity and stability
- ⦿ **High speed and high precision:** The high-speed direct drive system adopts closed-loop control, with X and Y axes driven by high-thrust linear motors, with maximum speed up to 80 m/min; the high-speed and high-rigidity electric spindle has a maximum speed of 20,000rpm, achieving high-speed cutting



10kV HV direct-drive permanent magnet synchronous variable frequency centrifugal chiller

- ⦿ **Efficient compressor design:** It is designed for the thermal load characteristics of data centers, achieving "small pressure ratio" high-efficiency aerodynamic design in all operating conditions, ensuring compressor operation in the efficient zone
- ⦿ **Significant energy-saving advantages:** It adopts high-power permanent magnet synchronous variable frequency motors, with a maximum efficiency of 98.2%, all-load motor efficiency of above 95%, and the circulation efficiency of dual-stage compression and air replenishment structure improved by 5-6%



Industrial centrifugal heat pump with large capacity and high efficiency

- ⦿ **High-efficiency centrifugal compressor:** It adopts a large-power high-speed direct drive rotor structure, eliminates speed-increasing gears, and reduces mechanical losses by 70%, with compressor weight and volume reduced by 60% and noise reduced by 8dB(A)
- ⦿ **Comprehensive carbon-neutrality solution for all scenarios:** The water outlet temperature can reach 120-140°C, the micro-pressure steam can be directly flashed, fully meeting the heat needs of non-process industries, and the annual single unit operation can reduce carbon dioxide emissions by 15,000 tons



Case Gree developed the world's first mine air conditioner

Upon understanding the harsh working conditions in domestic mines, which severely affect miners' health and hinder efficient and safe production, Gree leveraged over 30 years of experience in large central air conditioning to overcome challenges in local mine cooling equipment such as poor refrigeration and dehumidification, high consumption of fresh air and water resources, ineffective heat exchange in stagnant air, and narrow operating range of compressors. The Company successfully innovated a new set of refrigeration equipment suitable for deep mine heat control, significantly improving the working environment for deep mine workers, reducing labor intensity, and minimizing work stoppages due to high temperatures and humidity during the summer. The project outcome "Key technology and application of new refrigeration equipment for heat damage control in deep mines" has reached an "internationally leading" level.



Gree 2024 Global Dream Summit themed "Embrace the Present, Shape the Future"

04

Upholding People-oriented for A Better Life

Gree has always prioritized talent development, attracting talent with strong capabilities, nurturing talent through independent innovation, and providing generous benefits to serve talent. The Company considers talent development as its most important responsibility, places high importance on protecting employee rights, and enhances employees' enthusiasm and sense of belonging. Moreover, the Company actively fulfills social responsibilities, emphasizes communication and exchange with multiple stakeholders, encourages employees to participate in voluntary activities, and engages in public welfare charity activities such as rural revitalization and community co-creation, striving to contribute to society.

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Enhancing Diversified Wellbeing of Employees	60
Bravely Assuming Corporate Social Responsibility	63

SDGs benchmarking



Safeguarding the Legitimate Rights and Interests of Employees

Gree strictly adheres to relevant laws and regulations such as the "Labor Law of the People's Republic of China" and the "Labor Contract Law of the People's Republic of China", revises and implements regulations such as the "Measures for Administration of Employee Recruitment", "Measures for Administration of Attendance", "Measures for Administration of Salary", "Measures for Administration of Performance", and "Measures for Administration of Labor Protection of Female and Underage Workers", effectively safeguarding the legitimate rights and interests of employees.

Equal Employment

The Company upholds the principles of "open recruitment, fair competition, and merit-based employment", adheres to equal employment and equal pay for equal work, and resolutely eliminates child labor and forced labor. It avoids any discrimination based on employees' ethnicity, gender, age, disability, marital and parental status, respects employees' rights to freedom of assembly and association under the law. In 2023, Gree did not experience any incidents of employment discrimination, harassment, child labor, or forced labor violating human rights in labor, with a 100% employee social security coverage rate.

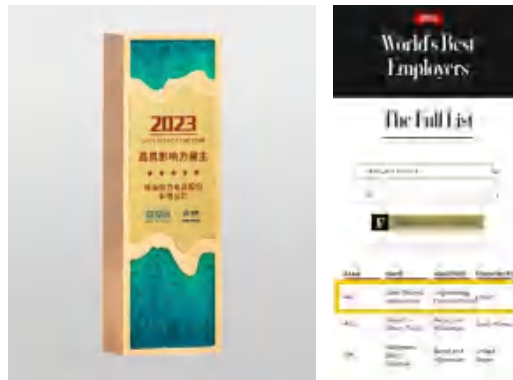
Additionally, the Company ensures that labor contracts are based on principles of equality and voluntariness, and strictly follows legal regulations and contractual agreements in the execution, renewal, termination, and ending of labor contracts, regulating employment practices strictly. In 2023, the labor contract signing rate was 100%.



In 2023, Gree did not experience any incidents of employment discrimination, harassment, child labor, or forced labor violating human rights in labor, with a **100%** employee social security coverage rate



In 2023, the labor contract signing rate was **100%**



Gree has been honored as the most influential employer by Haitou.cc in 2023 and was listed on Forbes' The World's Best Employers 2023

Collective Bargaining

Gree constantly continues to improve the skills and level of collective bargaining, strengthens the collective bargaining talent team, promotes collective bargaining, and makes positive contributions to safeguard the legitimate rights and interests of employees, realize win-win situation for both enterprises and employees, and construct harmonious labor relations. The Company has been recognized as a model for enterprise labor and capital communication and negotiation in Guangdong Province in 2023, a typical enterprise for collective bargaining in Zhuhai City in 2022, and has won the first prize for excellent cases in collective bargaining. Furthermore, a collective contract was ratified by the Workers' Congress, with a signing rate of 100%.



A collective contract was ratified by the Workers' Congress, with a signing rate of **100%**



Gree was listed on the "2022 Typical List of Collective Negotiation in Zhuhai" and the "2022 Award List of Collective Bargaining Excellent Case in Zhuhai"

Employee Communication

Gree always adheres to the "people-oriented" principle, and vigorously promotes labor and capital communication and negotiation. By establishing a sound labor-management communication mechanism, broadening the channels of employees' demands, listening to employees' voices through the labor union and grass-roots branch unions, intelligent labor unions, democratic life meetings, employee satisfaction surveys, etc., the Company promotes mutual understanding and support between the enterprise and its employees, and lays a solid foundation for the stable development of the enterprise. In 2023, the Company was honored as a "Typical Enterprise for Labor and Capital Communication and Negotiation in Guangdong Province".



Typical Enterprise for Labor and Capital Communication and Negotiation in Guangdong Province in 2023

Interactive Communication Platform of Intelligent Trade Union



The Company held a grassroots democratic life meeting to listen to employees' opinions



Women's Rights

The Company strictly enforces the "Law on the Protection of Women's Rights and Interests" and "Provisions on the Scope of Prohibited Work for Female Employees". It legally provides maternity check-up leave, maternity leave, special breastfeeding time, dedicated bus lines for loving mothers, and flexible working benefits, and reduces workloads for breastfeeding female workers.



The Company's Loving Mother Huts was awarded the honor of "Loving Mother Hut in Guangdong Province"



The Company provides Loving Mother Huts for pregnant and breastfeeding women

Leave System

Employees are entitled to statutory holidays, paid annual leave, personal leave, compensatory leave, sick leave, injury leave, marriage leave, bereavement leave, maternity leave (including obstetric leave), incentive leave, family planning surgery leave, paternity leave, child-care leave, nursing leave, prenatal check-up leave, and breastfeeding leave. The Company advocates completing tasks within normal working hours and, considering the characteristics of production and operations, continuously promotes work-hour management through enhanced shift management and other measures, safeguarding employees' rights to rest and leave.

Empowering Employees' Career Growth

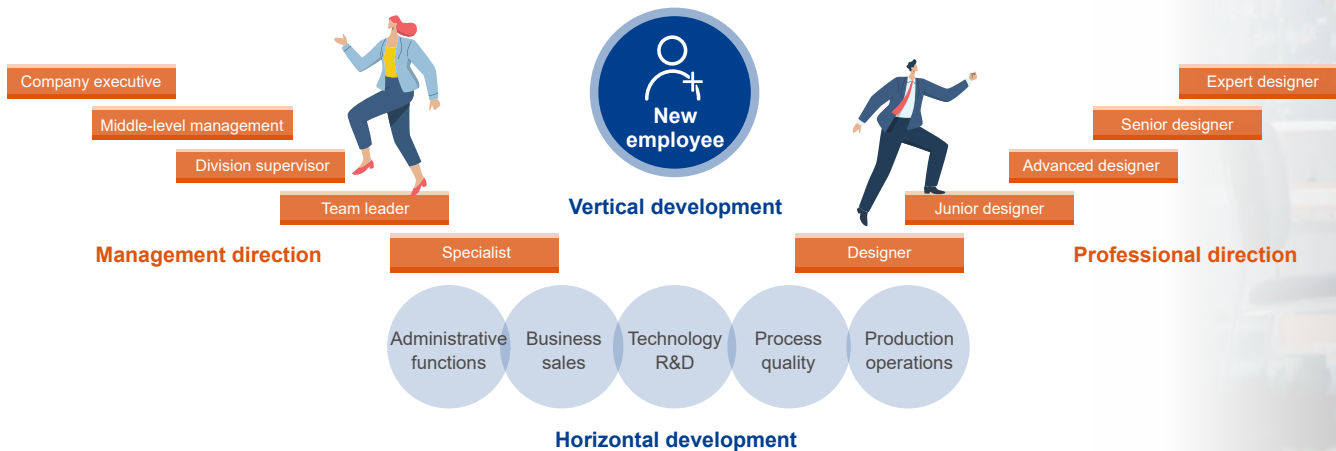
Gree has always held the belief that "talent is the first resource", recognizing that genuine self-innovation can only be achieved by valuing and developing talent. This philosophy has been integral to Gree's development, infusing vitality and energy into the enterprise.

Building Employee Career Development Pathways

In the face of macroeconomic uncertainties and complexities, the Company pays close attention to and safeguards employees' interests, optimizes and adjusts salary schemes to allow all types of talent to excel. For technical management staff, career development pathways in "professional, managerial, and comprehensive development" are designed, and for frontline staff, a skill level evaluation mechanism is established.

The Company constructs career development pathways for employees, and continuously improves a performance-oriented salary mechanism based on job positions. Focusing on improving work efficiency, enhancing team quality, optimizing personnel structure, boosting employee vitality, and retaining core talent, the Company implements a job-based and performance-oriented salary development system, conducts professional level evaluations, and develops a reasonable, flexible, and effective compensation system to foster talent development and growth.

Employee career development pathways



Improving the Talent Development System

Gree aims to provide a comprehensive growth platform for the Company's employees, establish a culture of utilizing talents effectively, and adhere to the concept of independent talent training. Tailored to the Company's strategy, each unit's business development, and talent training needs, a company-wide learning (four levels) development plan is devised, organized, and implemented. The annual needs survey begins with organizational strategy, business development, staff skills, and cultural literacy, employing a "dual-track linkage" approach at both company and unit levels. This process involves a top-down review of strategic goals to identify related training needs and a bottom-up refinement to distill the training needs related to staff business skills. This results in the formation of a complementary four-level training plan: company-wide, departmental, office, and individual levels. Each level's plans are subdivided and complementary, focusing on integrating strategy with performance in learning and development goals.

Four-level development plan



The 2023 annual company-level training plan takes the four dimensions of strategic landing support, key group cultivation, key business development, and cultural literacy enhancement as the framework. It encompasses 59 specialized training projects, jointly implemented by the training center and various units. The training effectiveness is closely monitored, with each project driven by dedicated personnel to ensure a PDCA (Plan-Do-Check-Act) closed-loop management, enhancing training outcomes. By the end of 2023, all 59 training projects were successfully completed, involving 25,000 participants, with an average annual satisfaction rate of 98%.

