

## 2024 Environmental, Social, and Governance (ESG) Report

Changhong Meiling Co., Ltd.



Dedication, Responsibility, Co-Creation, and Sharing

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# ContentsCONTENTS

Report Preparation Notes	
Introduction	1
Preparation Basis	1
Scope	1
Data Description	2
Definitions	2
Report Access and Feedback	2
Chairman's Message	
Board of Directors' ESG Statement	4

1 About Changhong Meiling	
Corporate Profile	7
Corporate Culture	7
Corporate Development Course	9
Business Overview	11
Meiling 2024 Milestones	12
Annual Honors	13

2 Materiality Assessment	
Dual Materiality Analysis	17
Due Diligence and Stakeholder Engagemen	17
Conclusions of Materiality Analysis	19
Performance Table	
Report Index	188

3 Deepening ESG Governance Capabilities	
Sustainable Development Governance Framework	23
Organizational Structure and Scope of Responsibilities	23
Sustainable Development Mechanism Construction	24
ESG Capability Enhancement	25
Sustainable Development Strategy	25
Sustainable Development Risk Management	26
Sustainable Development Indicators and Goals	28

4 Environment	
Climate Change Response	31
Environmental Compliance Management	45
Strengthening Pollution Prevention and Control	47
Strengthening Energy Management	57
Water Resource Utilization	66
Developing the Circular Economy	68
Ecological and Biodiversity	70
ConservationAdvancing Green Manufacturing	71

5 Social Responsibility	
Product and Service Safety and Quality	79
Data Security and Customer Privacy Protection	92
Win-Win Cooperation	95
Innovation-Driven Development	102
Employees	118
Social Responsibility	154
6 Governance	
Corporate Governance Mechanisms	163
Business Ethics and Anti-Corruption	179
Anti-Unfair Competition	182



# Report Preparation Notes

## Introduction

This report is the second *Environmental, Social, and Governance (ESG) Report* (referred to as the “ESG Report” or “this Report” ) released by Changhong Meiling Co., Ltd. Prepared in accordance with the principles of objectivity, standardization, transparency, and comprehensiveness, this Report provides a detailed disclosure of the Company’ s practices and performance in environmental, social, and governance aspects for the year 2024.

## Preparation Basis

### Guiding Rules

- ◆ *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange — Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange (hereinafter referred to as the “Guidelines” )
- ◆ *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainability Report* issued by the Shenzhen Stock Exchange

### Reference Rules

- ◆ *Guiding Opinions on the Fulfillment of Social Responsibility by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council
- ◆ *China Corporate Sustainability Reporting Guide (CASS-ESG 6.0)* by the Chinese Academy of Social Sciences
- ◆ *Sustainability Reporting Standards (GRI Standards 2021)* by the Global Reporting Initiative (GRI)
- ◆ *United Nations Sustainable Development Goals 2030 (SDGs)*
- ◆ *Sustainability Accounting Standards Board (SASB) Standards*
- ◆ *International Financial Reporting Sustainability Disclosure Standards (IFRS) S1—General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2—Climate-related Disclosures* by the International Sustainability Standards Board (ISSB)

## Scope

The reporting period of this Report is from January 1, 2024, to December 31, 2024 (referred to as the “Reporting Period” ). To enhance the comparability and forward-looking nature of this Report, some content appropriately references previous years or includes forward-looking descriptions. The preparation of this Report covers Changhong Meiling and its subsidiaries. Unless otherwise specified, the statistical scope aligns with the annual report.

## Data Description

The data used in this Report is sourced from the Company’ s operational raw data, publicly available government data, annual financial data, internal statistical reports, and other relevant sources. Financial data in this Report is denominated in RMB. In case of any discrepancies with the financial report, the financial report shall prevail.

## Definitions

Terms to be defined	Definition
Changhong Meiling, Company, The Company, Our Company, We	Changhong Meiling Co., Ltd.
Changhong Air Conditioner	Sichuan Changhong Air Conditioner Co., Ltd.
Zhongshan Changhong	Zhongshan Changhong Electric Co., Ltd.
Jiangxi Meiling	Jiangxi Meiling Electric Appliance Co., Ltd.
Mianyang Meiling	Mianyang Meiling Refrigeration Co., Ltd.
Ridian Technology	Changhong Meiling Ridian Technology Co., Ltd.
Zhongke Meiling	Zhongke Meiling Cryogenic Technology Co., Ltd.
Changmei Life Appliances	Hefei Changhong Meiling Life Appliances Co., Ltd.
Hefei Industry	Hefei Changhong Industry Co., Ltd.
Hongmei Intelligent	Sichuan Hongmei Intelligent Technology Co., Ltd

## Report Access and Feedback

This Report is published in electronic format and can be accessed and downloaded from the Shenzhen Stock Exchange website (<http://www.szse.cn>) or the Cninfo website (<http://www.cninfo.com.cn>). If you have any comments or suggestions regarding this Report or the Company’ s social responsibility performance, please email us at [info@meiling.com](mailto:info@meiling.com), or call 0551-62219021.



# Chairman's Message

As time marches forward, a new chapter begins. The year 2024 marks a critical juncture in achieving the goals outlined in the 14th Five-Year Plan, a year of perseverance where opportunities and challenges coexist. Anchored firmly in the primary task of high-quality development, we adhere to the business philosophy of “value orientation and comprehensive efficiency improvement” , steadfastly advancing digital and intelligent transformation. We actively explore pathways for ESG to empower business growth, intensify efforts in technological innovation, and foster green production, thereby contributing to the formation and development of new productive forces. Deeply embedding the concept of sustainable development into our strategic core, we have delivered a high-quality development report card across three dimensions: environmental responsibility, social value creation, and corporate governance innovation.

## Writing a Green Chapter amidst Clear Waters and Verdant Mountains, Empowering Eco-Friendly Manufacturing with Technology

The Company remains unwavering in its commitment to the “3060” dual-carbon strategy, building a green management system that covers the entire product lifecycle. During the reporting period, we actively explored and established “five major carbon reduction pathways” , improving energy efficiency. As a result, our total annual carbon emissions decreased by 7.88%, and carbon emissions per million yuan of output value dropped sharply by 13.89%. Driven by technological innovation, we launched the world’ s first inverter commercial kitchen refrigerator, which can save up to 45% in energy consumption. Our super-first-

class energy-efficient refrigerators reduced energy consumption by 30%. The application of “Blue Oxygen Residue Removal Technology” in our products reduces detergent usage and minimizes environmental pollution. The use of bio-based materials and eco-friendly packaging further demonstrates the practical impact of our “Green Intelligent Manufacturing Chain” . From sustainable material substitution at the raw material stage to resource recycling in production, we are shaping the green DNA of the home appliance industry through technological innovation.

## Demonstrating Corporate Warmth through Social Responsibility, Building a Development Community with a People-Centric Philosophy

Employees are the Company’ s most valuable asset. We always prioritize the realization and protection of the interests of all employees, safeguarding their rights and promoting their value realization and comprehensive development. In 2024, Changhong Meiling’ s employee turnover rate was controlled at 2.98%, and the proportion of female managers increased to 16.98%. On the supply chain front, we have established a robust supplier management system, paying close attention to suppliers’ sustainability performance and proactively conducting training activities to build a value ecosystem of shared responsibility. For consumers, we uphold the “zero-distance” service promise, safeguarding millions of households—with over 10,000 service outlets and 20,000 engineers nationwide providing 24-hour response, achieving a comprehensive customer satisfaction rate of over 96%. We continuously bring healthier and more scientific lifestyles to our users. Additionally,

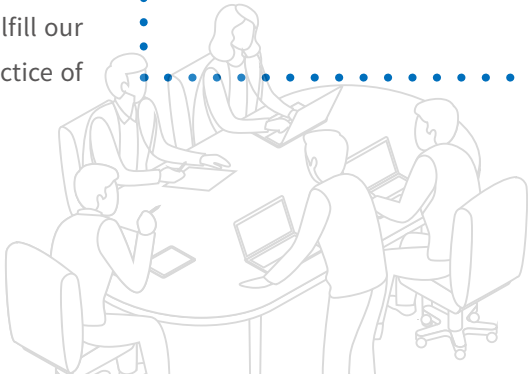
we steadfastly fulfill our responsibilities as a state-owned enterprise, contributing to rural revitalization with the “Meiling Strength” .

## Laying a Solid Foundation for Development through Corporate Governance, Forging Sustainable Competitiveness with Systematic Thinking

We always regard compliance governance as the cornerstone of sustainable development. In 2024, we strengthened the construction and standardized operation of the “Three Committees” , improved the ESG management framework, enhanced internal control systems, mitigated risks, focused on enhancing corporate value, prioritized shareholder returns, managed investor relations effectively, and improved the quality of information disclosure. Those who plan wisely go far, and those who act decisively succeed. The year 2025 will not only mark the conclusion of the 14th Five-Year Plan but also the strategic planning phase for the 15th Five-Year Plan. The Company will remain relentless in its pursuit of excellence, deepening sustainable operational capabilities, advancing digital and intelligent transformation, and promoting green technological innovation. We will lead the industry in green and low-carbon development through technological innovation, build a high-quality enterprise development echelon, and strive to elevate Changhong Meiling’ s high-quality development to new heights. With outstanding performance, we will create greater value for the Company and continue to fulfill our corporate social responsibilities in the practice of sustainable development.

# Board of Directors’ ESG Statement

The Board of Directors of Changhong Meiling serves as the highest decision-making body for the Company’ s ESG matters, responsible for integrating ESG considerations into corporate governance and operational decision-making processes. The Board places significant emphasis on ESG initiatives. In February 2024, the Company established the ESG Management Committee, chaired by the Chairman of the Board, to study and formulate the Company’ s ESG strategic plans and objectives, build a management system, evaluate and review ESG strategies, risks, and implementation, and audit the ESG report before submitting it to the Board for approval. Changhong Meiling highly values the expectations of stakeholders regarding ESG matters. Each year, the Company conducts stakeholder engagement activities tailored to industry characteristics and operational priorities to assess, prioritize, and filter ESG issues, ensuring timely adjustments and identification of material ESG topics. The most recent stakeholder engagement activity was conducted in January 2025, and the Board has reviewed and confirmed the findings.





## About Changhong Meiling

01





# About Changhong Meiling

## Corporate Profile

Founded in 1983 and headquartered in Hefei, Anhui, China, Changhong Meiling became the first listed company in Anhui Province when its A-share stock was listed on the Shenzhen Stock Exchange (SZSE) in 1993 (Stock Code: 000521.SZ). In 1996, its B-share stock was also listed on the SZSE (Stock Code: 200521.SZ), making it the first company in Anhui Province to have both A-shares and B-shares. In the same year, it was recognized as one of the SZSE’ s top ten high-performing listed companies. Over the past 40 years, Changhong Meiling has consistently adhered to the principle of “Independent Innovation, Chinese Creation” , leveraging cutting-edge technology, innovative products, and fresh services to provide better life solutions for millions of households worldwide.

## Corporate Culture

### Core Values

Dedication, Responsibility,  
Co-Creation, and Sharing

### Mission

Let Better Days Come

### Spirit

Hard Work, Pioneering, Perseverance,  
and Excellence

### Code of Conduct

Accountability, Ambition,  
Innovation, and Collaboration







## Corporate Development Course



### 1993

The Company's A-shares were successfully listed on the Shenzhen Stock Exchange, making it the first listed company in Anhui Province.



### 1997

The Company was awarded the title of "China Well-Known Trademark".



### 2005

Sichuan Changhong Electric Co., Ltd. and the Company underwent a strategic restructuring, marking the beginning of the "Black-and-White Alliance".



### 2011

The Company established a production base in Pakistan for refrigerator projects, expanding into the South Asian market.

### 1983

The Company was officially established, transitioning from Hefei Second Light Industry Machinery Factory (the predecessor of Meiling) to the production of household refrigerators, embarking on a 40-year journey in professional refrigeration.



### 1996

The Company's B-shares were successfully listed on the Shenzhen Stock Exchange, making it the first company in Anhui Province to have both A-shares and B-shares. In the same year, it was recognized as one of the SZSE's top ten high-performing listed companies.



### 2002

The Company, in collaboration with the Technical Institute of Physics and Chemistry of the Chinese Academy of Sciences, established Zhongke Meiling, becoming one of the earliest high-tech enterprises in China to focus on ultra-low temperature storage in the



### 2009

The Company acquired "Changhong Air Conditioner" and "Zhongshan Changhong", entering the air conditioner sector and laying the foundation for further growth.