By the end of 2023, all **59** training projects were successfully completed, involving **25,000** participants, with an average annual satisfaction rate of **98%**

Case

The Company carried out "Great New Forces" 2023 new graduate onboarding training

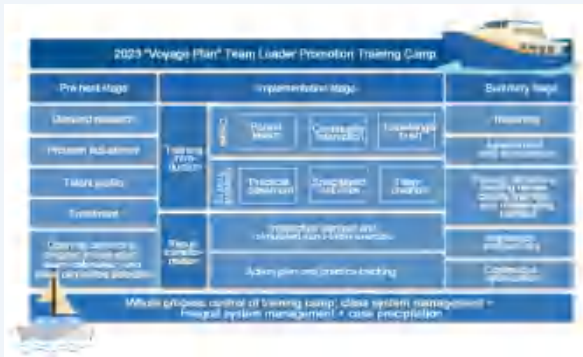
The 2023 fresh graduate training camp focuses on the core goal of "strengthening corporate culture imprint, solidifying professional ethics, and successfully transitioning into Gree professionals". It aims to nurture a team of growing, responsible, efficient, adventurous, and team-spirited "Great New Forces". Nearly 800 headquarters-based new graduates underwent specialized, customized, and distinctive training at the "New Forces" camp, preliminarily transitioning from campus life to becoming part of Gree, and embarking on the grand journey of "devoting to the Gree dream, falling in love with Made in China".



"New Forces" growth path and the training camp's "3-6-1" learning and development model

Case "Voyage Plan" team leader training camp

"Voyage Plan" (2023) team leader development stems from the "Vanguard" training camp (supervisors + team leaders), evolving into a regular initiative targeting supervisors and team leaders among the grassroots management. It regularly introduces valuable learning materials and ensures continuous learning for the participants; offline intensive training employs innovative teaching methods like "flipped classroom", management games, and sandbox simulation", stimulating proactive thinking and invigorating team dynamics. Post-camp evaluations show high comprehensive ratings, with course satisfaction averaging 98.8 points and overall training camp satisfaction reaching 99.6 points.



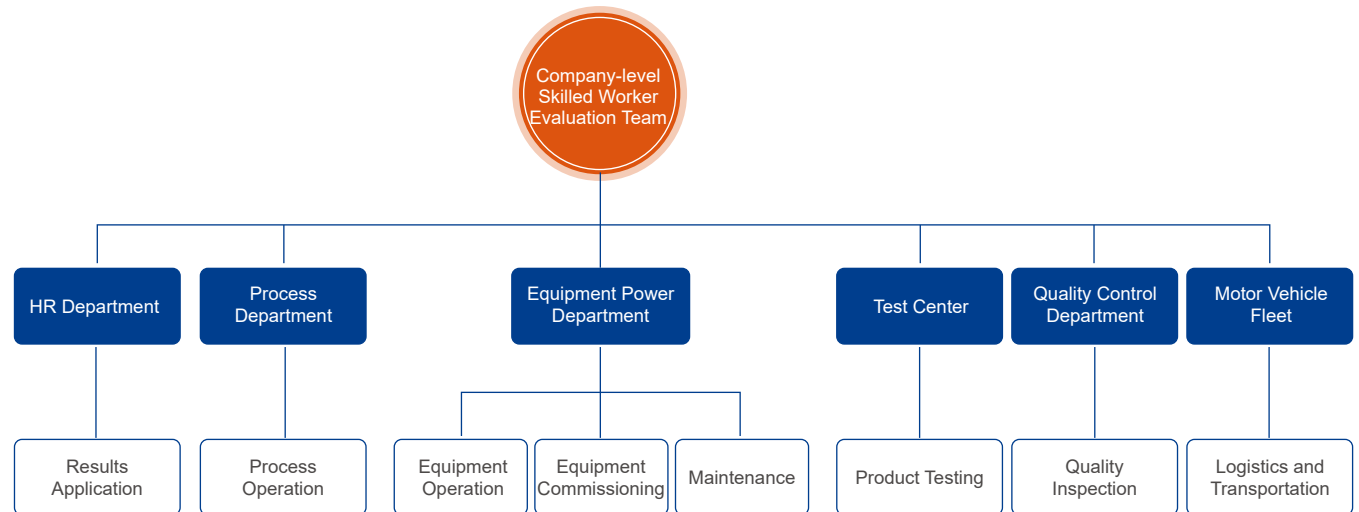
"Voyage Plan" improvement training camp

Moreover, the Company places particular emphasis on the independent development of skilled talents, helping ordinary workers become high-end industrial talents with skills, knowledge, and aspirations. A self-developed skilled talent system is established, creating a "frontline employee—skilled worker—craftsman" growth pathway. Additionally, aligning with national professional skill standards, the Company innovatively designs a career development system and incentive application system for the entire group's skilled talents, incorporating a skilled occupation certification mechanism, skill level re-evaluation system, and a comprehensive incentive system, facilitating the selection, cultivation, application, and retention of skilled talents and promoting a "top-down, bottom-up" mechanism to drive high-quality development of human resources.

Advancing the Skill Level Evaluation Mechanism

Focusing on technical positions, the Company vigorously advances a professional technical level evaluation mechanism, establishes a skill development pathway for capable and high-performing "skill-based" and "technical" personnel to become frontline skilled workers, and successfully completes the full-process system construction of qualification standards, training systems, evaluation systems, and incentive systems. The regular evaluation of skill levels and tiered management of skill allowances reflect the "skill-level-oriented" differentiated incentive principle, fostering the formation of skilled talent echelons and enhancing skill levels. The cultivation of skilled talent promotes the spirit of model workers, labor, and craftsmanship, motivating more workers to pursue a path of skill-based success and strengthening enterprises through skills.

Structure chart of company-level skilled workers assessment team

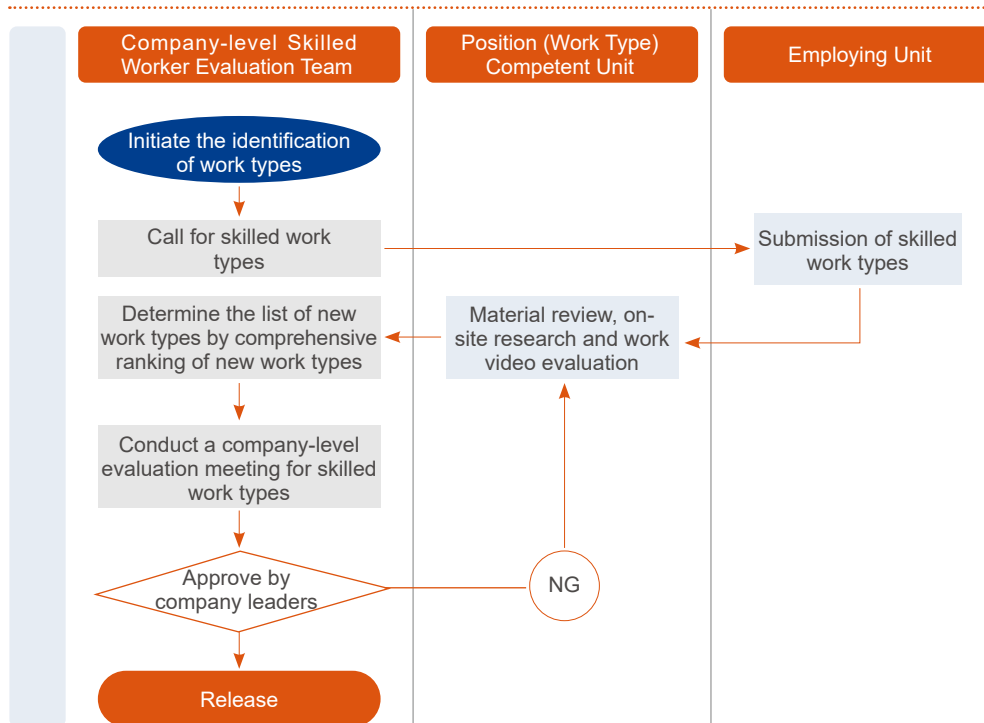


Occupational Skill Certification Mechanism

After years of development, Gree has clearly defined the types of skill occupations. The review of skill occupations adheres to the principles of "fairness, impartiality, and openness", plays a leading role in the company-level skill evaluation group, organizes and carries out the certification work for skill occupations. The specific process is as shown in the following diagram:

Skill type review process

Skilled Worker Evaluation Process



Implementation Effect of the Skill Development System

The overall number of skilled talents in the group has achieved continuous growth. Since a small-scale pilot at the Zhuhai headquarters in 2013, through gradual promotion across various branches and subsidiaries and continuous exploration of new occupations, the number of occupations and skilled workers has been increasing year by year. As of the end of 2023, skilled talents cover 78 units at Gree headquarters and subsidiaries in other regions, with 117 skill occupations and about 14,000 skilled workers, representing an 8-10-fold increase compared to 2013.



By the end of 2023, the Company has trained and recommended **110** national, provincial, municipal, and district (county) technical experts and **393** craftsmen for enterprises and society.

Case

Gree won multiple honors at the Fourth Zhuhai Vocational Skills Competition

In December 2023, the Fourth Zhuhai Vocational Skills Competition and the Second "Top of All Trades" Competition concluded. The Competition lasted 14 days, featuring 32 events including CNC lathe work, electrician skills, and software technology, with over 1,300 high-quality volunteer talents competing on this grand stage, showcasing their abilities.

After intense competition, Wang Peng from Gree's Xiangzhou Branch ranked first in the electrician competition, earning the title of "Zhuhai City Technical Expert"; Wu Lisen and Qin Shujian secured the second and third places respectively; Wan Jinming received the "Excellent Judge" honor; Gree was awarded the titles "Advanced Unit" and "Champion Participant Unit" at the Fourth Zhuhai Vocational Skills Competition and the Second "Top of All Trades" Competition.



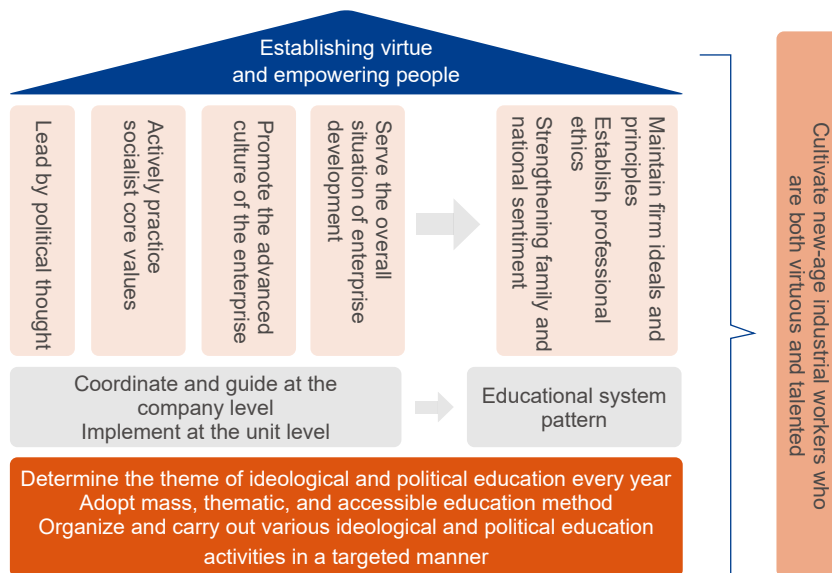
The "Top of All Trades" Competition

High Emphasis on Employee Ideological and Political Education

While focusing on the professional development of employees, Gree insists on "fostering virtue and cultivating people", guided by political ideology, actively practices socialist core values, and promotes advanced corporate culture, serving the overall development of the Company, and educating employees to enrich their sense of national identity, strengthen professional ethics, and solidify their ideals and convictions.