### 2015

The Company acquired Changhong Ridian, entering the small home appliance industry, thereby completing its comprehensive white goods industrial layout.



### 2024

The Company globally launched the "Blue Oxygen Hand-Washing" washing machine. In September, it released its first Zhihuijia AI model, shaping the future of intelligent living.



### 2023

During the anniversary celebration, Meiling unveiled its new brand proposition: "Beautiful China, Fresh Meiling".



### 2022

Zhongke Meiling successfully listed on the Beijing Stock Exchange, setting a record for the fastest listing and approval process in the history of the exchange, taking only 111 days from application acceptance to listing.



### 2020

The Company established a subsidiary for home appliances, accelerating the development of its major kitchen appliances and small home appliance businesses.



### 2019

The Company launched the industry's first fully-thin refrigerator, ushering in the era of ultra-thin refrigerators.



### 2018

The Company invested 400 million yuan to build the Meiling Hefei Washing Machine Intelligent Industrial Park, with an annual production capacity of 2 million units.



### 2017

The Company introduced the M-Fresh refrigerator equipped with water molecule activation and preservation technology, winning two world records and sparking a preservation revolution in the industry.



### 2016

The Company launched the "Zhihuijia Ecosystem" initiative. In the same year, its subsidiary Zhongke Meiling was listed on the New Third Board, officially entering the biomedical industry. The Company also invested in the construction of an Indonesian manufacturing base.







Business Overview

Changhong Meiling is a leading domestic white household appliance manufacturer and service provider. Over more than 40 years of development, the Company has evolved from a single refrigerator product line to a diversified portfolio that includes refrigerators (and freezers), air conditioners, washing machines, major kitchen appliances, small home appliances, and biomedical low-temperature storage equipment. Currently, the company operates domestic manufacturing bases in Hefei, Mianyang, Jingdezhen, and Zhongshan, along with an overseas manufacturing base in Indonesia. The "Meiling" brand has been listed as one of China's most valuable brands. The Company remains committed to “Independent Innovation, Intelligent Manufacturing in China” , steadfastly focusing on the home appliance industry and meticulously building its core competitiveness through technological and product innovation. With a cutting-edge R&D team and advanced technological expertise, Changhong Meiling has achieved breakthroughs in various fields, including inverter technology, smart technology, fresh-keeping, thin-wall design, odor removal, energy-saving, air cooling, deep freezing, simulation, ultra-thin design, washing, and fabric care. The Company boasts a national-level enterprise technology center, a national-level industrial design center, a national-level postdoctoral research station, a 5G industrial internet innovation application laboratory, and the first RoHS public testing center in Anhui Province. It also established the Anhui Province Green Energy-saving Refrigerator Engineering Technology Research Center, the Anhui Province Energy Conservation and Fresh-keeping Green Refrigerator Engineering Research Center, and the Anhui Intelligent Home Appliance Manufacturing Innovation Center. Through continuous innovation, the Company has launched a series of industry-leading products, including the M-Fresh refrigerator with the best fresh-keeping performance, the industry’ s first fully dust-free fresh air conditioner, the “Blue Oxygen Hand-Washing” drum washing machine with the least post-rinse residue, the industry’ s first smart tea bar machine, and ultra-low temperature medical refrigerators capable of reaching -180° C. These products consistently bring fresher lifestyles to consumers.

MELING美菱



Meiling 2024 Milestones

2024  
March



The Company launched the new M-Fresh refrigerator in the industry, featuring an upgraded long-lasting fresh-keeping technology. It also took the lead in responding to the national trade-in initiative by launching a large-scale public welfare promotion campaign titled “Trade-In, Meiling Fresh Action” across the country.

2024  
April



The Company globally debuted the “Blue Oxygen Hand-Washing” washing machine, filling a technological gap in the sector.

2024  
September



The Company participated in the Internationale Funkausstellung Berlin (IFA), showcasing AI-powered home appliances and unveiling its Zhihujia AI model to the global audience for the first time.

2024  
November



The Company launched the Blue Oxygen Laundry Care Machine, establishing a third pillar in the washing machine industry. It also introduced the world’ s first inverter commercial kitchen refrigerator.



Annual Honors

Award Name	Awarding Authority	Photos of certificates/awards
First Batch of China' s Famous Consumer Products Lists	Ministry of Industry and Information Technology	
Innovative Application Case of Industrial Internet Platform	Ministry of Industry and Information Technology	
National 5G Factory Directory	Ministry of Industry and Information Technology	
AAA-Level Outstanding Enterprise in the Upgraded Integration of Informatization and Industrialization Management System (2023-2024)	China Industrial Control Systems Cyber Emergency Response Team	

Award Name	Awarding Authority	Photos of certificates/awards
Anhui Province' s “Three Products” Demonstration Enterprise in Consumer Goods Industry	Anhui Provincial Department of Industry and Information Technology	
Top 100 List of Anhui Province' s Invention Patents (2024)	Anhui Administration for Market Regulation, Anhui Provincial Department of Science and Technology, etc.	
“National Stable and Qualified Product in Quality Inspection” Title	China Association for Quality Inspection	
Annual Technological Innovation Achievement	China Household Electric Appliance Research Institute	

Award Name	Awarding Authority	Photos of certificates/awards
Top 10 Refrigerator Brands in the Industry (2023-2024)	China Household Electric Appliance Research Institute	
Annual Innovative Brand (2023-2024)	China Household Electric Appliance Research Institute	
Innovative Design Brand	National Household Electric Appliance Industry Information Center	
“Ultra Energy-Saving” Air Conditioner Series Awarded “2023 Energy-Saving and Eco-Friendly Product” Honor	Chinese Association of Refrigeration	

Award Name	Awarding Authority	Photos of certificates/awards
Changhong Air Conditioner Honored as “Excellent Brand” and “Leading Brand” in the Heat Pump Industry	Chinese Association of Refrigeration	
Top 10 Industrial Designers in Anhui Province	Anhui Industrial Design Industry Alliance	
Top 10 Innovative Listed Companies in Anhui Province (2024)	Anhui Innovation and Development Research Institute	
Top 50 Leading Enterprises in China's Industrial Digital Transformation (2nd Session, 2024)	e-works Digital Enterprise Network	



# Materiality Assessment

## Dual Materiality Analysis

During the preparation of this Report, the Company followed the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange No. 17—Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange (hereinafter referred to as the “Guidelines” ) and the *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report Preparation*, while referencing the *Reference Indicator System for ESG Report of Listed Companies Controlled by Centrally-administrated SOEs* issued by the State-owned Assets Supervision and Administration Commission of the State Council. In addition to the topics outlined in these rules, the Company identified other material issues based on industry characteristics, operational realities, and business models, resulting in a total of 21 potential ESG-related topics.

In the materiality assessment process, the Company adopted a dual materiality framework: on one hand, evaluating the potential impact of each topic on the economy, society, and the environment (i.e., impact materiality), and on the other hand, assessing the risks and opportunities each topic may bring to corporate value creation (i.e., financial materiality). To further enhance the scientific rigor of the assessment, the Company incorporated strategic development direction and the key concerns of internal and external stakeholders into the framework, forming a triple materiality assessment system that includes strategic alignment.

## Due Diligence and Stakeholder Engagement

To ensure the comprehensiveness and accuracy of ESG topic identification, the Company conducted on-site due diligence and background research. The research involved interviews with department heads, key employees, suppliers, and shareholders, as well as studies on the sustainability context of the Company’ s operational regions, industry characteristics, and product lifecycles. Special attention was given to key factors influencing ESG topic selection and their associated risks and opportunities. The research included an in-depth analysis of global and regional sustainability trends, policy and regulatory developments, and local sustainability challenges, such as local guidance documents, industry standards and regulatory requirements, ESG rating agencies’ latest topic lists and weightings for the durable consumer goods industry, and recent ESG report themes of peer companies.

The Company collected stakeholder opinions through online questionnaires, gathering financial materiality insights from internal stakeholders and impact materiality insights from external stakeholders, ultimately forming a materiality list and conducting an importance assessment. Internal stakeholders included mid-to-senior management, department heads, and subsidiary leaders with in-depth knowledge of the Company’ s financial performance. External stakeholders included employees, consumers, clients, suppliers, partners, government agencies, media, the public, and industry associations.







After testing the feasibility of the online questionnaire, the Company invited stakeholders to participate through relevant departments.

A total of responses were collected

employees and from senior management.

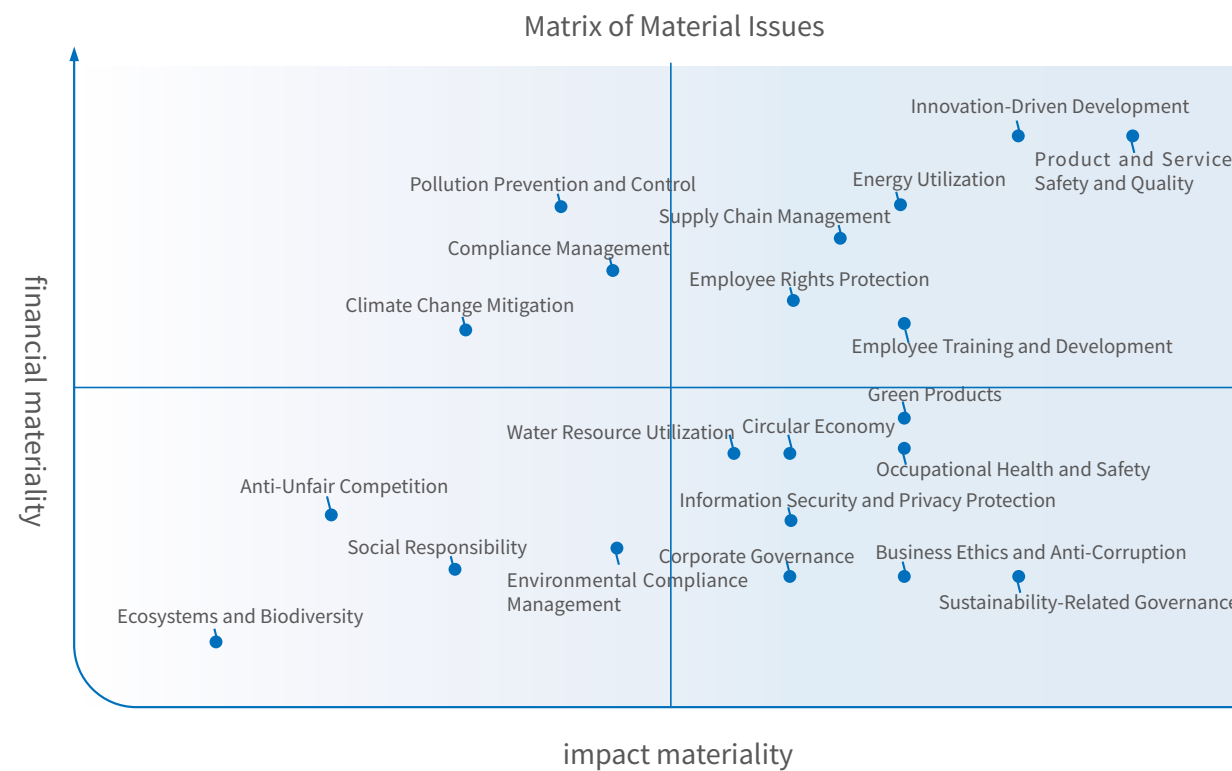
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Stakeholders	Expectations & demands	Responses & actions
 Government	<ul style="list-style-type: none"><li>Internal control of risks</li><li>Anti-corruption &amp; anti-fraud</li></ul>	<ul style="list-style-type: none"><li>Risk investigation and assessment</li><li>Complaint handling mechanism</li></ul>
 Customers	<ul style="list-style-type: none"><li>Service quality</li><li>Protection of customer rights</li></ul>	<ul style="list-style-type: none"><li>Ensure service standards</li><li>Enhance service quality</li></ul>
 Employees	<ul style="list-style-type: none"><li>Compensation &amp; benefits</li><li>Promotion mechanism</li><li>Employee growth &amp; development</li><li>Employee care</li></ul>	<ul style="list-style-type: none"><li>Improve salary &amp; benefits system</li><li>Optimize career development paths</li><li>Diverse training programs</li><li>Employee welfare &amp; cultural activities</li></ul>
 Community	<ul style="list-style-type: none"><li>Rural revitalization</li><li>Support for public welfare</li></ul>	<ul style="list-style-type: none"><li>Ensure service standards</li><li>Enhance service quality</li></ul>
 Partners	<ul style="list-style-type: none"><li>Compliant operations</li><li>Compliance with business ethics</li><li>Supply chain management</li></ul>	<ul style="list-style-type: none"><li>Accurate information disclosure</li><li>Investor communication</li><li>ESG performance improvement</li></ul>
 Investors	<ul style="list-style-type: none"><li>Accurate information disclosure</li><li>Investor communication</li><li>ESG performance improvement</li></ul>	<ul style="list-style-type: none"><li>Adequate disclosure of information</li><li>Diverse communication channels</li><li>Enhance ESG practices</li></ul>



## Conclusions of Materiality Analysis



### Changhong Meiling 2024 Dual Materiality Topics List

#### High Financial and Impact Materiality Topics

- Innovation-Driven Development • Supply Chain Management • Product and Service Safety and Quality
- Energy Utilization • Employee Rights Protection • Employee Training and Development

#### High Financial Materiality, Low Impact Materiality Topics

- Climate Change Mitigation • Pollution Prevention and Control • Compliance Management

#### Low Financial Materiality, High Impact Materiality Topics

- Business Ethics and Anti-Corruption • Information Security and Privacy Protection • Circular Economy • Occupational Health and Safety • Water Resource Utilization • Sustainability-Related Governance • Corporate Governance • Green Products

#### Low Financial and Impact Materiality Topics

- Environmental Compliance Management • Anti-Unfair Competition • Social Responsibility • Ecosystems and Biodiversity

In 2024, based on the *Guidelines*, stakeholder feedback, and the Company's actual circumstances, we revisited the completeness and appropriateness of the topics, adding and removing certain topics. Deleted topics were merged into other topics as indicators for disclosure. Additionally, we adjusted the names of some topics to better align with the *Guidelines'* naming requirements and disclosed them in the Report.

### Deleted Topic

- "Carbon Emissions"
- "Employee Compensation and Benefits"
- "Customer Service"
- "Diversity and Equal Opportunity"
- "Intellectual Property Management"

### Added Topics

- "Employee Rights Protection"
- "Information Security and Privacy Protection"
- "Circular Economy"
- "Sustainability-Related Governance"
- "Environmental Compliance Management"
- "Anti-Unfair Competition"
- "Ecosystems and Biodiversity"

### Modified Topics

- "Waste Emissions" adjusted to "Pollution Prevention and Control"
- "Water Resource Management" adjusted to "Water Resource Utilization"
- "Energy Management" adjusted to "Energy Utilization"
- "Employee Health and Safety" adjusted to "Occupational Health and Safety"
- "Product Quality and Safety" adjusted to "Product and Service Safety and Quality"
- "Product Innovation" adjusted to "Innovation-Driven Development"
- "Anti-Corruption and Bribery" adjusted to "Business Ethics and Anti-Corruption"
- "Corporate Governance" adjusted to "Company Governance"
- "Compliance Operations" adjusted to "Compliance Management"





# ESG

## Deepening ESG Governance Capabilities

Sustainable development has become a core issue of global concern, with governments, businesses, and the public collaborating to drive its realization. Changhong Meiling actively responds to this trend by systematically improving its ESG management system in accordance with national laws, regulations, and corporate governance standards, deeply integrating ESG principles into its governance practices.

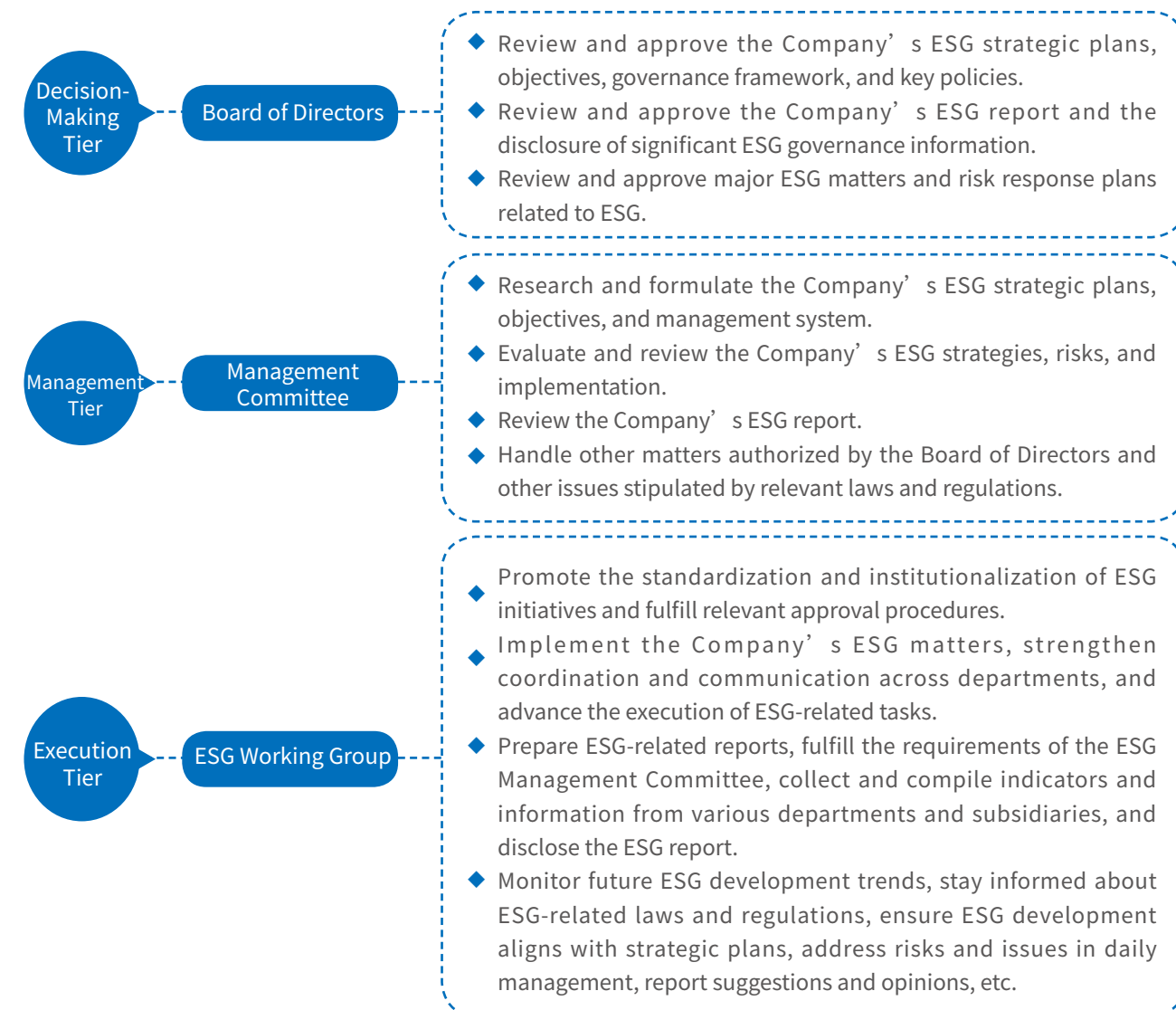
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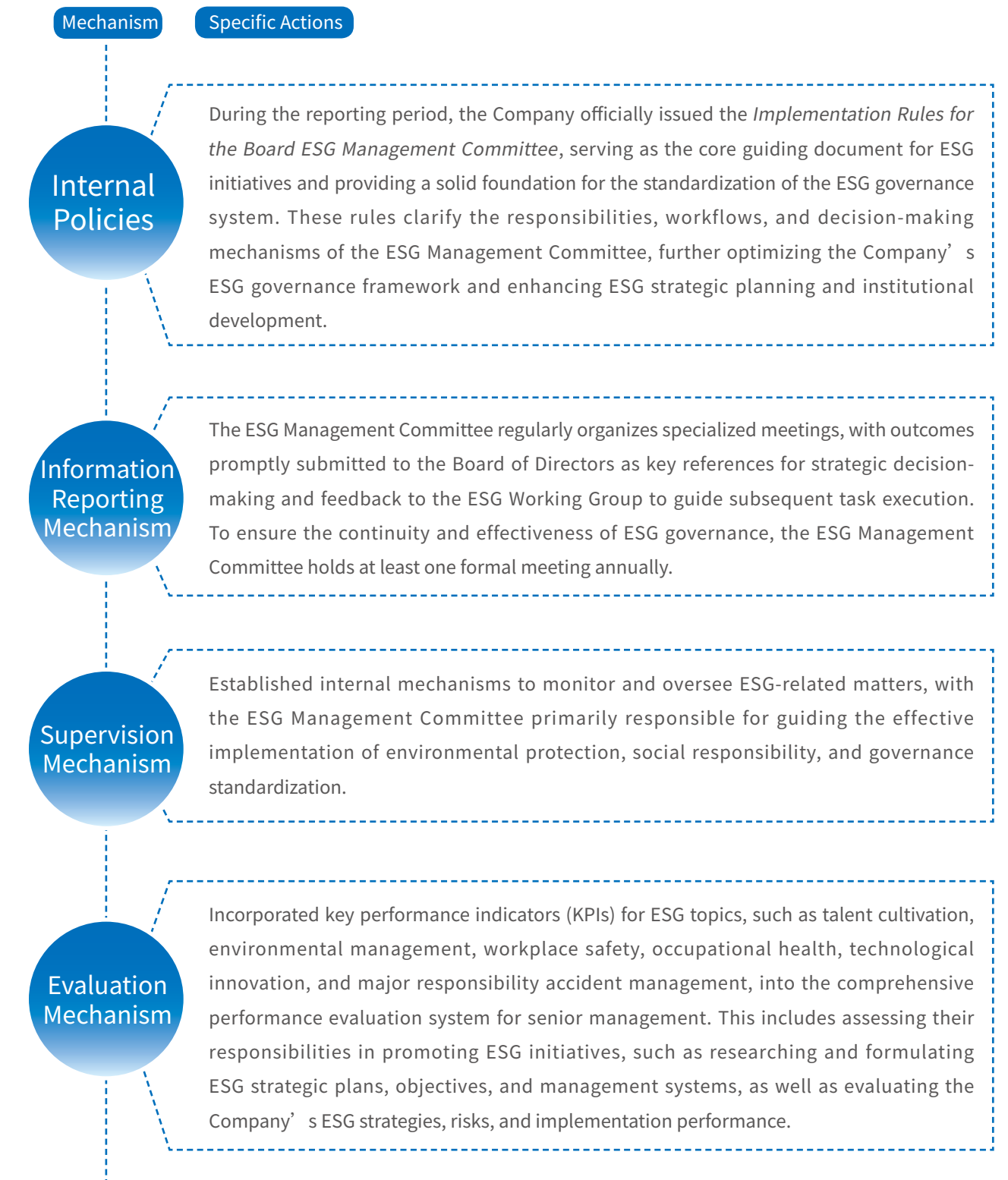
## Sustainable Development Governance Framework

To ensure the deep integration and efficient coordination of ESG strategies with the Company's operations and development, the Company established a "three-tier linkage" sustainable development governance framework during the reporting period, comprehensively enhancing the systematic nature and execution of ESG management. This framework designates the Board of Directors as the highest responsible body, with core members of the Board forming the ESG Management Committee as the overarching leadership body for ESG initiatives. The ESG Management Committee is supported by an ESG Working Group, which is responsible for the daily execution of committee affairs, implementation of resolutions, and advancement of related tasks, ensuring the effective implementation of the ESG Management Committee's strategic deployments and management requirements. Through hierarchical and professional ESG management operations, the Company has laid a solid organizational foundation for achieving sustainable development goals.

### Organizational Structure and Scope of Responsibilities



## Sustainable Development Mechanism Construction





ESG Capability Enhancement

To further deepen the sustainable development strategy, enhance the professional skills and comprehensive capabilities of relevant personnel, and comprehensively promote the practice and innovation of ESG initiatives, the Company conducted the 2023 ESG Report Summary and Rating Special Training during the reporting period. This training systematically outlined the key improvement points and best practices for ESG work, laying a solid foundation for the in-depth development and continuous enhancement of the Company's ESG initiatives. Additionally, the training strengthened employees' understanding of ESG concepts, fostering a broad consensus across the Company to lead with ESG principles and drive high-quality development. This has injected strong momentum into the Company's long-term development in the ESG field.