In 2023, the Company organized various activities such as "Learn from Pioneers, Strive for the Forefront, Create Outstanding Achievements, Establish New Merits" themed education, special training classes for party members and key leaders, "Learn from Lei Feng, Be the Successor of Lei Feng" themed education, "Keep the Market during Peak Season" special education, and National Defense Education Month, carrying out ideological and political education activities in a targeted manner through mass, thematic, and accessible approaches, enabling employees to enhance their ideological quality and value pursuit subtly, and striving to cultivate virtuous and talented new-era industrial workers.

Ideological and political education and training system of the Company



Case

The Company organized "Learn from Lei Feng, Be the Successor of Lei Feng" themed activities

In 2023, marking the 60th anniversary of senior revolutionaries like Mao Zedong endorsing Lei Feng, the Company specially organized the "Learn from Lei Feng, Be the Successor of Lei Feng" themed activities, which are divided into four phases: "Learn, Think, Comprehend, Act". Through widespread and deep mobilization, over 60 units actively participated in the activities, creating a prominent direction and value pursuit where "Lei Feng's spirit can be learned by everyone, and acts of kindness can be done everywhere".



The Company organized "Learn from Lei Feng, Be the Successor of Lei Feng" themed activities



Safeguarding the Health and Safety of Employees

Gree strictly adheres to laws and regulations including the "Work Safety Law of the People's Republic of China", "Law of the People's Republic of China on Prevention and Control of Occupational Diseases" and "Fire Control Law of the People's Republic of China", and formulates systems such as the "Measures for Administration of Safety Production Responsibility System", "Measures for Administration of Work Injury", "Measures for Prevention and Control of Occupational Diseases", "Measures for Administration of Special Equipment Safety", "Measures for Administration of 'Three Simultaneities' for Construction Projects", "Measures for Administration and Assessment of Fire Safety", "Measures for Administration of Personnel, Vehicle, and Traffic Safety", "Measures for Administration of Fire and Explosion Safety", etc. Gree consistently upholds the safety production management philosophy of "equally emphasizing safety and production", focusing on filling gaps and strengthening weaknesses in safety responsibilities, standards, technology, and quality. The Company actively promotes the systematization and standardization of safety production work, striving to cultivate a real culture of safety. It has obtained the Occupational Health and Safety Management System Certificate.

Construction of Safety Cultures

Gree has established a corporate culture of "People-Oriented, Safe Production, Health Assurance, and Life Care". It has set up a Safety Production Committee, which is chaired by the Chairman and responsible for coordinating, guiding, and supervising safety production work; and established a comprehensive safety production system. Each year, it signs the "EHS Responsibility Agreement" with units at all levels, further consolidating the responsibility for safety production. Gree invests as needed without setting limits in improving safety production and occupational health. In addition to the standard investment in necessary labor protection supplies and safety facilities, the Company actively promotes technological upgrades and the automation of manual operations to improve the working environment for employees.

In 2023, Gree organized multiple safety production-related activities, such as fire-fighting skills competitions, safety production knowledge contests, training sessions to enhance the management capabilities of key responsible persons and safety officers, Safety Production Month series activities, new employee fire theory training, and comprehensive safety training, which have enhanced the safety awareness of employees and their emergency response capabilities in dealing with sudden incidents.

Case Gree conducted a Group Fire Safety Skills Competition

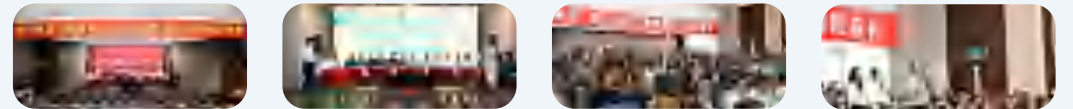
In October 2023, the Fourth Gree Group Fire Safety Skills Competition was grandly held. The Competition focused on assessing operational skills to enhance job-specific skills on the premise of daily training and job-specific drills, ensuring that all participants met the requirements of "preventing fire routinely and rescuing in case of fire". A total of 76 participants from 19 fire brigades across Gree headquarters and its branches competed fiercely, with Hefei Gree winning the first prize, Changsha Gree the second, and Hangzhou Gree the third.



The Fourth Gree Group Fire Safety Skills Competition site

Case Promoting learning and enhancing skills through competition, and promoting application and empowering employees through learning

In December 2023, the Company held the final round of "Gree Safety Cup" Safety Production Knowledge Competition. Since the launch of the knowledge competition, all units of the Group have responded enthusiastically, and leading cadres have personally organized and deployed. Over the course of 78 days, 43 units signed up to participate, attracting more than 50,000 employees to actively engage in learning about production safety. After rigorous selection through internal competitions within each unit and preliminary rounds at the headquarters, eight teams excelled and advanced to this final competition. Through four rounds of competition, Gree Changsha HVAC Equipment Co., Ltd. won the first prize, Gree (Shijiazhuang) Electric Appliances Co., Ltd., and the Sheet Metal Spraying Plant (headquarters) won the second prize, and the Prototype Center (headquarters), Hefei Kinghome Electrical Co., Ltd., and the Western Region Household Assembly Factory (headquarters) won the third prize, with the Quality Control Department (headquarters) and Zhuhai Kaibang Motor Manufacture Co., Ltd. receiving the Excellent Organization Award.



Gree conducted the "Gree Safety Cup" 2023 Safety Production Knowledge Competition

This "Gree Safety Cup" Safety Production Knowledge Competition, with its innovative approach to safety knowledge education and training, enhanced the interest in learning safety knowledge, increased the enthusiasm of employees for learning about safety, and sparked a wave of safety knowledge learning across the Group. Through this Competition, not only were the safety awareness and skills of the Company's employees enhanced, but the safety production "real" culture was also deeply embedded in the hearts of the people.

Safety and Health Monitoring

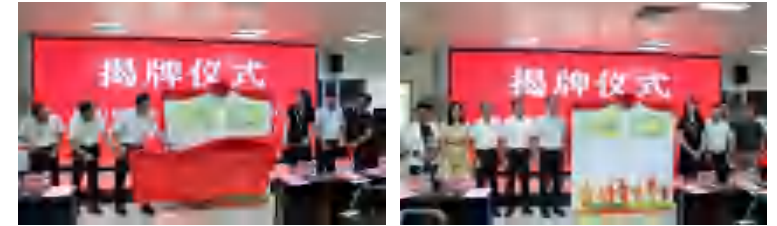
The Company places a high emphasis on the prevention and management of occupational diseases and has established the "Measures for Prevention and Control of Occupational Diseases". Appropriate labor protection supplies are provided to employees in positions with occupational hazards, such as safety shoes, earplugs, protective masks, AED defibrillators, and medical kits. The Company organizes regular occupational health examinations and inspections of hazardous job positions annually, effectively preventing various occupational risks and injuries, thereby maximally ensuring the health and safety of employees. In 2023, the company achieved a 100% employee physical examination rate.



Medicine box photo

Employee Psychological Care

In active response to the spirit of the "Implementation Plan of Guangdong Federation of Trade Unions to Promote Psychological Health Services for Workers throughout the Province", the Company is piloting the construction of the Gree Psychological Services System, explores models and mechanisms for psychological services for employees at Gree, improves the mental health service system for employees, safeguards and protects the physical and mental health of employees, and cultivates a good psychological quality of the employees. The Gree Trade Union, in collaboration with Qianshan Street, meticulously establishes the "Employee Soul Station" at the Kangle Park Phase I Employee Activity Center.



Unveiling ceremony of Gree's Psychological Service Station

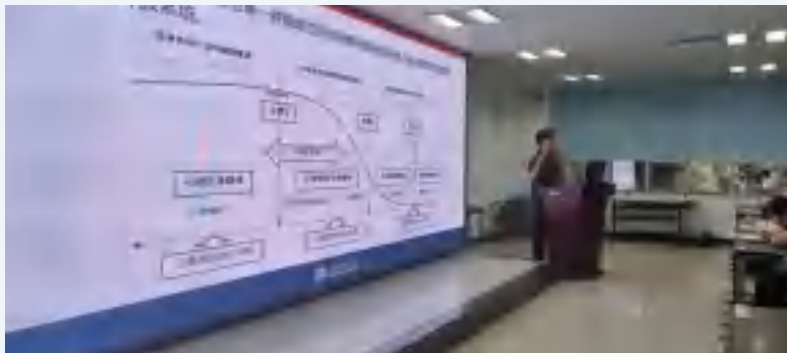
The Company regularly invites professional psychologists from the Soul Home Psychological Counseling Center in Nanshan District, Shenzhen, to provide rich psychological health services, including psychological assessments and interpretation of assessment reports, every week.



Gree Employee Soul Station

Case **The Company invited teachers from South China Normal University to conduct psychological lectures for employees**

The Company organizes the Employee Lecture Hall, specially inviting professional teachers from the School of Psychology of South China Normal University to provide training and psychological counseling lectures, helping alleviate the stress of work and life, managing emotions, and enhancing the Company's overall attention to employee psychological issues, enabling timely prevention, identification, and resolution of these issues.



Teachers from South China Normal University conducting psychological lectures at Gree

Sunshine Fund Subsidy

The "Sunshine Fund" was established by Gree in the second half of 2009 to ensure the health of Gree employees, creating a comprehensive system for major medical assistance for employees. The Fund, which has a history of 15 years, involves the trade union auditing Sunshine Mutual Aid Fund materials monthly. It provides secondary reimbursement after social security claims for outpatient and inpatient treatments needed by employees, their spouses, and children under 18.

Enhancing Diversified Wellbeing of Employees

Gree adheres to the concept of creating a "comprehensive incentive system", covering all employees with a performance incentive system. Moreover, the Company is dedicated to building a "safe haven" for employees' happiness, allowing them to focus on career development without worries. Gree has set the goal of "creating a comprehensive welfare system for employees". Substantial investments have been made to construct comfortable living areas with complete facilities for employees—Kangle Park Phases I and II projects.



Staff living area of Gree Kangle Park Phase I

In terms of daily employee life, the Company's internal canteens cater to both northern and southern tastes, providing three meals a day for over 30,000 headquarters staff; in terms of accommodation, Gree provides fully furnished employee dormitories that are move-in ready upon employment; regarding transportation, there are free shuttle buses covering major areas of Zhuhai for commuting; additionally, the Company offers customized work uniforms, communication packages for all employees, and comprehensive health check-ups, thereby creating a system of welfare measures that ensures the happiness of Gree employees.



Huge Gree shuttle system



Staff canteen covering north and south flavors

Employee Stock Ownership Plan

The Company has established a long-term and effective incentive mechanism, launched employee stock ownership plans to attract and retain talented individuals, realized the incentive and stable retention of middle and senior management and core and backbone employees, formed a community of interests between employees and the Company, and enhanced employees' sense of belonging and responsibility. Since 2021, the Company has introduced two phases of stock incentive plans. As of Dec.31, 2023, the first phase of employee stock ownership plan covered 4,513 employees, and the second phase covered 3,170 employees.

As of December 31, 2023, the first phase of employee stock ownership plan covered **4,513** employees, and the second phase covered **3,170** employees



Support for Employees in Need

Gree consistently implements the care system of "visiting all who are injured, comforting all who are seriously ill, and caring for all who are hospitalized", making support and warmth a normal, frequent, and everyday occurrence. The Company actively explores effective ways and measures to assist employees in need, ensuring precise and dynamic management, enhancing employees' sense of achievement, happiness, and satisfaction, and truly making the employees in need feel the warmth of their "family".