2023 ESG Report Summary and Rating Training



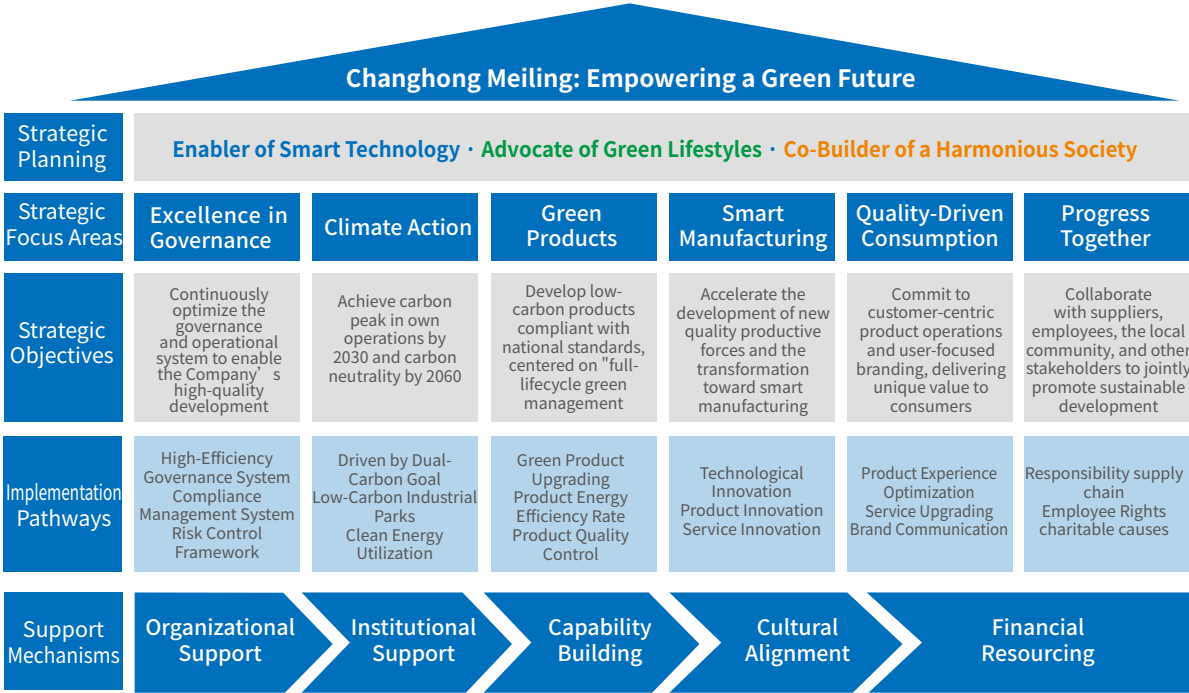
Special Meeting on ESG Work Deployment

Sustainable Development Strategy

Changhong Meiling is unwavering in its commitment to high-quality sustainable development, actively responding to the national 14th Five-Year Plan and subsequent development strategies. The Company is deeply implementing the “Carbon Peak and Carbon Neutrality” goals, driving the green future of intelligent manufacturing. It proactively fulfills corporate social responsibilities, focusing on employee rights, consumer rights, community development, and public welfare, promoting social harmony and prosperity. The Company has established a well-structured governance system, improving a clear and effective corporate governance structure to ensure efficient and compliant corporate governance.

Looking ahead, Changhong Meiling adheres to its vision and mission of “Meiling, Let Better Days Come”, firmly pursuing its sustainable development strategy. The Company is fully committed to upgrading manufacturing and transforming services, creating environmentally friendly and low-carbon consumer electronics through technological and model innovation, driving the green development of the entire industry, and striving to create value for all stakeholders.

With “Smart Green Future” as its core positioning, Changhong Meiling has formulated a medium- and long-term ESG strategic plan covering six strategic areas, centered on being a “Green Lifestyle Advocate, Technological Innovation Driver, and Compliance Governance Practitioner”. The strategy is supported by organizational, institutional, capability, cultural, and financial safeguards, fully integrating green transformation and intelligent upgrading, demonstrating the Company's confidence in leading the industry's sustainable development.



Sustainable Development Risk Management

Guided by clear risk management objectives, the Company has established a comprehensive risk management system covering risk identification, assessment, monitoring, and response. It has also established a routine risk management reporting mechanism to ensure transparency and timely decision-making.

Risk Management System

The core objective of the Company's risk management is to build a closed-loop management mechanism encompassing “risk identification—remediation—tracking and early warning—remediation verification”. By implementing differentiated and precise management strategies, the Company strengthens the supervision and execution of the entire risk control process. This mechanism aims to comprehensively identify potential risks, take targeted remediation measures in a timely manner, and ensure continuous improvement and effective implementation of risk management through dynamic tracking and early warning systems, ultimately achieving systematic, refined, and efficient risk management.

In terms of management mechanisms, the Company has established a Compliance and Risk Control Committee, led by senior management and the executive team, to oversee risk management and internal control. The Committee strictly adheres to the *Risk Management System*, focusing on key business areas such as procurement, sales, finance, and engineering, and defines risk management red lines to ensure the integrity and effectiveness of the internal control system. Annually, the Company conducts comprehensive risk identification and assessment in strategic, financial, compliance, market, operational, and legal areas, using scientific risk assessment models to categorize risks into high, medium, and low levels, and forms a detailed risk identification list. Based on this, the Company assigns responsibility for risk events to specific individuals and units, conducts regular reviews and remediation, and ensures the effective implementation of risk prevention and mitigation measures, continuously improving risk management capabilities.

Risk Reporting and Supervision

The Company has established a robust reporting mechanism for significant risk events to ensure that relevant units and departments can respond promptly and take effective measures in the event of major risks or sudden crises. After an incident occurs, the responsible personnel must immediately report to the Compliance and Risk Control lead department, the Chief Compliance Officer (responsible leader), and higher-level units to ensure the timeliness and accuracy of information transmission. Additionally, the Company continuously monitors the progress of significant risk events through a monthly reporting mechanism, incorporating them into the performance evaluation system to regularly track the advancement and completion of these events, ensuring closed-loop management and effective implementation of risk management.

Risk Response Strategies and Measures

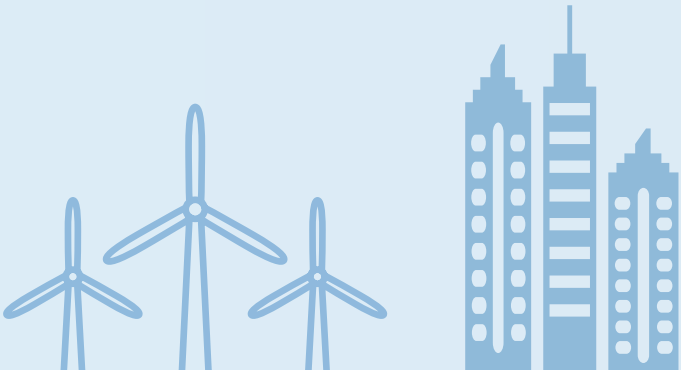
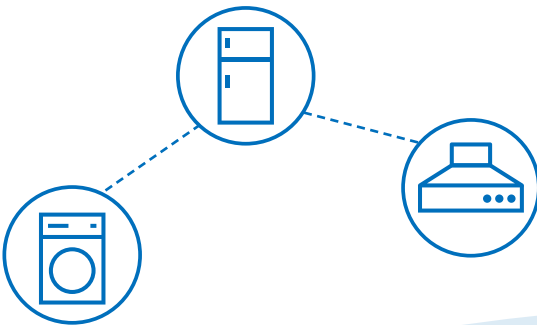
The Company has developed differentiated response strategies for various types of risks to ensure the precision and effectiveness of risk management. The Company conducts monthly risk assessments, formulates corresponding response measures based on risk levels, and establishes comprehensive risk contingency plans and response strategies.

Risk Scope	Management Measures
Changes in External Operational Environment	Track identified risk events monthly, closely monitor developments, and take proactive and prudent preventive measures.
Incremental Business Risks	Establish comprehensive risk contingency plans and response strategies, define phased progress and implementation requirements, and hold regular meetings with the Risk Control Compliance department to solicit input from relevant management and decision-making layers.
Existing Business Risks	Assess major risks, develop risk response proposals, and clarify risk resolution objectives, organizational leadership, management processes, resource allocation, and specific response measures.

The Company has established a routine risk identification and assessment mechanism, conducting regular risk investigations and creating detailed risk ledgers based on risk levels to ensure that a comprehensive and systematic risk assessment is conducted at least once a year. For identified risks, the Company organizes the formulation of corresponding control measures or contingency plans, assigns responsibility to specific entities and individuals, and regularly tracks the implementation of these measures to ensure effective execution of risk management. Additionally, the Company maintains a ledger for significant risks, with the risk management department organizing relevant professional departments to guide and supervise the rectification work of responsible units, regularly tracking progress to achieve closed-loop risk management.

Sustainable Development Indicators and Goals

We strictly adhere to domestic and international laws, regulations, industry standards, and regulatory guidelines, and in light of the enterprise's strategic positioning and business characteristics, systematically setting sustainable development goals and quantitative indicator systems that cover environmental, social, and governance (ESG) dimensions, ensuring operability, measurability, and strategic alignment. For the framework design, implementation pathways, and phased achievements of these goals and indicators, please refer to the chapters on material topics in this Report.







# Environment

Changhong Meiling fully recognizes the importance of ecological and environmental protection and actively fulfills its corporate social responsibility. By focusing on climate change, optimizing its energy structures, and establishing a green production system, the Company has continuously reduced the environmental impact of its operations and explored new pathways for the coordinated development of business operations and ecological environment.

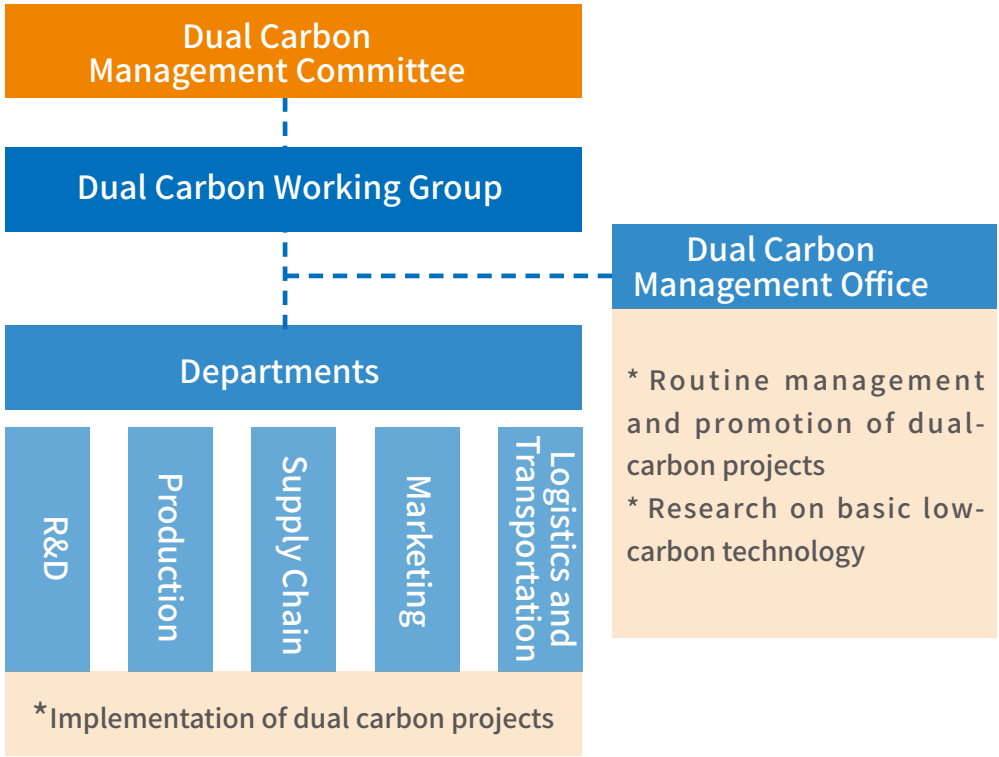


Climate Change Response

Four-Element Framework for Climate Change Response

Climate-Related Governance

The Company has established its Dual Carbon Management Committee to support China's dual carbon goals (peaking carbon emissions by 2030 and reaching carbon neutrality by 2060), drive green and low-carbon development, and enhance corporate social responsibility and environmental awareness. The committee is led by the Company's president, while dual carbon projects are implemented by various departments. The committee holds regular and ad-hoc meetings to develop overall action plans, coordinate carbon reduction efforts across departments. These departments also organize regular meetings to identify and assess actual or potential risks and opportunities in reducing carbon emissions. The Dual Carbon Working Group formulates project evaluation plans, refines supporting reward and penalty mechanisms, and assesses departmental performance quarterly based on project implementation progress. Additionally, we invite third-party organizations to verify and calculate carbon emissions data to continuously enhance the professional skills and capabilities of relevant personnel.