Enriching Employee Activities

Gree advocates for healthy work and happy living, strives to create a relaxed and active work atmosphere, and enhances employees' job satisfaction. The Company, in line with its own circumstances, has hosted various unique cultural and sports activities.

Case Gree organized Mid-Autumn and National Day Sympathy Visits for employees in need

At the end of September 2023, the Company's Trade Union, department leaders, and branch unions visited employees with documented difficulties and serious illnesses before the festival. They went together to the homes of these employees, engaging in face-to-face conversations with the employees and their families, listening to their concerns and practical needs in life, and delivering festive blessings and sympathy gifts.

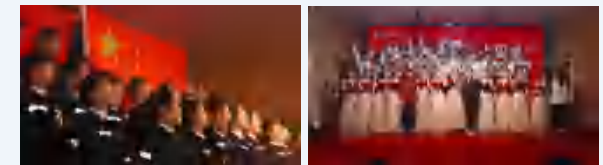


Caring for employees in need

Case The Company organized the "Made in China, Loved by the World" Singing Competition

In early November 2023, Gree's Party Committee and the Trade Union initiated a Singing Competition, which was responded to by various factories, departments, subsidiaries, and domestic and overseas dealers, sparking a wave of enthusiasm for singing. Since the Competition began, the song "Made in China, Loved by the World" has become the exclusive BGM for Gree employees striving at the front lines, fostering innovation and making the dream of "Made in China" shine in every corner. After several rounds, 12 teams from 16 units stood out and entered to the finals.

"We take mission on our shoulders and keep original aspirations in mind", the singing voiced the passionate achievements of Gree over the past five years. As expressed in the lyrics of "Made in China, Loved by the World", Gree has always adhered to independent innovation, using wisdom and strength to forge national pride.



"Made in China, Loved by the World" Singing Competition site

Case The Ninth "Gree Cup" Fun Sports Meeting held successfully

In November 2023, the ninth "Gree Cup" Fun Sports Meeting heatedly commenced. The event attracted over 800 employees from 40 departments of the Company, who competed in six events, demonstrating the enterprising spirit of Gree people through concerted efforts.



The Ninth "Gree Cup" Fun Sports Meeting site

Case Zhuhai Cultural Center's "Full Art Camp" entered Gree


In November 2023, the "Full Art Camp" visited the employee living area of Gree Electric Appliances, Inc., where 60 Gree employees embarked on a relaxed and joyful journey of art. This event was guided by the Zhuhai Municipal Bureau of Culture, Radio, Television, Tourism, and Sports, hosted by the Zhuhai City Cultural Center, and co-organized by the Trade Union Committee of Gree Electric Appliances, Inc. of Zhuhai. With the "cocoon" in hand as the storyline, the activity extended from the classroom to the outdoors, experiencing holding paintbrushes and coffee handles, and enjoying the ease and happiness brought by public welfare culture and art.



"Full Art Camp" employee activity site

Case Gree Cheongsam Class officially concluded: Beauty never fades with time

In June 2023, the "Lingnan Cheongsam • Beautiful Embrace" Gree Cheongsam and Physical Training Class celebrated its completion day. The instructors led the Gree participants to the Zhuhai Yuanming New Garden for the closing ceremony, which included an outdoor catwalk and photo shoots. Xiao Xiaolong, Party Group Secretary and Executive Vice President of Xiangzhou District Federation of Trade Unions, attended the closing ceremony.



Gree Cheongsam Class officially concluded



Other diverse cultural and recreational activities organized by the Company, such as theater performances, table tennis matches, basketball matches, and esports competitions, etc.

Bravely Assuming Corporate Social Responsibility

Behind the success of a business, there must be a contribution to society, only realized through practice can the true value of a business be shown. Gree has always upheld the philosophy of "taking from society and giving back to society", actively participating in various public welfare activities, and investing significant resources in charitable causes. Whether providing assistance during natural disasters or supporting education, medical care, and sports public welfare projects, Gree has demonstrated the social responsibility expected of a large corporation. In 2023, the Company contributed approximately CNY17.6 billion in taxes, making a significant contribution to the national economic development.

Stabilizing and Protecting Employment

Gree firmly implements policies and measures for stabilizing and protecting employment, continuously secures and expands jobs, and has insisted on no layoffs during the pandemic, ensuring normal distribution of year-end bonuses, and continuously recruiting outstanding talent from universities. Over the past five years, nearly 18,000 college graduates have been recruited. In 2019, Gree established the "Veterans Base", incorporating 560 veterans into Gree's workforce. In 2023, it was selected as one of the first "National Socialized Military Support Enterprise" honors.

Case

Gree's 2023 College Graduate Induction Ceremony held in Zhuhai

In December 2023, Gree held the induction ceremony for the 2023 college graduates. The Chairman and President Dong Mingzhu, Party Secretary Zhang Wei, and 1,067 new graduates attended the ceremony. Chairman Dong Mingzhu delivered a speech, mentioning that during the General Secretary's inspection of Gree in 2018, he described Gree as "genuinely learning, understanding, believing, and applying", which not only affirms Gree's past achievements but also serves as motivation for Gree employees. She expressed hope that generation after generation of young people would carry forward Gree's cause and make it a world-class brand.



Gree's 2023 College Graduate Induction Ceremony site

Technology Empowering Agriculture

To consolidate the achievements in poverty alleviation and strengthen the foundation of specialized industries, technology is the indisputable primary driver. As a national enterprise committed to "mastering core technologies", Gree has repeatedly set examples in leveraging innovative technology to boost rural revitalization.

Case

The first unit of Gree's independently developed lychee-specific mobile preservation equipment successfully rolled off the production line

In June 2023, the first unit of lychee-specific mobile preservation equipment, independently developed by Gree, was successfully launched. This unit has an effective internal volume of 20 cubic meters, capable of storing 5 tons of lychees. The equipment uses a full-domain permeation air delivery design, which keeps the dehydration rate of lychees as low as 0.51%, maintaining a healthy fruit rate of 99.8% even after 20 days of storage. The integrated anti-vibration structure design enhances convenience in installation, transportation, and construction, extending the supply period for beautiful rural areas with lychees as their primary industry, facilitating staggered sales, increasing farmers' income, and adding value to the industry, thereby injecting relentless energy into advancing industry development and rural revitalization.



Launch ceremony of the first unit of Gree's independently developed lychee-specific preservation equipment

Social Welfare Donations

Gree is not just a company but also a citizen with social responsibilities. The Company has repeatedly demonstrated its commitment to social responsibility by radiating positive energy through its actions.

Case **Gree donated a thousand sets of electric heaters to aid the earthquake-stricken area of Jishishan, Gansu**

On the winter solstice of 2023, an emergency vehicle loaded with a thousand sets of Gree electric heaters departed from Xi'an to the earthquake-stricken Jishishan area in Gansu, and then quickly distributed to the severely affected town of Dahejia. The heaters not only brought warmth to the people in the disaster area but also brought them confidence in life.



Gree's northwest branch aided the earthquake-stricken area of Jishishan, Gansu

Fulfilling Overseas Responsibilities

Gree Electric is committed to contributing to the sustainable development of the global economy, implementing the national "Belt and Road" initiative, respecting the culture and customs of the project sites, vigorously absorbing local employment, caring for local employees, and focusing on the positive impact on the local community and the environment. It actively integrates its development into local economic and social development, actively creates economic and social values, and promotes the prosperous development of the local economy together with the host government, business partners and local residents.

Case **Training for local air-conditioning professionals by Gree in Brazil**

In 2023, to enhance the quality of services across the entire supply chain, Gree Brazil actively conducted training for local air-conditioning professionals, covering installers and repair technicians. The training sessions were held across Brazil's five major regions (Northeast, Southeast, North, South, Central-West), totaling 128 sessions with 7,195 participants. By co-hosting training sessions with customers and using real cases and technical explanations, Gree significantly improved the technical skills in air-conditioning maintenance and installation among participants, strengthened Gree's competitiveness in the Brazilian market, enhanced employment capabilities, and positively contributed to Brazilian vocational education.



Training for local air-conditioning professionals by Gree in Brazil



Gree Qatar sponsored Qatar National Sports Festival

Case Gree Vietnam sponsored the local CSC Award

Since its establishment in 2011 by the FSC Fund — a fund supporting outstanding construction students — the CSC Award has been aimed at encouraging and creating conditions for the comprehensive development of students, meeting the demands and challenges of Vietnam's national integration process. For three consecutive years, Gree Vietnam has been a gold sponsor of the CSC Award, supporting outstanding students in Vietnam's construction industry and contributing to the development of local talents.



Gree Vietnam sponsored the local CSC Award



Gree Brazil sponsored racing sports

05

Striving for Excellence and Creating Shared Value

For over thirty years, Gree has consistently pursued perfect product quality and customer satisfaction. The Company tirelessly works to build a responsible and sustainable supply chain. By continuously promoting industry collaboration and upgrades, Gree progresses alongside consumers, partners, and peers, sharing the values of high-quality development.

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SDGs benchmarking



Building A Sustainable Supply Chain

Gree is committed to the organic integration of ESG concepts and supply chain management. While executing honest, righteous, professional and efficient procurement, Gree strengthens value chain risk control and leads sustainable value creation in the industry chain through a perfect supplier management mechanism and leading supplier empowerment programs.

Supplier Management

To fully guarantee the Company's production and tirelessly pursue perfect quality to meet customer demands, Gree places great emphasis on the quality of procurement. The Company has established a perfect supplier development and management system, and through in-depth communication and interaction with suppliers, to achieve mutual benefit and win-win situation with partners and common development.

As of 2023, a total of five subsidiaries of Gree have been selected as green supply chain management enterprises in the Green Manufacturing List of the Ministry of Industry and Information Technology: Gree (Shijiazhuang) Electric Appliances Co., Ltd., Gree Changsha HVAC Equipment Co., Ltd., Gree (Zhongshan) Small Home Appliances Co., Ltd., Gree (Chongqing) Electric Appliances Co., Ltd., and Gree Altairnano New Energy Inc.



For new supplier admission

Gree implements a stringent review process. After meeting the quality or technical level, potential suppliers must also meet the Company's layout of the industry and supply chain, etc., and be evaluated and screened by the Company's evaluation team, which consists of the purchasing, external management and quality departments. If the supplier submits more than the specified number of samples for sample review and small batch trial or the samples are unqualified, its candidacy as a new supplier will be cancelled. Moreover, all new suppliers are required to commit to adhering to the code of conduct of "Business Social Compliance Initiative" (BSCI).



For suppliers that have been put into storage


Gree implements a strict regular audit and elimination mechanism. The Company's supplier audit plan annually selects a proportion of suppliers for documentation review and on-site evaluation, focusing primarily on first and second-tier suppliers. The review covers various aspects including changes in the supplier entity (shareholders, managers, etc.), changes in production sites, expiration of production qualifications (production licenses, pollution discharge permits, etc.), changes in raw materials (brands, processes, etc.), implementation of production process quality control requirements, compliance with safety protections for production staff, timely calibration of inspection equipment, inspection capabilities meeting Gree's testing requirements, and compliance of finished goods warehousing.


Gree's supplier audit includes the following social responsibility aspects:

- No employment of children under the age of 16
- No forced labor, physical punishment, abuse, or verbal insult of employees
- No discrimination based on age or gender in hiring or promotion processes
- Employees enjoy freedom of association and the right to collective bargaining on remuneration
- Provide a safe and healthy work environment, including fire safety and facilities, regular maintenance and reporting for special equipment, personal protective equipment, and timely medical check-ups for employees in hazardous positions, with prompt feedback on health anomalies
- Comply with legal or industry standards for maximum allowable working hours within a week, pay overtime at the premium rate and ensure that employees take time off
- Provide social security for employees and arrange leave as per national legal requirements




Gree's supplier audit includes the following environmental protection aspects:

- 

Products do not contain toxic and hazardous substances restricted under the "Directive on Restriction of Hazardous Substances (RoHS)" and the "EU Regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)", with relevant testing reports provided
- 

Possess hazardous substance testing equipment
- 

Identify and segregate toxic and non-toxic materials in warehousing, material handling, and production lines, with risk identification for potential pollution in the production process
- 

Establish green supplier certification procedures and green supplier lists, sign agreements related to hazardous substance control with such suppliers, or require suppliers to provide relevant commitments, with suppliers having valid testing reports from authoritative third-party testing institutions on the content of hazardous substances

Gree also highly values supplier empowerment. For suppliers identified as non-compliant or potentially risky during regular reviews, proactive assistance is provided for timely rectification. Additionally, the Company regularly holds supplier training and exchange events to continuously improve suppliers' awareness and levels of quality control and sustainable development.

Case Motor supplier training

In recent years, inverter air conditioners have increasingly dominated the household air conditioner market. While inverter DC motors offer advantages such as quiet operation, energy efficiency, and precise control, there has also been a notable increase in motor failure rates. Through analysis of post-sales reviews of inverter air conditioners, Gree has identified reducing the failure rate of DC motor control boards as a pressing issue.

In October 2023, the Company invited control experts from the ROHM Semiconductor Group to provide in-depth training on clean electricity and overvoltage management. Along with internal technical personnel, general managers, technical directors, and quality directors from various DC motor suppliers participated in the training, collectively promoting the improvement of DC motor product quality.



Motor supplier training

Gree consistently strives to create an open, fair, and clean competitive environment in the supply chain. The Company has opened a self-recommendation platform for suppliers, with all suppliers and procurement and external management personnel signing integrity agreements, and regularly conducts anti-corruption and anti-bribery education and training for procurement and external management personnel, solidifying a foundation of business ethics.



During the reporting period, **100%** of Gree's procurement personnel completed training on sustainable procurement.

Contractor Management

To ensure that the new construction, expansion and alteration projects are completed on schedule and with quality and quantity, Gree always adheres to a high standard of contractor management, and executes the whole process of control from planning, budgeting, bidding to construction and acceptance.

For potential engineering contractors, departments such as the Company's Infrastructure Office conduct on-site audits to systematically assess construction quality and operational safety. Only those who pass the audit are included in the contractor database. Construction contracts signed with contractors include an integrity agreement and clauses related to the contractor's environmental and social responsibilities, such as not using equipment that pollutes the environment, managing dust emissions, and requiring construction personnel to be certified. During the construction process, the Infrastructure Office conducts weekly site inspections and mandates timely rectification of any issues found. Moreover, the Company regularly organizes contractor training, conducts quarterly evaluations of contractors, and promptly disengages those not meeting standards to strictly ensure project quality and safety.

Case "Zero Safety Accident" initiative for infrastructure project

In November 2023, the Company held the kickoff meeting for the "Fourth Quarter Zero Safety Accident in Infrastructure Project" initiative, issuing the corresponding action plan. Department leaders, project engineering teams, engineering technology teams, internal control teams, project managers, regional managers, and infrastructure base managers participated both online and offline.

During the initiative, the Company focused on eliminating safety hazards and enhancing the safety assurance for frontline production staff. It required all units to actively conduct hazard identification and special management, reinforce the implementation of the safety accountability system at all levels of the project, advance the establishment of a safety culture, prevent industrial safety accidents rigorously, and ensure that the annual safety control targets for projects are achieved.



Kickoff meeting for the "Fourth Quarter Zero Safety Accident in Infrastructure Project" initiative

Conflict Mineral Management

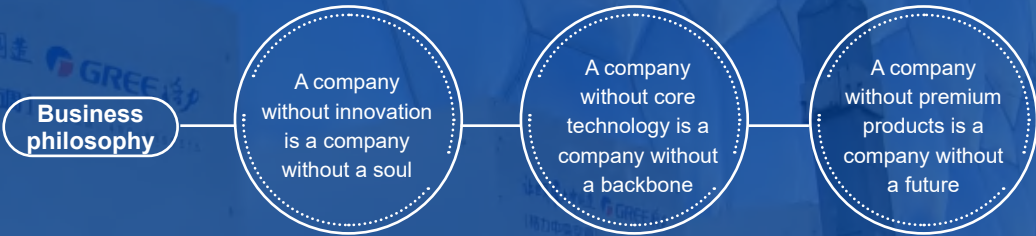
Gree strictly does not tolerate any involvement in, or incitement of, human rights abuses or environmental degradation due to armed conflicts. To this end, the Company has formulated a strict conflict minerals policy and management system in compliance with domestic and international laws, regulations and standards, such as the "Dodd–Frank Wall Street Reform and Consumer Protection Act" and "EU Conflict Minerals Regulation" of the US Securities and Exchange Commission, as well as the "OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High Risk Areas" and "Chinese Due Diligence Guidelines for Minerals Supply Chains".

Gree commits to not purchasing or using minerals and raw materials directly or indirectly sourced from regions affected by armed conflicts, including but not limited to metals such as tin, tantalum, tungsten, and gold. The Company requires suppliers to adhere to this commitment, confirming via written statements that their products supplied to the Company do not contain the aforementioned conflict minerals. A traceability mechanism for raw materials is established, and Gree's conflict mineral policy is actively communicated to its suppliers.

During the reporting period, the Company conducted extensive research on suppliers whose products might contain conflict minerals. Out of more than 500 suppliers surveyed, 45 were confirmed to use metals such as tin, tantalum, tungsten, and gold, and some suppliers have already declared in writing that there are no risks of conflict minerals in their upstream supply chains. Currently, the Company is exploring the use of tools provided by the Responsible Minerals Initiative (RMI), such as the CMRT/CRT survey forms, to regularly conduct due diligence on suppliers for conflict minerals and to gradually introduce requirements for conflict minerals compliance certification.

Creating Extraordinary Products with Craftsmanship

Product quality is crucial not only for consumer safety and health but also for the sustainable development of the Company. Gree has always regarded product quality as the lifeblood of the enterprise, forging perfect quality with craftsmanship, and contributing to the strategy construction of "Country Strong on Quality" with its own actions.

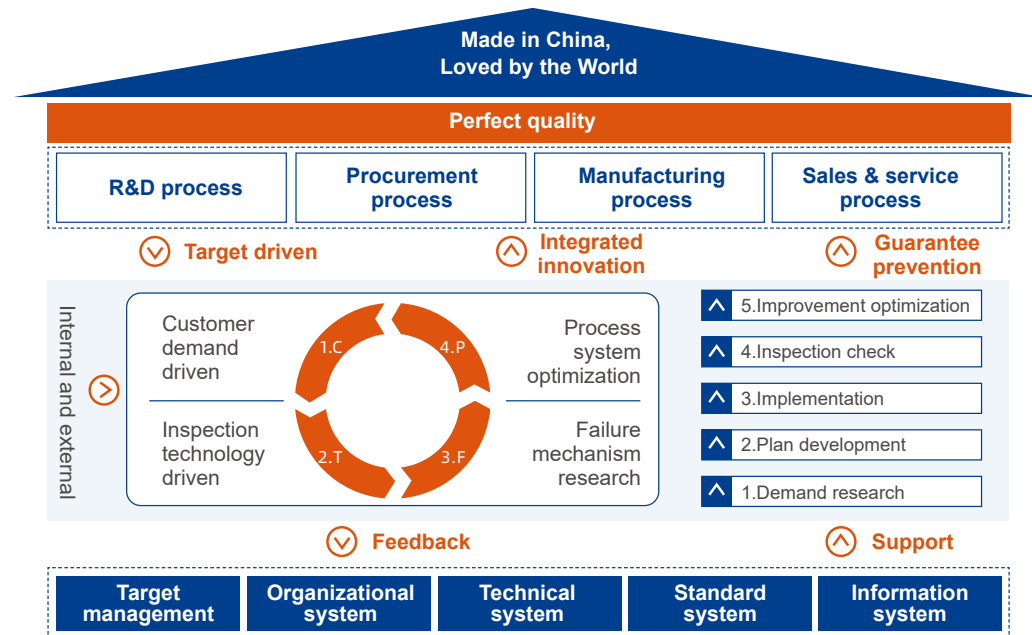


Quality Management System

Gree continuously advances quality management reform by establishing a comprehensive quality management system to deepen the construction of an enterprise strong on quality. In recent years, the Company has developed a "Perfect Quality" management model of "Made in China, Loved by the World" centered around the "Five Steps to Quality Prevention" and the "D-CTFP Quality Technology Innovation Cycle". The "D-CTFP Quality Technology Innovation Cycle" has been successfully transformed into the national standard GB/T 38356-2019 "Quality Management - Guideline for Customer-oriented Innovation Cycle", implemented since 2020.

The "Five Steps to Quality Prevention" promotes the quality plan positively with quality objectives, encompassing demand research, planning, execution, inspection, and improvement to strictly control processes across R&D, procurement, manufacturing, and after-sales service, eliminating quality issues before consumer use. The "D-CTFP Quality Technology Innovation Cycle" is a reverse quality drive led by customer needs, continuously driving quality technology innovation to meet customer demands through actions such as collection and analysis of customer needs (C), inspection technology drive (T), failure mechanism research (F), and process system optimization (P), with standards closing the loop. The two are interlocking and organically combined to jointly promote the steady improvement of the Company's product quality.

Gree's "Perfect Quality" management model diagram of "Made in China, Loved by the World"



Quality Control Action

Gree's pursuit of perfect quality has a starting point but no end; and has standards but no limits. As early as 1995, the Company established a unique "Screening Factory" within the industry, screening every component entering the factory to ensure they meet production line standards. Since then, a quality control system has evolved, including the External Parts Management Department, Screening Factory, and Quality Control Department, of which the Quality Control Department has set up 31 departments to strictly control the quality of the whole process of the Company's products. For example, household air conditioning products undergo nearly a thousand rigorous quality inspection procedures from component production to assembly to market distribution, which increases year by year with the continuous improvement of the Company's quality standards.

In recent years, the Company has continuously pushed product quality upgrades with higher standards and stricter requirements, leading to continuous improvements in the first-pass yield of product processes and a decline in post-sales fault rates, with customer satisfaction topping the air conditioner industry rankings for 11 consecutive years. The Company's projects such as "Disinfection and Purification Technology and Product Application Based on CKER System", "Research and Application of High-precision Maglev System", and "Research and Application of PV Direct-drive Inverter Air Conditioning System" have won many awards in international quality innovation competitions.

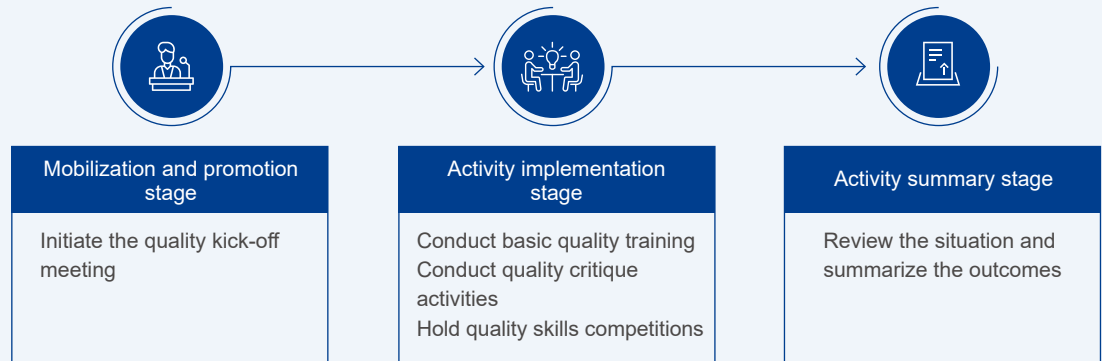
Case Held the national Quality Month improvement activities

The Quality Month improvement activity, regularly held by Gree, have become a hallmark quality brand event within the Company. By organizing regular quality month improvement activities, Gree creates a strong quality atmosphere in the Company, strengthens employees' quality awareness in a subtle way, and motivates employees to contribute to the improvement of Gree's quality level.