Dual Carbon Management Committee

Responsible for setting the Company's dual carbon targets and implementation plans; guiding the Working Group in advancing various initiatives and providing it with management and resource support; and overseeing and evaluating progress and making key decisions.

Dual Carbon Working Group

Responsible for overseeing carbon emission management across departments; breaking down indicators to set carbon reduction targets and plans for departments; implementing carbon reduction projects and promoting relevant technologies; and regularly reporting progress to the Dual Carbon Management Committee.

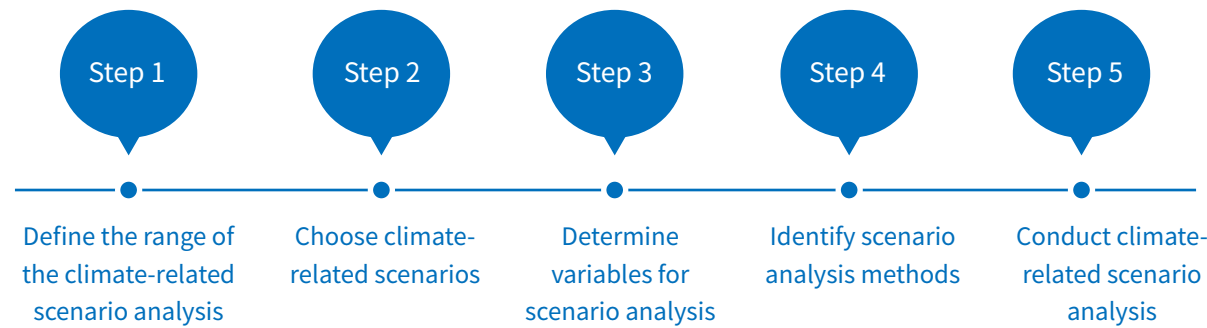
Dual Carbon Management Office

Responsible for overseeing dual carbon project management, including planning, progress control, and quality assurance; facilitating interdepartmental collaboration; assisting in monitoring project execution and evaluating outcomes; and reporting regularly to the Dual Carbon Management Committee.

Climate-related Strategy

Climate-Related Scenario Analysis and Adaptability

General process of climate-related scenario analysis



With reference to the climate scenario models in the Sixth Assessment Report (AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC), we selected two pathways, SSP5-8.5 and SSP1-2.6, for climate scenario analysis of the changes in the external environment of the Company's operations, including ecological, economic, and social factors. We identified various risks and opportunities that may affect our business under these scenarios. In addition, we developed a climate change response strategy to ensure that our operational strategy is adapted to the global climate transition.



Scenario	Scenario reference	Temperature increase	Scenario description
High-emission scenario	Shared Socioeconomic Pathway SSP5-8.5 by the IPCC	More than 4° C (relative to pre-industrial levels)	This scenario is generally characterized by high emissions, pronounced developmental inequalities, and heavy reliance on fossil fuels. Under this scenario, physical risks are relatively high, while transition risks are relatively low; governments do not implement climate policies; and energy demand and greenhouse gas emissions continue to rise, leading to persistent global surface temperature increases and an escalating frequency of extreme climate events.
Low-emission scenario	Shared Socioeconomic Pathway SSP1-2.6 by the IPCC	Below 2° C (relative to pre-industrial levels)	This scenario integrates a sustainable socio-economic development pathway with a low radiative forcing scenario. It is often described as a future pathway characterized by “the coordinated development of the green transition and climate actions” . Under this scenario, transition risks are relatively high, while physical risks are relatively low. This scenario aims to achieve the long-term targets of the <i>Paris Agreement</i> (limiting global temperature rise to well below 2° C and pursue efforts to limit the increase to 1.5° C).

Climate-Related Risks and Opportunities

Type	Climate-related risk	Risk description	Opportunity description	Financial impact	Impact level	Impact duration	Mitigation measures
Physical risks (SSP 5-8.5)	Short-term						
	More severe extreme weather	The Company and its major subsidiaries, located in areas such as Hefei City, Mianyang City, Jingdezhen City, and Zhongshan City, may be susceptible to extreme weather events such as typhoons, extreme rainfall, and flooding.	<ul style="list-style-type: none"><li>Strengthen resilience against extreme weather and natural disasters</li><li>Enhance risk management for climate crises and business continuity</li></ul>	<ul style="list-style-type: none"><li>Increased maintenance and repair costs for warehouses and other infrastructure</li><li>Damage to facilities and equipment, and risks of factory shutdowns and supply chain disruptions lead to reduced output and revenue</li></ul>	Medium	Short- to medium-term	<ul style="list-style-type: none"><li>Plan production and logistics in advance based on early warnings from meteorological agencies, minimizing negative impacts of extreme weather</li><li>Develop emergency response plans for natural disasters and conduct regular emergency drills</li></ul>
	Long-term						
	Rising average temperatures	In 2024, the average temperature in Anhui Province reached 17.4 ° C, 1.2 ° C above the historical average, with six regional heatwave events, marking the warmest year on record	<ul style="list-style-type: none"><li>Strengthen resilience against extreme weather and natural disasters</li><li>Enhance risk management for climate crises and business continuity</li></ul>	Potential increase in operational costs (due to higher energy consumption)	Low	Long-term	<ul style="list-style-type: none"><li>Implement heat mitigation measures to protect employees</li><li>Avoid outdoor operations during peak heat hours</li></ul>
	Risk of prolonged droughts	According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas, the Company's major production bases are in high-risk areas (Among them, the facilities in Mianyang City are classified as facing “extremely high” physical water risk, scoring between 4 and 5 on the risk scale)	<ul style="list-style-type: none"><li>Strengthen resilience against extreme weather and natural disasters</li><li>Enhance risk management for climate crises and business continuity</li></ul>	<ul style="list-style-type: none"><li>Potential water shortages affect production stability and revenue</li><li>Increased operational costs from securing alternative or backup water sources</li></ul>	Medium	Medium- to long-term	<ul style="list-style-type: none"><li>Optimize production processes, adopt water-efficient equipment, and implement water saving measures</li><li>Establish emergency water reserves to ensure stable production</li></ul>

Type	Climate-related risk	Risk description	Opportunity description	Financial impact	Impact level	Impact duration	Mitigation measures
Transition risks (SSP 1-2.6)	Policy and legal						
	Policy and legal risks for exported products	The Company' s exported products may face carbon tariffs, carbon footprint regulation requirements, and other policy restrictions	Emerging markets in the Middle East, Africa, Latin America, and Southeast Asia have a large population base and rising demand for essential home appliances (such as air conditioners, and refrigerators) due to frequent heatwaves and consumption upgrades	<ul style="list-style-type: none"><li>Increasing operational and compliance costs due to the EU carbon tariffs and the ongoing carbon reduction efforts in the international community</li><li>Expanding product sales leading to sales growth</li></ul>	Medium	Medium- to long-term	<ul style="list-style-type: none"><li>Closely monitor changes in international and domestic environmental and carbon-related laws, regulations and policies, and ensure compliance with overseas business requirements</li><li>Expand factory and product carbon footprint certifications, track carbon tariff policies and requirements, assess export costs and adjust business planning promptly</li></ul>
	Mandatory requirements and regulation for existing products and services (e.g., upgrading of energy efficiency standards)	Countries are pursuing their carbon neutrality goals at a faster rate, potentially leading to stricter energy efficiency standards for appliances such as refrigerators and air conditioners (e.g., China' s new national standards, and the EU' s ErP Directive).	Higher energy efficiency standards raise entry barriers, forcing smaller firms out due to cost pressure or technological constraints, while industry leaders gain market share through R&D and the scale effect	<ul style="list-style-type: none"><li>Significant investment required for developing high-efficiency technologies (e.g., inverter compressors, and heat pump technology) or upgrading production lines</li><li>Potential to secure government subsidies or tax incentives to increase non-operating income or reduce taxes</li></ul>	High	Medium-term	<ul style="list-style-type: none"><li>Continuously promote R&amp;D on high-efficiency products, and develop low-energy-consumption product lines</li></ul>
	Technology risks						
	Developing new products through R&D and innovation	<ul style="list-style-type: none"><li>While the Company continues to invest in R&amp;D to launch innovative and competitive low-carbon products, there are uncertainties in the technology transition and there may be a risk of failure</li><li>If the Company fails to identify and apply low-carbon technologies promptly, competitors may pioneer energy-saving and environmentally friendly products, squeezing our market share</li></ul>	Master low-carbon technologies to develop more efficient, lower-emission products and expand market share in the low-carbon sector	<ul style="list-style-type: none"><li>Increased R&amp;D investment</li><li>Costs from deploying new technologies and processes</li><li>Write-off and premature replacement of existing outdated equipment</li><li>Efforts for greater competitiveness, and responding to shifts in consumer preferences lead to increased revenue</li></ul>	High	Medium- to long-term	<ul style="list-style-type: none"><li>Conduct early-stage research and comprehensively assess the return-on-investment cycle and feasibility</li><li>Continuously refine the technological paths of R&amp;D and innovation transformation</li><li>Actively apply low-carbon innovation capabilities, increase patent applications, and increase the number and types of patents</li></ul>



Type	Climate-related risk	Risk description	Opportunity description	Financial impact	Impact level	Impact duration	Mitigation measures
Transition risks (SSP 1-2.6)	Market risks						
	Changing consumer behavior	Market uncertainties create potential market risks, such as shifting consumer demand influenced by the Chinese government's subsidies for high-performance, environmentally-friendly, and healthy appliances. If the Company fails to adapt, it may not be able to meet consumer needs promptly or may fall behind its peers in the market competition.	In 2024, over 37 million consumers in China participated in home appliance trade-in programs, with strong preference for green products. Among the eight main appliance categories, products with grade-1 energy efficiency accounted for 90% of total sales. Data shows that around 60% of consumers prefer green and energy-efficient appliances, with a focus on their energy efficiency	Revenue fluctuations	High	Medium- to long-term	<ul style="list-style-type: none"><li>Adjust product and service offerings dynamically to align with market trends</li><li>Analyze consumer preferences and develop targeted strategies to cater to consumer demand</li></ul>
	Rising raw material costs	Low-carbon raw materials (e.g., eco-friendly refrigerants, and renewable plastics) are more expensive than traditional materials	Expand the range of raw material options, contributing to carbon reduction efforts across the supply chain	Higher production costs, and reduced profits	Medium	Medium- to long-term	<ul style="list-style-type: none"><li>Optimize supply chain management and establish long-term procurement agreements with low-carbon material suppliers</li><li>Explore cost-effective alternative materials and collaborate with suppliers on low-carbon material R&amp;D</li><li>Adjust product pricing</li></ul>
	Reputation risks						
	Increased stakeholder concerns or negative feedback	The Company's performance in addressing climate change is increasingly being widely scrutinized by regulators, investors, rating agencies, suppliers, the public and other relevant parties. Failure to communicate timely with stakeholders may lead to negative feedback	Proactively communicate with stakeholders to establish a strong green and low-carbon brand image	<ul style="list-style-type: none"><li>Failure to meet stakeholder expectations may cause the Company to be challenged, leading to a drop in revenue A potential decline in the brand's market value</li><li>Potential higher investment and financing costs</li></ul>	Medium	Short- to long-term	<ul style="list-style-type: none"><li>Establish a regularized stakeholder communication mechanism</li><li>Enhance the quality of information disclosure, and disclose the Company's progress in addressing climate change and the achievement of its targets through annual ESG reports</li><li>Strengthen environmental protection publicity and enhance the Company's credibility in environmental protection</li></ul>

**Note** Short-term: Within (and including) 1 year after the end of the reporting period of the Company's sustainability information  
Medium term: 1-5 years (including 5 years) after the end of the reporting period of the Company's sustainability information  
Long-term: More than 5 years after the end of the reporting period of the Company's sustainability information

## Impact of Climate-Related Risks and Opportunities on Strategies and Decision-Making

In response to climate-related risks and opportunities, Changhong Meiling has strategically adjusted its financial planning, resource allocation, and business deployment to systematically establish a low-carbon transition framework.