Quality Month improvement activities are organized annually by the Quality Control Department, and led by the active participation of subsidiaries, production bases and branch factories, with the aim of comprehensively enhancing the staff's quality awareness and improving the quality level, and jointly casting the enterprise's quality cornerstone to create a century-old brand of Gree. Quality Month improvement activities are divided into three stages: mobilization and publicity, activity implementation and activity summary, including quality culture atmosphere publicity, quality thematic training, quality challenge activities, and staff skills competition.

Seizing the opportunity of the Quality Month improvement activities, Gree not only strengthens the quality and craftsmanship awareness of all employees but also enhances production and manufacturing process skills, motivating all employees to contribute to quality improvements.

Three stages of Gree Quality Month improvement activities



Case The "Find Faults Within" initiative

To further enhance overall work quality, Gree has launched the "Find Faults Within" initiative across the Company, departments, and business processes. This initiative involves mutual supervision and identification of deficiencies within and between units, identifying deficiencies and organizing corrective actions to deepen quality management and accelerate the improvement of business capacity and enterprise management level by solving key and difficult problems.

The "Find Faults Within" initiative focuses on market development, product development, efficiency improvement, quality control, cost control, safety management, administrative management, system process optimization and other aspects of the specific work, extensively sorts and investigates problems, and promotes the rectification and resolution of problems.

The "Find Faults Within" initiative is divided into four phases. Initially, each unit conducts internal reviews and self-corrections to collect all kinds of problems or suggestions raised by its employees, and the rectifying unit develops the corresponding plan. Next, the rectifying unit summarizes and organizes the "Find Faults Within" feedback according to the devised plans, conducts cross-checks with upstream and downstream units to identify key projects and designates responsible units to follow up and ensure implementation. Subsequently, each rectifying responsibility unit completes the rectifications as per the milestone requirements, with the initial acceptance conducted by the rectifying unit. Finally, a joint acceptance team, consisting of the Business Management Department, Quality Control Department, and others, performs the acceptance check and evaluation of the work of the rectifying units and their respective responsible units.

Under the spirit of the "Find Faults Within" initiative, Gree actively identifies and resolves quality issues, optimizes quality management mechanisms, and vigorously promotes employee participation in quality improvement efforts, continuously advancing quality enhancement.

Improving User Experience

Gree strictly adheres to the "Law of the People's Republic of China on Protection of Consumer Rights and Interests", the "Product Quality Law of the People's Republic of China", and the "Provisions on the Liability for the Repair, Replacement and Return of Some Commodities", and other laws and regulations. Based on these, the Company continually develops and refines its management systems and operational standards for after-sales service. The Company firmly upholds the service philosophy that "every minor detail for the user is a major matter for Gree", and persists in providing professional and meticulous pre-sale and post-sale services to consumers and corporate customers. In recent years, the number of complaints about products or services has continuously decreased, with the complaint resolution rate maintaining 100% for several consecutive years.

Moreover, the Company's customer service adheres to the principle of "customer satisfaction", regularly conducts customer satisfaction surveys and closely monitors customer evaluations of the Company's products and services. Each month, the Company extracts service order satisfaction data from its self-developed cloud-based after-sales service platform, and annually employs third-party agencies to conduct customer satisfaction market research.



In recent years, the number of complaints about products or services has continuously decreased, with the complaint resolution rate maintaining **100%** for several consecutive years.



In the 2023 customer satisfaction survey of thirteen product categories released by the Customer Satisfaction Measurement Center of the China National Institute of Standardization, Gree ranked first in the air conditioning category and received high praise from consumers in aspects such as brand image, cost-effectiveness, degree of needs satisfaction, product reliability, and service quality. This marks the twelfth consecutive year since 2011 that the Company has received this honor, demonstrating its unwavering commitment to the quality of customer service.

Customer satisfaction ranking of air conditioning products



During the reporting period, the Company also received several major honors in the customer service field, including the "National Standard Five-Star After-sales Service Enterprise" from the National Commodity After-Service Conformity Certification Evaluation Committee, the "Top 10 National After-sales Service" from the National Commodity After-sales Service Compliance Certification Agency, and the "2022 Brand Example Enterprise in the Chinese Refrigeration and Air Conditioning After-market Regulation Service Industry" from the China Refrigeration and Air-Conditioning Industry Association. The Company also received letters of thanks from customers such as the Shanghai Nuclear Engineering Research and Design Institute's Model Project No. 1, Shulan (Anji) Hospital Co., Ltd., and Fujian Fuqing Nuclear Power Co., Ltd.



Gree's after-sales service capabilities received a five-star rating under the GB/T27922-2011 "Evaluation System for After-sales Service of Commodity"



Significant honors received by Gree in the customer service field during the reporting period

Customer Service Management System

In 2005, Gree was the first in the industry to propose and implement a policy of "six years of free comprehensive warranty for household air conditioners", which far exceeds the national legal warranty period. Since 2021, the Company has further advanced this policy to "ten years of free comprehensive warranty for household air conditioners", currently the longest warranty period in China's household air conditioning industry.

Additionally, Gree continuously improves its customer service management system, ensuring high-quality service with meticulous management. After years of exploration and practice, the Company has established a three-tier customer service management system comprising the headquarters, sales companies, and service outlets. The Company's customer service network covers the entire nation. By the end of the reporting period, there were 31 regional sales companies (i.e., regional customer service centers) overseeing more than 12,000 service outlets at the first, second, and third levels, with over 100,000 frontline service personnel. Each level of service outlet must pass a dual review by the headquarters and regional sales companies to receive service certification authorization. During service provision, the service personnel strictly implement the "Installation Specifications for Household and Similar Air-conditioning" (GB17790-2008), "Full-process Manual for After-sales Maintenance of Gree's Household Air Conditioner", "Full-process Manual for After-sales Installation of Gree's Household Air Conditioner" and other national and corporate standards to carry out the services such as installation, cleaning, maintenance, repair and removal of the machine.



The Company's customer service network covers the entire nation. By the end of the reporting period, there were **31** regional sales companies (i.e., regional customer service centers) overseeing more than **12,000** service outlets at the first, second, and third levels, with over **100,000** frontline service personnel.



Gree's after-sales service system achieved a twelve-star (exceptional) certification



To ensure close contact with customers and promptly address their needs, Gree has established dedicated channels such as hotlines, e-mail, and letters, and has designated areas on its WeChat official account and online store platforms to accept customer inquiries, installation and repair requests, complaints, and suggestions in real time. After acceptance, customer service information is entered into the Company's cloud-based after-sales service platform, triggering the corresponding after-sales service response mechanisms.

For instance, once a work order is created on the cloud-based after-sales service platform, it is assigned to frontline service personnel through sales centers and service outlets, with acceptance SMS, appointment SMS, and rescheduling SMS pushed to the client side. The Company requires service outlets to contact the customer within two hours to schedule a visit, and typically, household air conditioner repairs are completed within 24 hours. After repairs, the cloud-based after-sales service platform sends a completion satisfaction SMS, and the Company monthly evaluates the service quality of service providers based on customer feedback, notifying and mandating rectification for those failing the evaluation. Additionally, the cloud-based after-sales service platform also facilitates the collection, monitoring, and analysis of after-sales data. Through big data analysis, the Company has developed the installation and repair demand prediction models, enabling more rational and intelligent allocation of service personnel and tools, thereby making customer service more precise and efficient.

Customer Information Confidentiality System

While advancing the informatization and intelligentization of customer service, Gree places high importance on the confidentiality of customer information to ensure that customer information handling is lawful and compliant, and effectively protect customer rights and interests. During the reporting period, the Company newly formulated the "Measures for Administration of User Privacy Protection" and actively carried out the ISO/IEC 27701:2019 Privacy Information Management System certification, and as disclosed in this report, the Company has obtained such certification.

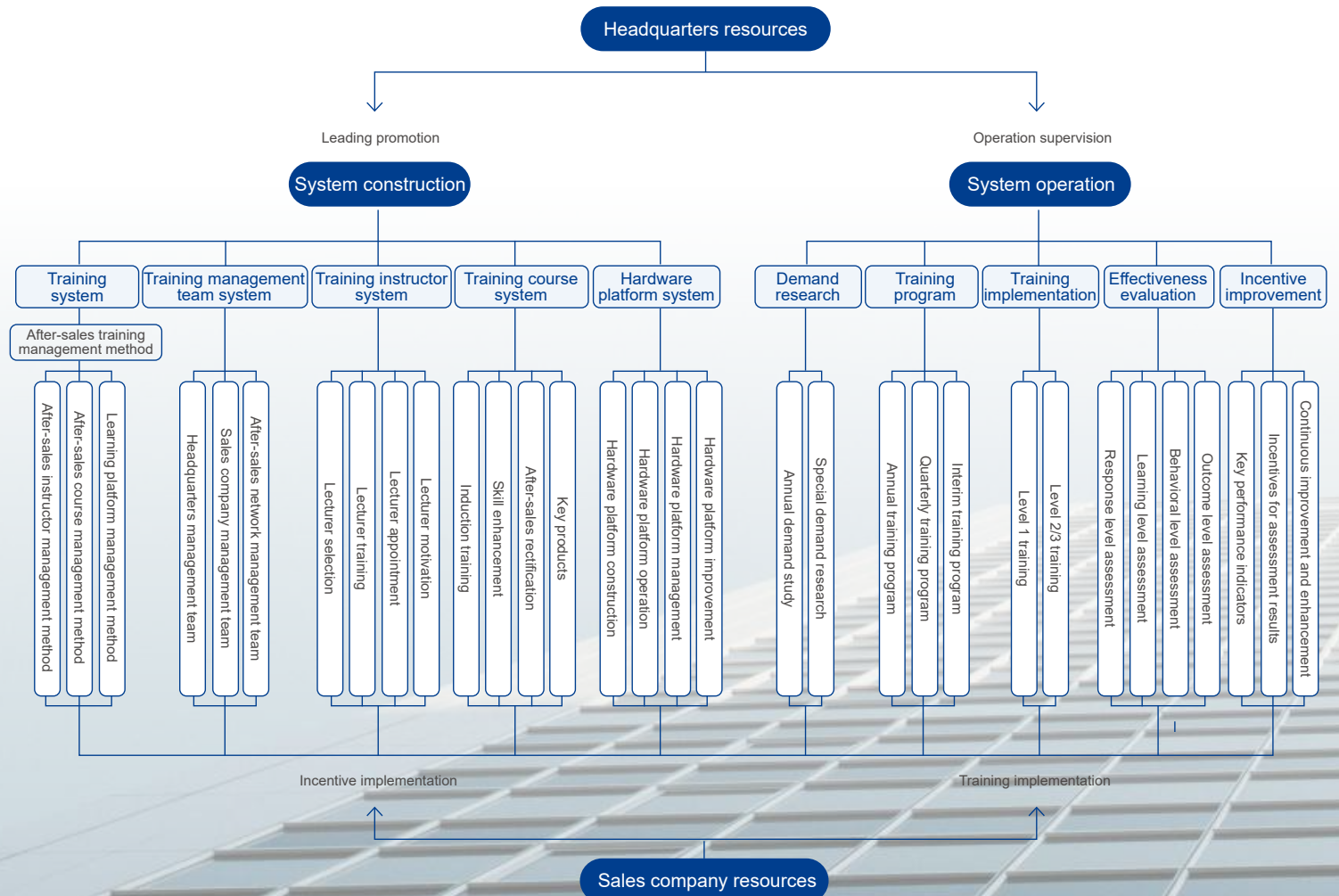
When customers submit requirements through any of Gree's public information communication channels, they can read the customer privacy protection policy implemented by the Company. The Company encrypts and backs up sensitive customer information and other important data offsite, and extensively uses network security equipment or systems such as firewalls, gateways, WAF, endpoint security control, antivirus, threat perception, code scanning, vulnerability scanning, SDP, and security sandboxes. Additionally, the Company employs a large number of network security professionals to formulate security strategies, analyze alerts, conduct penetration testing and emergency drills on critical business systems annually, and promptly identify and block vulnerabilities. Moreover, the Company also regularly conducts information security training to continuously strengthen and enhance the employees' awareness and level of protecting customer information. No incidents of customer privacy infringement or customer information loss have occurred.



After-sales Service Talent Training

A professional after-sales service team is essential for maintaining customer satisfaction and the brand's high-quality reputation. Gree continuously perfects its after-sales talent training system, with a focus on customer needs and business development. It builds its training system, team, instructors, courses, and platforms through learning project design innovation, deepening training models and mechanisms, linking management benefits enhancement, and promoting talent training upgrades, thus constructing a diversified autonomous after-sales talent training mechanism.

Model of the Company's after-sales talent training system



In 2023, after-sales talent training activities were orderly carried out in combination with the Company's diverse product demands, overseas customer training needs, and after-sales training system construction needs, following the development directives of the refrigeration industry, with over **500,000** training instances conducted throughout the year.

Case The Company conducted the 9th "Journey to Excellence · Building the Future" after-sales technical training camp

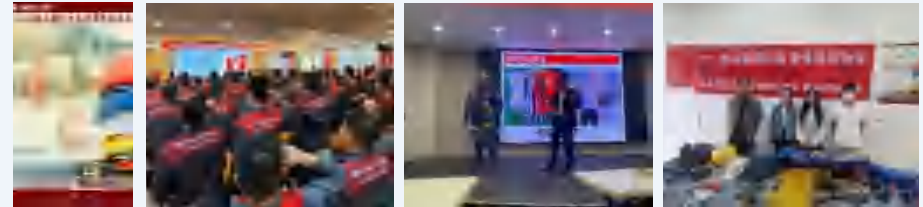
With the purpose of "Linking Training Innovation Mechanisms and Integrating Resources for Targeted Training", this training camp kicked off at 41 sites across 18 regions, including 16 in the commercial segment, 17 in the household segment, and 8 in the household electric appliances segment, completing over 50,000 training instances, meeting the personalized training needs of different sales companies, solidly advancing the cultivation of highly skilled talents, and building a team of professionals who are rigorous, innovative, and committed to excellence.



"Journey to Excellence · Building the Future" training camp

Case Gree conducted the 2023 "Ever Vigilant, Safety First" after-sales safety education series of activities

From April to May 2023, as the peak season for after-sales services approached, the Company organized the "Ever Vigilant, Safety First" special after-sales safety education activities, strengthening the safety awareness and skills of customer service employees through safety promotions, safety courses, and safety skills competitions. Moreover, safety supervision inspections were conducted through a three-tier linkage mechanism led by the headquarters, guided by sales companies, and implemented at service points to identify and rectify safety risks, fully implementing safety responsibilities, not only safeguarding the safety of frontline service personnel but also protecting the safety of customers.



Gree conducted the 2023 "Ever Vigilant, Safety First" after-sales safety education series of activities

Case The 3rd "Gree Cup" Commercial Service Skills Competition

In March 2023, Gree held the third "Gree Cup" Commercial Service Skills Competition, with representatives from 31 regional sales companies across the country participating. The Company invited members from professional associations such as the Refrigeration and Air Conditioning Engineering Committee of China Refrigeration and Air-Conditioning Industry Association and Sichuan Association of Refrigeration, as well as teachers from Southwest Jiaotong University and Chengdu Textile College, to serve as judges and guests.

The Competition was divided into installation and maintenance categories. The installation competition utilized standardized auxiliary material packages throughout the process to better reflect the details of the installation work. The maintenance competition set up faults in air conditioning equipment that were in normal use at the practical base, fully testing the contestants' ability to handle issues quickly in real scenarios. Additionally, this Competition was the first to implement live electrical operations throughout the process, further testing the contestants' skills and psychological quality. The teams demonstrated solid service skills during the intense competition, highlighting the outstanding brand image of Gree's customer service.



Intense Service Skills Competition site

Sticking to Responsible Marketing Concept

Gree has always adhered to marketing and sales practices that comply with the "Advertising Law of the People's Republic of China" and other legal regulations, industry standards, and social ethical norms. The Company engages in honest, accurate, and scientifically factual communication with customers, strictly prohibiting any false or misleading promotions. All marketing practices of the Company undergo a three-level review process by the respective Technology Department, Legal Department, and IP Department to ensure that marketing activities and content are neither exaggerated nor infringe on IP rights. Furthermore, the Company actively conducts customer education initiatives to enhance customers' abilities to evaluate and compare different products, thereby guiding them towards making rational and responsible purchasing decisions. The Company also strives to provide products and services that benefit society and the environment.

Case

Rejecting "Fancy Marketing Tricks" to purify customer service environment

In recent years, some household appliance brands and merchants have exploited consumers' unclear understanding of the concepts of "warranty" and "guarantee", falsely promoting "free repairs" while engaging in unnecessary repairs, major repairs for minor issues, substituting inferior parts, and non-transparent pricing. Gree has established the "Charging Standards for Maintenance and Services Outside the Warranty Period" to strictly regulate uniform charges for after-sales services, and established a service supervision department to rigorously address any fabricated faults or fraudulent charges by service providers and personnel, striving to maintain market order and protect customer rights effectively.

Promoting the Healthy Development of the Industry

As a representative of Chinese manufacturing enterprises, Gree continues to drive innovation and set standards, actively participating in industry exchanges to foster industry optimization and upgrading. In the transition from "Made in China" to "Created in China", Gree is committed to changing the world with its core technologies and serving the world with high-quality products, making the products made in China loved by the world.

Leading Standard Strategy

Gree implements a "Leading Standard" strategy, oriented towards consumer needs and social responsibility, taking international and national standards as thresholds, and consumer demands as the highest benchmark. The Company continually pioneers on the path of standardization, leading the enterprise and industry towards high-quality development, and contributing to the sustainable development of all humanity.

Internally, the Company has established a Technical Standards Committee and a Standard Management Department, with nearly a thousand full-time and part-time standardization employees. Standards permeate all processes from design and development, procurement management, manufacturing, to after-sales installation and repair, requiring compliance in all aspects. Externally, combining its advanced and core technologies, the Company actively leads or participates in the setting of standards.

By the end of the reporting period, Gree has authored or contributed to 831 international, national, industry, local, and group standards, adding 69 new standards during the reporting period alone. The Company also actively undertakes or participates in as many as 140 standardization organizations in the domestic and international household appliance industry, including 37 international organizations, and holds 38 expert positions in organizations such as the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).



Gree also serves as the only industry representative at China's WTO/TBT-SPS National Notification Center for Refrigeration Equipment Research and Evaluation, leveraging its technological advantages to represent China in reviewing international technical standards and regulations. By the end of the reporting period, the Company participated in the revision of the American and Canadian national standards for air conditioner electrical safety, as well as the setting of standards in key "Belt and Road" countries such as Brazil and Laos. By projecting "China's voice" on the international standards stage and timely transmitting China's new concepts and technologies abroad, Gree promoted Chinese brands internationally, achieving "standards go global" to drive "products go global".

During the reporting period, Gree achieved the following results in standardization construction:



Led the formulation of IEC 63349-1 "Photovoltaic Direct-Drive Appliance Controllers - Part 1: General Requirements", and also led the establishment of six ISO international standards including multifunctional heat pump water heaters and refrigeration compressors, all of which have been successfully initiated and are expected to be released post-2025



Served as the vice-chair of the domestic counterpart unit for IEC/TC59/SC59N (IEC Technical Committee on Performance of Household and Similar Electrical Appliances, Subcommittee on Electric Air Cleaners for Household and Similar Uses), being the first household appliance manufacturer among over 200 IEC domestic counterpart units



Selected as one of the first batch of national standard verification points, undertaking the national standard verification work for energy-saving refrigeration equipment, and being the only enterprise selected in the refrigeration industry



Chairman Dong Mingzhu was honored with the highest national standardization award - the "China Standard Innovation Contribution Award" for Outstanding Contribution (2022), being the only entrepreneur to receive this award during the year



The research and evaluation base for technical trade measures for refrigeration equipment passed the annual assessment of the General Administration of Customs and was rated as one of the five outstanding evaluation bases in China



Consistently ranked in the "Leader in Enterprise Standards" list for six consecutive years, leading the industry in corporate standards for the past four years, accumulating a total of 88 "Leader in Enterprise Standards" certificates, leading the household appliance industry



11 corporate standards were shortlisted for the 2023 "Leader in Enterprise Standards" list guided by the National Development and Reform Commission and the State Administration for Market Regulation and selected by a third-party organization, leading the household appliance industry in the number of standards shortlisted

Case

Gree hosted the "2023 Zhuhai · International Standardization Conference"

On May 26, 2023, Gree successfully hosted the "2023 Zhuhai · International Standardization Conference", themed "Standards Lead High-Quality Development · Innovation Empowers Manufacturing". The Conference was attended by 21 foreign experts from nine countries including the USA, Germany, the UK, Switzerland, India, Brazil, Saudi Arabia, Bangladesh, and Japan, and over 200 representatives from standard certification and testing institutions, standardization organizations, universities, and industrial chain enterprises. The event aimed to share international standardization practices and explore ideas for green, high-quality, and innovative development in manufacturing, supporting Chinese standards in gaining global recognition.



2023 Zhuhai · International Standardization Conference scene

Industry Exchange and Cooperation

Gree values exchanges and communications with global peers, actively joining industry organizations, participating in industry expos, engaging in industry seminars, and co-editing industry white papers. While demonstrating and leveraging the Company's technical advantages and innovation capabilities as an industry-leading brand, Gree also learns from the advanced concepts and experiences of industry peers, tirelessly striving to make the world love "Made by China" and "Made by Gree".

Gree's positions in industry associations (partial)

International level

- Chair of the Subcommittee on Refrigeration Compressor Testing and Evaluation, ISO Committee on Refrigeration and Air Conditioning Technologies, ISO/TC86/SC4
- Chair of the Low Voltage DC Technology Subcommittee, IEEE PES DC Power Systems Technology Committee (China)

National Level

- Vice Chair Unit of the China Machinery Industry Federation
- Vice Chair Unit of the China National Light Industry Council
- Vice Chair Unit of the China Energy Conservation Association



During the reporting period, Gree participated in various industry seminars such as the International Standardization Conference, the Annual Conference of 2023 Chinese Association of Refrigeration, the 2023 China Heat Pump Forum, and the Appliance Science & Technology Conference, and its core products and technologies have appeared in the major exhibitions both domestically and internationally, such as the 2023 Air-Conditioning, Heating, Refrigerating Expo (AHR), the 34th International Exhibition For Refrigeration, Air-Conditioning, Heating and Ventilation, Frozen Food Processing, Packaging and Storage (China Refrigeration Expo), the 133rd China Import and Export Fair (Canton Fair), the 2023 Appliance & Electronics World Expo, and the 2023 China International Machine Tool Show.