### Optimize high-carbon business

Phase out or renovate energy- and water-intensive product lines, and continuously optimize high-carbon processes, while enhancing energy cost control.

### Pursue innovation-driven development

Increase capital expenditure and R&D investment, focus on green technology research and clean energy application, and drive low-carbon business upgrades.

### Promote collaboration and win-win results

Deepen ESG collaboration with big clients, suppliers, and industry organizations to jointly develop a green supply chain ecosystem, enhancing supply chain resilience against demand fluctuations.

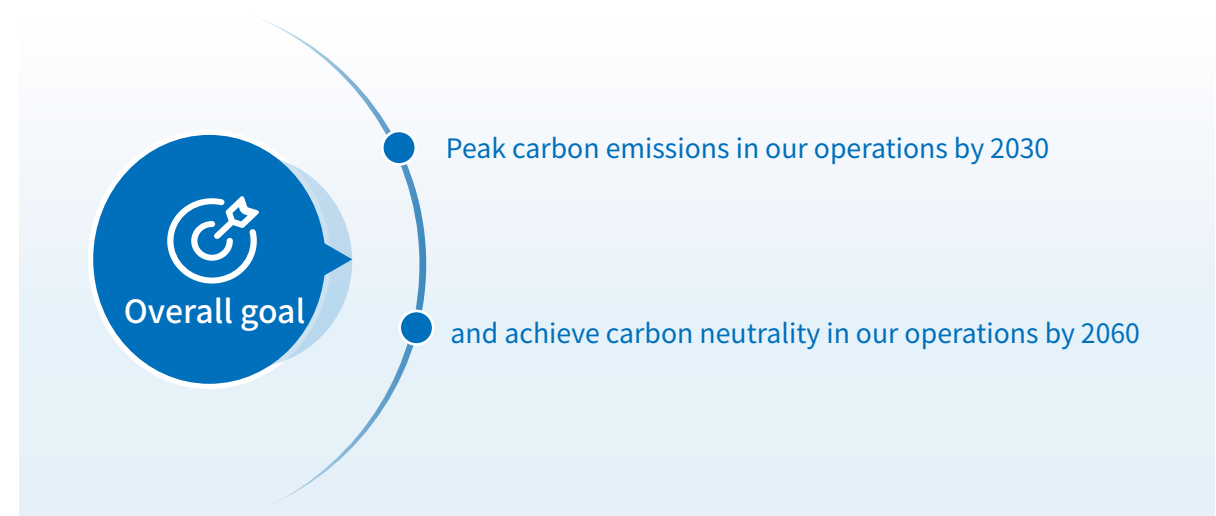
### Restructure strategic assets

Consider future mergers, acquisitions, or divestitures, and optimize asset portfolios and regional distribution, continuously improving climate adaptability.

## Climate-Related Indicators and Targets

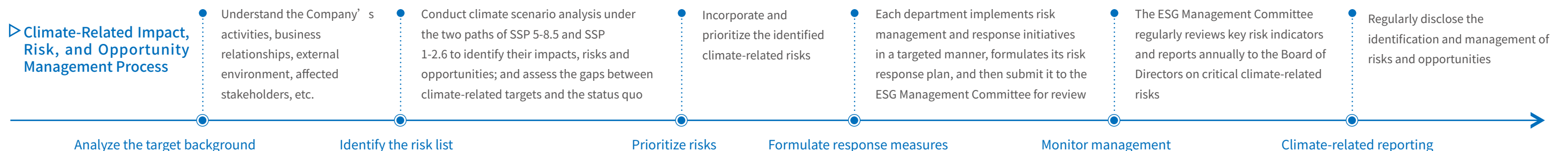
### Climate-Related Targets and Annual Progress

Changhong Meiling has actively responded to the national strategic “Dual Carbon” goal, and set clearly its “3060” carbon emission goal, committing to achieve carbon peak by 2030 and carbon neutrality by 2060. To ensure the achievement of this long-term goal, the Company has also set detailed annual emission targets to reduce carbon emission intensity year by year, and has steadily pushed forward the emission reduction plan through energy-saving equipment renovation, optimization of production processes, development of low-carbon products, promotion of clean energy, participation in green power trading and other measures.



## Management of Climate-Related Impacts, Risks, and Opportunities

The Company emphasizes the management of climate-related impacts, risks, and opportunities, and has established and improved systematic and scientific processes and methods to ensure that its strategies and operations can effectively respond to the challenges and opportunities posed by climate change.





Climate-Related Targets and Annual Progress

Target information				
Scope coverage	Scope 1 and Scope 2	Mainly include natural gas, purchased electricity, and purchased steam	Direct emissions from diesel, sewage treatment, fire extinguishing agents, and air conditioning refrigerants are minimal and not included	For Scope 2 emissions, a market-based approach is employed
Entities covered by the target	Changhong Meiling, Mianyang Meiling, and Jiangxi Meiling			
Type of target	Quantitative target		Intensity target	
Base year	2023	Base year emissions: Greenhouse gas emissions per million yuan of output value: 7.172 tCO <sub>2</sub> e		
Target year	2024	Projected emissions for the target year	A 5% decrease in greenhouse gas emissions per million yuan of output value compared to the base year	
Emission reduction target compared to the base year (%)	100%			
Emission reduction target compared to the current year (%)	100%	The current year' s emissions:	Greenhouse gas emissions per million yuan of output value: 6.176 tCO <sub>2</sub> e, and a 13.89% decrease in greenhouse gas emissions per million yuan of output value	
Target methodology				
Has it been independently verified by a third party	Not yet independently verified by a third party; considering verification through third-party organizations such as the Science Based Targets initiative			
Description of how the target will be achieved	May refer to (I) Climate Change Response 2. Greenhouse Gas Emission Reduction Practices			
For intensity targets, provide a description of the method used to calculate carbon intensity	Per million yuan of output value			
For Scope 3 targets, provide a description of the method used to calculate the covered emissions	No Scope 3 emission targets have been established yet			

Annual Greenhouse Gas (GHG) Emissions

Type	2023	2024	Change
Direct GHG emissions (Scope 1) (tCO <sub>2</sub> e)	1,002.97	710.36	Down by 29.17%
Indirect GHG emissions (Scope 2) (tCO <sub>2</sub> e)	67,602.91	62,486.27	Down by 7.57%
Total carbon emissions (tCO <sub>2</sub> e)	68,605.88	63,196.63	Down by 7.88%
Total carbon emissions per million yuan of output value	7.172	6.176	Down by 13.89%

**Note** 1: The data covers Changhong Meiling, Mianyang Meiling, and Jiangxi Meiling

2: Greenhouse gas emissions primarily include Scope 1 and Scope 2 sources, namely natural gas, 2.purchased electricity, and purchased steam (Diesel, sewage treatment, fire extinguishing agents, and air conditioning refrigerants are excluded due to their minimal contribution to direct emissions.)

3: In 2024, Changhong Meiling procured 20.37 million kWh of green electricity for its Hefei operations, accounting for approximately 19% of its total electricity consumption in the region

4: The 2024 emission factors used are as follows: electricity: 0.5568 kgCO<sub>2</sub>e/kWh; steam: 110 kgCO<sub>2</sub>e/GT; and natural gas: 1.8222 kgCO<sub>2</sub>e/m<sup>3</sup>

Greenhouse Gas Verification

In August 2024, Changhong Meiling engaged an external third-party organization to verify its carbon emissions for the refrigerator and washing machine industrial parks. The verification statement confirmed that the total greenhouse gas emissions within the organizational and temporal boundaries comply with ISO 14064:2018 requirements.

Organizational boundary	Activities and facilities under the control of Changhong Meiling Co., Ltd.' s refrigerator and washing machine industrial parks
Method for defining organizational boundary	Operational control
Temporal boundary	Between January 1, 2023 and December 31, 2023
Reporting boundary	Category 1 (Direct GHG emissions and removals), and Category 2 (Indirect GHG emissions from externally sourced energy)
Verification criteria	ISO 14064-1:2018, ISO 14064-3:2019, etc.

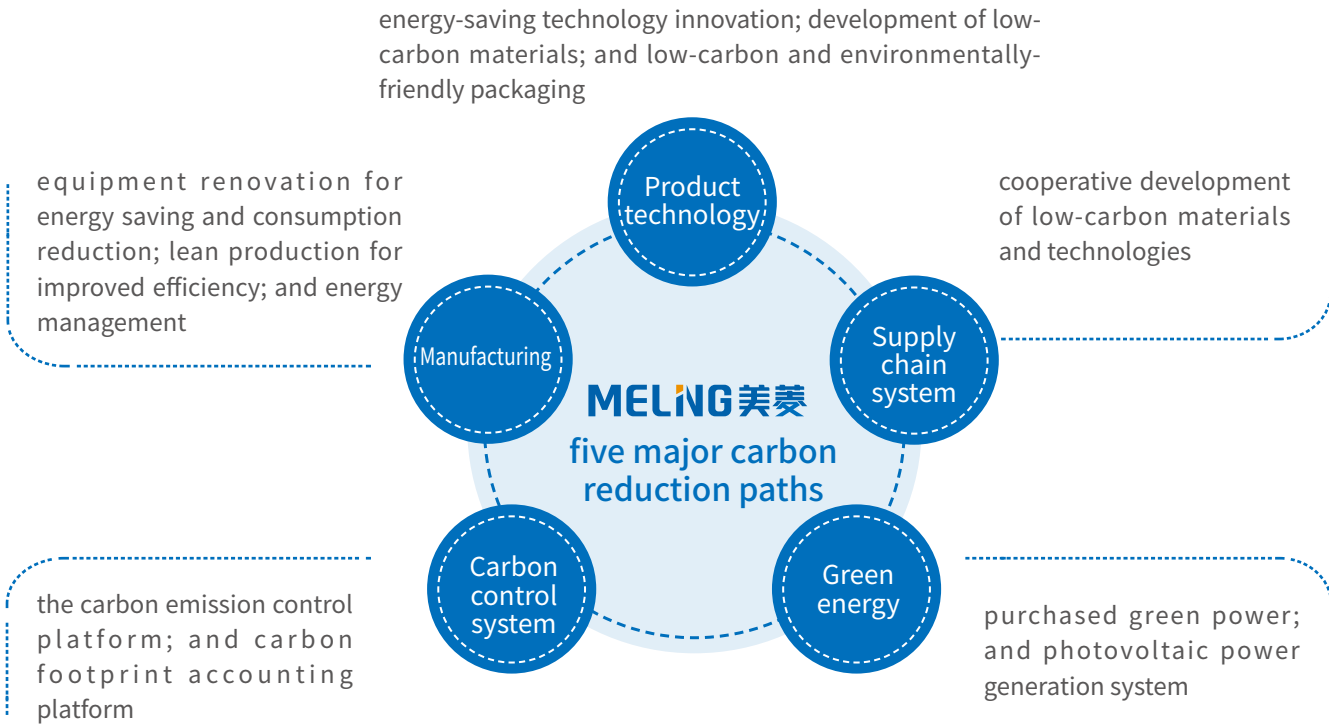
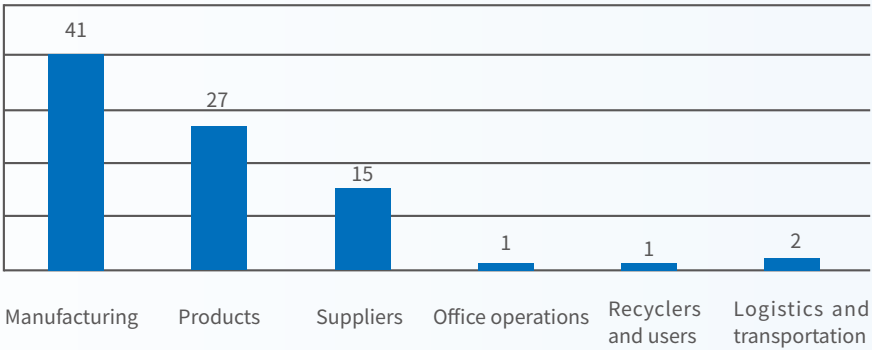


Greenhouse Gas Emissions Verification Organization Statement

GHG Emissions Reduction Practices

During the reporting period, all departments within the Company made collaborated efforts to promote carbon reduction, and submitted a total of **98** carbon reduction projects, covering key perspectives such as manufacturing, product design, supply chain and office operation. These projects are designed to systematically reduce carbon emission intensity through technological innovation, process optimization and efficient use of resources, so as to promote the Company' s green transition and sustainable development goal.