Gree featured at the 2023 Air-Conditioning, Heating, Refrigerating Expo under the theme "Gree: Heat Pump Specialist"



Gree launched a new product - industrial large capacity high-temperature centrifugal heat pump at the 34th International Exhibition for Refrigeration, Air-Conditioning, Heating and Ventilation, Frozen Food Processing, Packaging and Storage

Case

Leading the development of international standards! The 12th General Assembly of ISO/TC 86/SC 4 held successfully in Zhuhai

On May 25, 2023, the Subcommittee for Refrigeration Compressors of ISO/TC 86/SC 4 convened its 12th General Assembly, attended by domestic and international experts and representatives. Dong Mingzhu, Chairman and President of Gree, participated in the meeting as the Chair of the Subcommittee ISO/TC 86/SC 4 and delivered a speech. Participants at the meeting shared their insights and suggestions in the field of refrigeration compressor standards.



Key Performance

Economic performance

Index	Unit	2021	2022	2023
Total operating revenue	CNY '0000	18,965,403.35	19,015,067.25	20,501,812.38
Net profit attributable to shareholders of listed companies	CNY '0000	2,306,373.24	2,450,662.38	2,901,738.76
Total Cash Dividends (tax included)	CNY '0000	1,661,003.32	1,122,768.32	1,314,222.59
Cash dividend for every 10 shares	CNY	30.00	20.00	23.80

Environmental performance

Greenhouse gas emissions

Index	Unit	2021	2022	2023
Direct (scope 1) Greenhouse gas emissions	Ton of CO ₂ equivalent	836,414	709,422	726,654
Energy indirect (scope 2) greenhouse gas emission	Ton of CO ₂ equivalent	830,758	740,658	587,784
Emission intensity	Ton of CO ₂ equivalent/ CNY10,000 revenue	0.088741	0.076729	0.064113
Greenhouse gas emissions directly reduced as a result of emission reduction initiatives	Ton of CO ₂ equivalent	153,594	113,088	566,831

Waste emission

Index	Unit	2021	2022	2023
Total general solid wastes	Ton	392,865.20	323,848.72	466,865.10
Total hazardous waste	Ton	19,448.15	15,375.74	17,571.34
Total electronic waste	Kg	1,424,536.35	1,016,992.83	1,010,240.31
Total amount of electronic waste recycled	Kg	4,903.32	2,744.42	8,226.06

Wastewater discharge

Index	Unit	2021	2022	2023
Total wastewater discharge	m ³	2,969,426.34	3,042,655.05	3,526,745.37
Chemical oxygen demand (COD)	mg/L	79.37	79.01	76.56
Five-day bod (BOD5)	mg/L	28.45	30.84	32.68
Suspended matter	mg/L	29.15	23.11	22.60
Ammonia nitrogen	mg/L	7.36	7.51	8.00
Total phosphorus	mg/L	0.94	1.01	1.16
pH	-	7.52	7.57	7.54

Waste gas emission

Index	Unit	2021	2022	2023
Total waste gas emissions	m ³	35,195,892,237.12	28,284,810,418.03	28,114,666,183.08
Particles	mg/m ³	6.81	5.40	5.52
Non-methane hydrocarbon	mg/m ³	4.95	8.49	6.11
Nitrogen oxides	mg/m ³	23.56	18.32	17.55
Sulfur oxide	mg/m ³	4.76	4.31	4.79
VOC emissions	mg/m ³	3.43	3.45	5.20

Water resources utilization

Index	Unit	2021	2022	2023
Purchased municipal water	m ³	10,324,508.00	9,374,763.00	10,191,754.00

Index	Unit	2021	2022	2023
Number of incidents resulting from violations of environmental protection laws and regulations	/	0	0	0

Social performance

Employee composition

Index	Unit	2021	2022	2023
Total number of employees	Person	81,884	72,380	72,610
By gender				
Male	Person	58,129	50,829	51,923
Female	Person	23,755	21,551	20,687
By educational background				
Bachelor's Degree and Above	Person	17,274	16,893	16,507
Associate Degree	Person	13,095	11,999	12,894
Secondary School Graduates and Below	Person	51,515	43,488	43,209
By professional composition category				
Production staff	Person	59,973	51,931	50,292
Administrative staff	Person	3,610	3,344	3,393
Sales staff	Person	2,964	3,002	2,528
Financial staff	Person	1,104	1,126	1,115
Technical staff	Person	14,233	12,977	15,282

Employee volunteer activity

Index	Unit	2021	2022	2023
Number of participants in employee volunteer activities	Person-times	96	1,140	113
Average time spent on employee volunteer activities	h/person	0.60	0.48	0.73

Intellectual property and innovation

Index	Unit	2021	2022	2023
R&D investment	CNY	6,528,680,942	6,429,702,080	7,006,497,353
Number of patents owned (authorized)	PCS	52,951	61,601	68,055
Number of invention patents owned (authorized)	PCS	13,087	16,159	19,568
Annual number of new patents (authorized)	PCS	9,425	8,650	6,454
Number of patents under examination	PCS	32,439	32,806	33,845
Number of copyrights owned	PCS	15	10	12

Product responsibility and services

Index	Unit	2021	2022	2023
Complaint resolution rate	%	100	100	100

Index of Indicators

SZSE Content Index

Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies - Standard Operation of Companies Listed on the Main Board (2022)

Term and Disclosure		Sections of the Report
8.1 Overview		Introduction
8.2 Business Principles		Solidifying Corporate Governance Improving Compliance and Risk Control System Standardizing Business Ethical Behavior
8.3 Social Responsibility Strategic Planning and Working Mechanism		Standardizing Business Ethical Behavior Deepening the Implementation of Environmental Management Improving the Innovative R&D System Safeguarding the Legitimate Rights and Interests of Employees Empowering Employees' Career Growth Bravely Assuming Corporate Social Responsibility
8.4 Disclosure of Social Responsibility Report		Overview
8.5 Protection of Employees' Rights and Interests		Safeguarding the Legitimate Rights and Interests of Employees Safeguarding the Health and Safety of Employees Enhancing Diversified Wellbeing of Employees
8.6: (1)	Compliance with Environmental Protection Laws, Regulations and Industry Standards	Deepening the Implementation of Environmental Management Promoting Green Development Throughout the Life Cycle
8.6: (2)	Environmental Protection Plan	Promoting Green Development Throughout the Life Cycle
8.6: (3)	Use of Natural Resources	Promoting Green Development Throughout the Life Cycle
8.6: (4)	Pollutant Disposal	Promoting Green Development Throughout the Life Cycle
8.6: (5)	Pollution Prevention and Control Facilities	Promoting Green Development Throughout the Life Cycle
8.6: (7)	Supply Chain Environmental Safety	Building A Responsible Supply Chain
8.6: (8)	Other Environmental Protection Responsibilities	Actively Implementing Green Actions
8.7: (1)	Environmental Protection Policy, Objectives and Effectiveness	Deepening the Implementation of Environmental Management

Term and Disclosure		Sections of the Report
8.7: (2)	Total Annual Resource Consumption	Promoting Green Development Throughout the Life Cycle
8.7: (3)	Environmental Investment and Environmental Technology Development	Deepening the Implementation of Environmental Management
8.7: (4)	Pollutant Discharge Management	Promoting Green Development Throughout the Life Cycle
8.7: (5)	Construction and Operation of Environmental Protection Facilities	Promoting Green Development Throughout the Life Cycle
8.7: (6)	Waste Treatment, Disposal, Recycling and Comprehensive Utilization of Waste Products	Promoting Green Development Throughout the Life Cycle
8.7: (9)	Other Voluntary Disclosures	Actively Implementing Green Actions
8.8 Environmental Policy Implementation and Corrective Measures		Deepening the Implementation of Environmental Management
8.9 Environmental Information Disclosure		Deepening the Implementation of Environmental Management
8.10: (1)	Product Safety Laws, Regulations and Industry Standards	Creating Extraordinary Products with Craftsmanship
8.10: (2)	Production Environment and Process	Creating Extraordinary Products with Craftsmanship
8.10: (3)	Product Quality and Safety Guarantee Mechanism and Accident Emergency Plan	Creating Extraordinary Products with Craftsmanship
8.10: (4)	Other Production and Product Safety Responsibilities	Creating Extraordinary Products with Craftsmanship
8.11: (1)	Employee Management System and Measures for Handling Non-compliance	Safeguarding the Health and Safety of Employees
8.11: (2)	Prevention of Occupational Hazards and Related Safety Measures	Safeguarding the Health and Safety of Employees
8.11: (3)	Employee Training	Empowering Employees' Career Growth
8.11: (4)	Other Responsibilities for Protecting Employee Rights and Interests	Safeguarding the Legitimate Rights and Interests of Employees
8.12 Code of Scientific Ethics		Improving the Innovative R&D System
8.13 Content of Social Responsibility Report		Full Report

GRI Standards Index

Instructions for Use	Gree reported in accordance with the GRI standards during the period from January 1, 2023, to December 31, 2023.
Use of GRI 1	GRI1: Foundation 2021

GRI Standards	Disclosed item	Chapter Index
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
2-1	Organizational details	About Gree
2-2	Entities included in the organization's sustainability reporting	Overview
2-3	Reporting period, frequency and contact point	Overview
2-6	Activities, value chain and other business relationships	About Gree
2-7	Employees	Upholding People-oriented for A Better Life
2-9	Governance structure and composition	Solidifying Corporate Governance
2-10	Nomination and selection of the highest governance body	Solidifying Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Solidifying Corporate Governance
2-13	Delegation of responsibility for managing impacts	Solidifying Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	ESG Management
2-16	Communication of critical concerns	ESG Management
2-19	Remuneration policies	Empowering Employees' Career Growth
2-20	Process to determine remuneration	Solidifying Corporate Governance
2-23	Policy commitments	Improving Compliance and Risk Control System
2-27	Compliance with laws and regulations	Standardizing Business Ethical Behavior
2-28	Membership associations	Promoting the Healthy Development of the Industry
2-29	Approach to stakeholder engagement	ESG Management
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	About Gree
201-3	Defined benefit plan obligations and other retirement plans	Enhancing Diversified Wellbeing of Employees

GRI Standards	Disclosed item	Chapter Index
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Bravely Assuming Corporate Social Responsibility
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Standardizing Business Ethical Behavior
GRI 301: Materials 2016		
301-2	Recycled input materials used	Promoting Green Development Throughout the Life Cycle
301-3	Reclaimed products and their packaging materials	Promoting Green Development Throughout the Life Cycle
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Promoting Green Development Throughout the Life Cycle
302-4	Reduction of energy consumption	Key Performance
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Promoting Green Development Throughout the Life Cycle
303-2	Management of water discharge-related impacts	Promoting Green Development Throughout the Life Cycle
303-4	Water discharge	Promoting Green Development Throughout the Life Cycle
303-5	Water consumption	Key Performance
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Key Performance
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance
305-5	Reduction of GHG emissions	Key Performance
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Promoting Green Development Throughout the Life Cycle
GRI 306: Effluents and Waste 2020		
306-2	Management of significant waste-related impacts	Promoting Green Development Throughout the Life Cycle

GRI Standards	Disclosed item	Chapter Index
306-3	Waste generated	Promoting Green Development Throughout the Life Cycle
306-5	Waste diverted from disposal	Promoting Green Development Throughout the Life Cycle
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Building A Responsible Supply Chain
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Enhancing Diversified Wellbeing of Employees
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Safeguarding the Health and Safety of Employees
403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding the Health and Safety of Employees
403-5	Worker training on occupational health and safety	Safeguarding the Health and Safety of Employees
403-6	Promotion of worker health	Safeguarding the Health and Safety of Employees
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding the Health and Safety of Employees
403-9	Work-related injuries	Safeguarding the Legitimate Rights and Interests of Employees

GRI Standards	Disclosed item	Chapter Index
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Employees' Career Growth
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Solidifying Corporate Governance
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Bravely Assuming Corporate Social Responsibility
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Building A Responsible Supply Chain
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Creating Extraordinary Products with Craftsmanship
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Improving the Innovative R&D System