87 implemented carbon reduction projects





Environmental Compliance Management

Environmental Management System

Changhong Meiling upholds the green development philosophy and strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Promotion of Cleaner Production*, the *Law of People's Republic of China on Environmental Impact Appraisal*, and other relevant laws and regulations. The Company has formulated policies such as the Environmental Protection Responsibility System and the Environmental Operation Control Procedure to continuously enhance environmental and occupational health management. These efforts are made to ensure that institutional frameworks and operational guidelines are effectively implemented at every stage. During the year, the Company and seven of its manufacturing subsidiaries successfully obtained ISO 14001 Environmental Management System certification.

Key performance in 2024

1,723.74

10,000 yuan

The total environmental protection investment during the reporting period amounted to

133

%

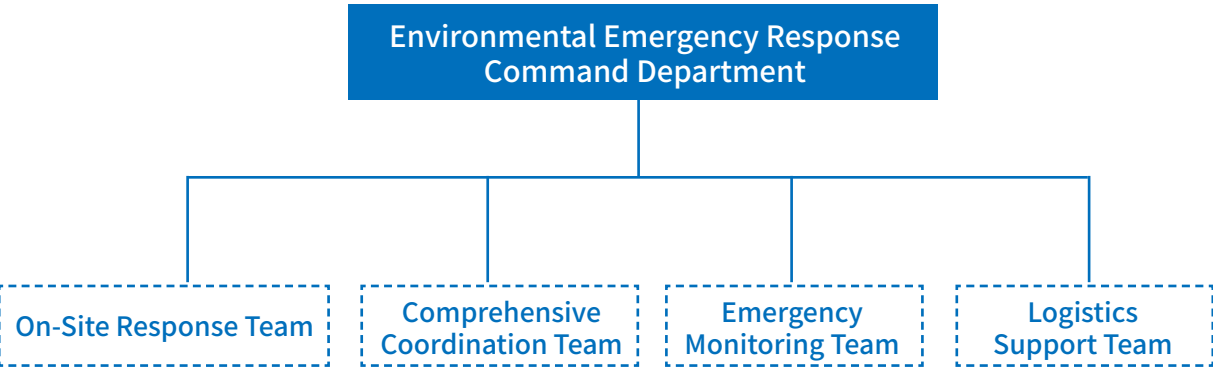
representing a increase compared to the previous year

In 2024, the Company recorded neither major environmental violations nor non-compliance incidents.

Environmental Risk Assessment and Response

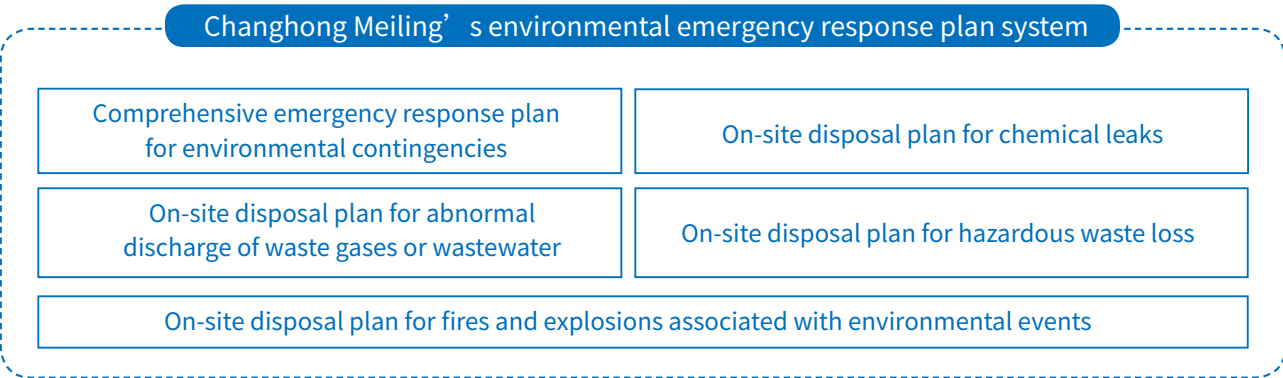
Emergency Management Framework

To effectively prevent and respond to environmental emergencies, Changhong Meiling has established an Environmental Emergency Response Command Department based on its internal environmental incident classification standards. The department oversees four specialized emergency response teams to ensure timely and effective responses.



Environmental Emergency Management

With significant emphasis on the prevention and response to environmental emergencies, the Company strictly complies with the *Emergency Response Law of the People's Republic of China*, the *National Environmental Emergency Response Plan*, the *Measures for the Emergency Administration of Environmental Contingencies*, and the *Provisional Measures for the Filing and Management of Environmental Emergency Response Plans in Enterprises and Public Institutions (for Trial Implementation)*, among other relevant laws and regulations. During the reporting period, the Company successfully passed the Changhong Meiling Co., Ltd. Environmental Emergency Response Plan, further clarifying the emergency rescue procedures and response measures in the event of environmental contingencies.



For hazardous targets and potential risks, we implement targeted preventive measures based on possible accident pathways, ensuring accident prevention. At the same time, we conduct enhanced supervision and regular inspections to ensure that preventive measures are effectively and effectively implemented.

Incident type	Preventive measures
Chemical leaks	Corrosion-resistant and leak-proof flooring, leak alarms, containment bunds, spill trays, and personal protective equipment (PPE)
Hazardous waste loss	Diversion ditches, and liquid collection pools
Abnormal waste gas emissions	Consumable parts (e.g., activated carbon)
Abnormal wastewater discharge	Consumable parts (e.g., emergency pumps)
Fire and explosion-related incidents	Fire hydrants, fire extinguishers, accident containment pools, etc.

The Company and its subsidiaries actively conduct training and drills for on-site emergency response to various incidents such as fires and hazardous chemicals to test the employees' capability to respond to emergencies and raise their safety awareness. During the reporting period, the Company had neither major environmental emergencies, nor case of being administratively penalized by relevant departments such as ecological environment bodies or being held criminally liable for environmental emergencies.

Strengthening Pollution Prevention and Control

Four-Element Framework for Pollution

Governance Related to Pollution Prevention and Control

With great importance on pollution prevention and control, Changhong Meiling strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, among other laws and regulations. Internally, the Company has established the Environmental Operation Control Procedures to regulate the discharge of waste gases, wastewater, noise, and waste materials, aiming to minimize environmental impact.

To enhance the management efficiency of environmental operation control, the Company has established an “Environmental Operation Control” ARCI Responsibility Matrix, which clearly defines the responsibilities, roles, and outcomes at the certain stage for each department involved. The participating departments include the Safety, Environmental Protection and Security Department, the Equipment Technology Institute of the Engineering Academy, the Manufacturing Department, the Supply Chain Management Department, the Administration Department, and other relevant entities. The Safety, Environmental Protection and Security Department, as the supervisory and management body for environmental operation control, assumes the core coordinating role to ensure that all functional units are efficiently coordinated in the environmental operation control management process. Additionally, it is responsible for monitoring and evaluating the performance of each functional unit, ensuring that all environmental control factors are effectively managed to achieve the Company's overall environmental management goals.

Pollution Prevention and Control Strategy

Identification of Risks and Opportunities, and Response Measures

Risk factor	Description of risks and opportunities	Impact level	Impact duration	Mitigation measures
Wastewater management	Failures to clean septic tanks and oil separators promptly lead to blocked drainage systems and untreated wastewater discharge	High	Short-term	Regular cleaning
	Malfunctions of sewage treatment stations prevent sewage from reaching the emergency treatment pool, and the sewage is treated and discharged after the malfunction was resolved	High	Short-term	Establish sewage control guidelines, specifying response requirements for sewage treatment station malfunctions
	Chemical ratios in sewage treatment do not meet the standard, leading to substandard discharge	High	Short-term	Maintain chemical ratio records and assign personnel to review chemical ratios daily
	Regular water quality testing and online monitoring of facilities for traceability and comparison	High	Short- to medium-term	Conduct monitoring and comparison as per regulatory requirements and scheduled timelines

Risk factor	Description of risks and opportunities	Impact level	Impact duration	Mitigation measures
Waste gas control	Failures to maintain and clean kitchen fume treatment facilities as required result in excessive emissions	High	Short-term	Perform quarterly maintenance on waste gas treatment facilities as required
	Malfunctions of the production exhaust system may lead to unsmooth emissions or failure to synchronize exhaust emission facilities with production processes	High	Short-term	Conduct inspections of exhaust facilities at specific locations
	Failures to properly seal waste paint and adhesive containers	High	Short-term	Minimize waste generation at the source in dealing with uncontrolled emissions and the resulting environmental pollution
Waste management	General solid waste and trash bins stored outdoors during rainy weather cause diffuse pollution	High	Short- to medium-term	Ensure properly covered storage for outdoor solid waste and trash bins
	Inadequate waste management training leads to employees' insufficient understanding of waste disposal requirements	Medium	Medium-term	Conduct training sessions on waste management for employees
	Unqualified hazardous waste disposal service providers lead to illegal transfers	High	Medium-term	Engage certified waste disposal agencies for legal hazardous waste transfers, and obtain a transfer receipt and the data logging on the hazardous waste transfer platform
	Hazardous waste reduction and control measures help keep annual disposal volumes below 100 tons	High	Short- to medium-term	Develop and implement waste reduction and control plans
	Chemical containers can be returned to suppliers for reuse, reducing hazardous disposed waste volumes	Medium	Short- to medium-term	Implement a centralized collection system for recyclable materials (chemical containers) and procurement arrangements for cyclical return to suppliers for recycling
Noise control	Noise emissions from equipment exceed regulatory limits	High	Short- to medium-term	Implement noise insulation measures, keep workshop doors and windows closed, and provide employees with earplugs



Risk Adaptability Assessment

We assessed the uncertainty of environmental pollution risks through scenario analysis. By simulating different scenarios, we helped identify potential risks, formulate response strategies and improve overall risk management capabilities. Through scenario analysis, the Company are in a better position to formulate more flexible strategies to respond to possible environmental changes in the future, while avoiding significant losses caused by environmental events and reducing decision-making risks.

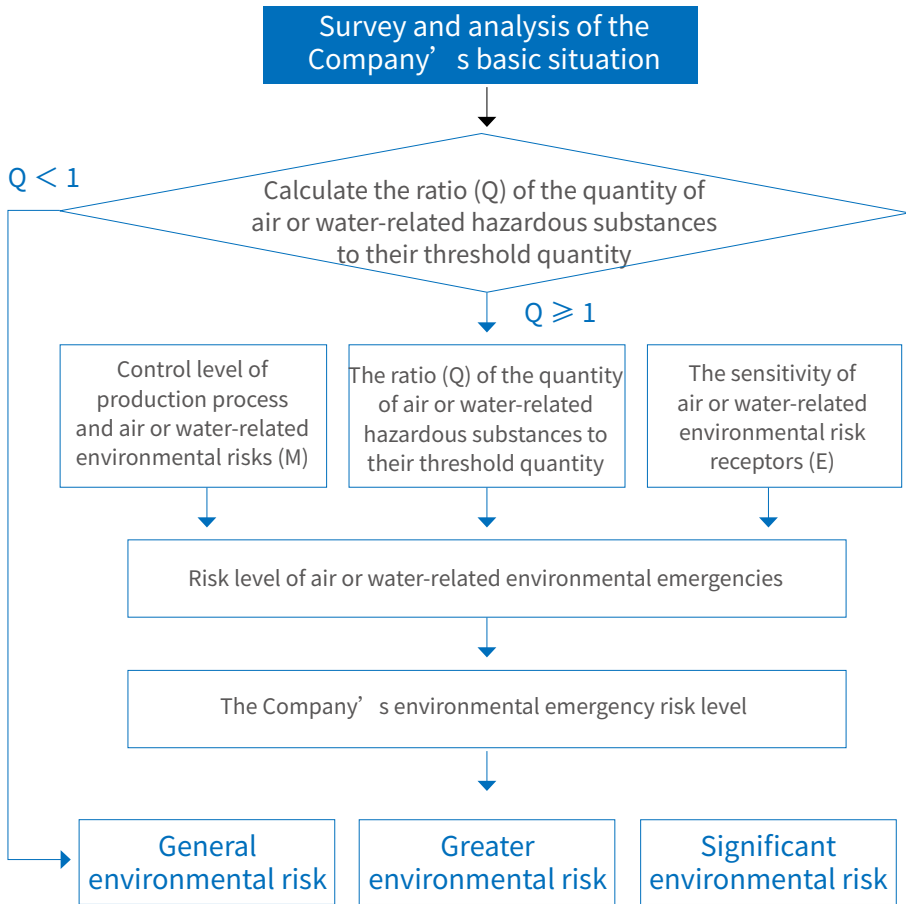
Event type	Substance/ Pollutant of environmental risks	Incident location	Release pathway	Primary cause	Secondary cause	Hazard consequence	Emergency supply
Abnormal waste gas emissions	Particulate matters, non- methane hydrocarbons (NMHCs), etc.	Waste gas treatment facilities	Emissions exceed the limits	Malfunctions or improper operation of waste gas treatment facilities	Failure to promptly address emissions exceeding the limits	Potential impact on ambient atmospheric quality within and around the plant	Consumable parts
Abnormal wastewater discharge	COD, ammonia nitrogen, etc.	Sewage treatment stations	Discharge exceeds the limits	Malfunctions or improper operation of wastewater treatment facilities	Failure to promptly address discharge exceeding the limits	Increased pressure on downstream sewage treatment plants	Consumable parts
Hazardous waste leakage	Laboratory waste liquids, oil-water mixtures, waste black materials, waste white materials, waste paint, and waste machine oil	Hazardous waste storage area	Leakage	Damaged packaging or improper handling by personnel	Leakage of hazardous waste into the stormwater drainage system	Failure to respond promptly may result in hazardous waste being discharged outside the plant via the stormwater system	Diversion ditches, and liquid collection pools

Note “Initial causes” include: work safety accidents, abnormal working conditions, power outages, gas outages, extreme weather, natural disasters, abnormal operation of pollution treatment facilities; “Secondary causes” include: failure or abnormal operation of environmental risk prevention and control facilities, problems with corrosion and seepage control, and communication failures.

Impact, Risk, and Opportunity Management Related to Pollution Prevention and Control

Changhong Meiling adheres to the core principles of life cycle analysis and pollution prevention and has developed the *Environmental Emergency Risk Assessment Report*. Through process flow analysis, statistical analysis methods, and questionnaires, the Company conducted a comprehensive and in-depth evaluation of its environmental factors. Through continuous monitoring and analysis, the Company accurately identified potential environmental risks and opportunities, providing a solid and science-based foundation for its green and sustainable development strategies.

In terms of process management, the Company calculated the ratio of the quantity of substances at risk of environmental emergencies produced, used, stored and released by the Company to their threshold quantity (Q), the production process and environmental risk control level (M) and the sensitivity of environmental risk receptors (E). Based on these analyses, the Company assessed the risk levels of water and atmospheric environmental emergencies, classifying them into three categories: general environmental risk, greater environmental risk, and significant environmental risk.



Environmental risk classification flow diagram

Indicators and Targets Related to Pollution Prevention and Control

In accordance with laws and regulations, national standards, and the requirements of the *Guidelines*, and based on our own actual situation, we have set relevant targets on the issues of pollutant discharge and waste management, and continuously tracked the implementation of the targets.

During the reporting period, we accomplished the pollution prevention and control related sustainable development targets.

Indicator	Target	Timeframe	Progress during the reporting period
Wastewater management	<ul style="list-style-type: none"><li>Ensure that annual wastewater discharge meets the local wastewater treatment plant's acceptance standards, with daily average concentrations of COD ≤ 380 mg/L, NH -N ≤ 35 mg/L, and TP ≤ 5 mg/L.</li><li>Conduct four wastewater tests per year, implement routine rain-sewage diversion management, and carry out regular water quality tests; and complete at least one traceability test and at least 12 comparative tests and 12 rainwater tests annually.</li></ul>	Short-term	Achieved
Waste gas emissions control	<ul style="list-style-type: none"><li>Ensure annual waste gas emissions comply with the <i>Integrated Emission Standards for Air Pollutants (GB16297-1996) Level II standards</i>: concentration ≤ 120 mg/m<sup>3</sup>, and emission rate ≤ 10 kg/h. VOC emissions comply with the <i>Emission Control Standards for Volatile Organic Compounds from Industrial Enterprises (DB12/524-2014)</i>: concentration ≤ 50 mg/m<sup>3</sup>, and emission rate ≤ 1.5 kg/h.</li><li>Conduct regular emissions testing twice per year, ensuring standard NMHCs remain below 60 mg/m<sup>3</sup>.</li></ul>	Short-term	Achieved
Noise control	<ul style="list-style-type: none"><li>Ensure that factory boundary noise levels meet <i>Emission Standards for Industrial Enterprise Noise at Boundary (GB12348-2008) Category 3 standards</i>: 65 dB(A) for daytime and 55 dB(A) for nighttime.</li><li>Conduct quarterly noise tests and at least one self-monitoring test per month.</li></ul>	Short-term	Achieved
Waste management	<ul style="list-style-type: none"><li>Submit monthly reports in accordance with official system requirements.</li><li>Strictly enforce regulations on hazardous and solid waste collection, storage, and transfers.</li></ul>	Short-term	Achieved

Wastewater Management

The Company's wastewater primarily originates from production processes and domestic use. To effectively reduce wastewater discharges, the Company has taken active measures to implement the rainwater-sewage diversion system. After treatment, the five types of biochemical oxygen demand indicators, namely suspensions, chemical oxygen demand (COD), ammonia nitrogen, petroleum, pH value, should meet the emission standards, making the wastewater treatment compliance rate 100%.

Wastewater type	Key pollutant	Treatment/Disposal method
Industrial wastewater	Suspensions, COD, ammonia nitrogen, etc.	<ul style="list-style-type: none"><li>Wastewater generated during production is first treated in the ceramic waste collection pool before entering the wastewater treatment station. The treatment station ensures compliance with the Integrated Wastewater Discharge Standard before discharge</li><li>Various methods, including water recycling, are employed to eliminate industrial wastewater</li></ul>
Domestic wastewater	Suspensions, COD, ammonia nitrogen, etc.	<ul style="list-style-type: none"><li>Put wastewater into a pre-treatment pool for centralized treatment and then discharge it into the municipal sewage system</li><li>Conduct regular cleaning of septic tanks, kitchen range hoods, and grease traps</li></ul>

Wastewater treatment facilities and operations

- The Company regularly calibrates and adjusts the operational parameters of wastewater treatment equipment based on water quality variations and equipment performance, ensuring stable and efficient wastewater treatment.
  - Online monitoring devices have been installed at key discharge points of wastewater treatment facilities to monitor water quality parameters in real time.
- In addition to online monitoring, the Company conducts regular sampling and laboratory testing to ensure the accuracy and reliability of data monitoring.

Wastewater Discharge Indicators 2024

Industrial wastewater discharge volume	Domestic wastewater discharge volume	Total wastewater discharge volume
763,511.73 Tons	312,195.12 Tons	1,075,706.85 Tons
Wastewater discharge volume per million revenue(RMB)	Chemical oxygen demand (COD) discharge	Biochemical oxygen demand (BOD) discharge
37.61 Tons per million revenue(RMB)	113.42 Tons	18.49 Tons

1. The above-mentioned data includes that from Changhong Meiling, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Changmei Home Appliances, Ridian Technology, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioner.

2. The wastewater discharge volume exceeds water consumption due to multiple heavy rainstorms in Hefei Province in 2024, which led to sewage backflow into the industrial park, causing anomalies in discharge data.



Waste Gas Treatment

The Company's waste gases mainly come from various organized and unorganized VOCs emitted during the production and manufacturing process, organic waste gases from boiler combustion, and particles from crushing, etc. During the reporting period, the Company formulated its monitoring plan, specifying the monitoring items, methods and frequency, and commissioned qualified external institutions to test the organized waste gases. According to the monitoring results, the emission pollutants all met the emission standards.

Type of waste gases	Key pollutant	Treatment/Disposal method
Waste gases from processes	NMHCs, particulate matters, acrylonitrile, styrene, etc.	<ul style="list-style-type: none"><li>Waste gases from foaming, dispensing, spraying, rust prevention, thermoforming, soft foam, and extrusion processes undergo secondary activated carbon adsorption before discharge</li><li>Crushing dust is collected by bag filters before discharge</li><li>Spraying dust is recycled by the powder recovery system of the equipment and reused</li><li>Curing waste gases are discharged after water spraying, mist removal and activated carbon adsorption</li><li>Thermal cleaning furnace waste gases are discharged after secondary activated carbon adsorption treatment</li><li>Acid mist from the laboratory center is treated by lye spray tower and then discharged</li><li>Organic waste gases from the laboratory center are treated by secondary activated carbon adsorption and then discharged</li><li>Welding fume and laser cutting waste gases are treated by cartridge dust collectors and then discharged</li><li>Waste gases from hazardous waste storage rooms are discharged after secondary activated carbon adsorption treatment</li><li>The upgrading and substitution of inks, coatings and cleaning agents in the Company's air-conditioning industry are comprehensively promoted, with low VOC content as the standard, reducing VOC emissions from the source</li></ul>
		<ul style="list-style-type: none"><li>Collect waste gases in a sealed system and treat them with a secondary activated carbon adsorption device before discharge</li></ul>

Waste gas treatment equipment security

The Company regularly inspects and maintains the environmentally-friendly waste gas treatment facilities and equipment to ensure their smooth operation and prevent the waste gases from being directly discharged without treatment due to equipment failure or leakage.



Specialized management training for waste gases

To further strengthen the philosophy of green production and standardize the management of waste gas emissions, the Company has conducted professional training for operators, managers and technicians related to waste gas treatment, which included the operation skills of waste gas treatment equipment, maintenance methods, safety precautions, and environmental protection laws and regulations.

Waste gas treatment process renovation

To further reduce greenhouse gas emissions and achieve ultra-low emissions of atmospheric pollutants, Changhong Air Conditioner has upgraded and renovated major waste gas treatment processes, including upgrading the wave soldering waste gas treatment process from "dry filtration + UV photodissociation" to "three-stage filtration + UV photodissociation + secondary activated carbon adsorption" ; and upgrading the three-proofing coating waste gas treatment process from "dry filtration + activated carbon adsorption" to "three-stage filtration + secondary activated carbon adsorption" . Meanwhile, an online monitoring system has been introduced to monitor the operation of the facilities in real time to ensure stable and reliable operation.

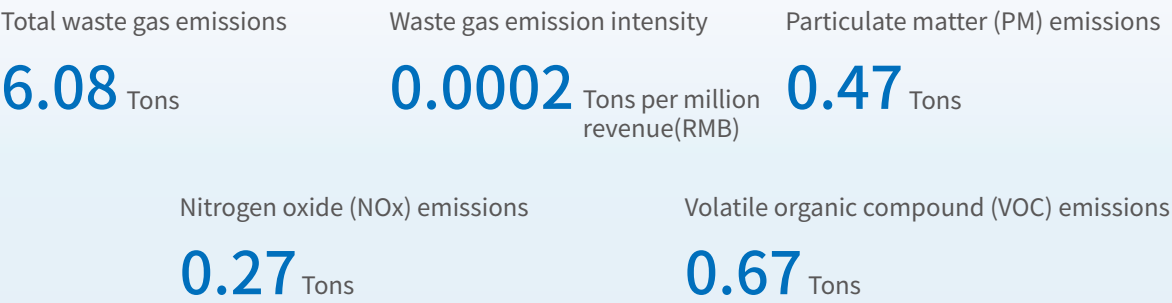


Wave soldering and three-proofing coating waste gas treatment facilities



Online monitoring interface of waste gas treatment facilities

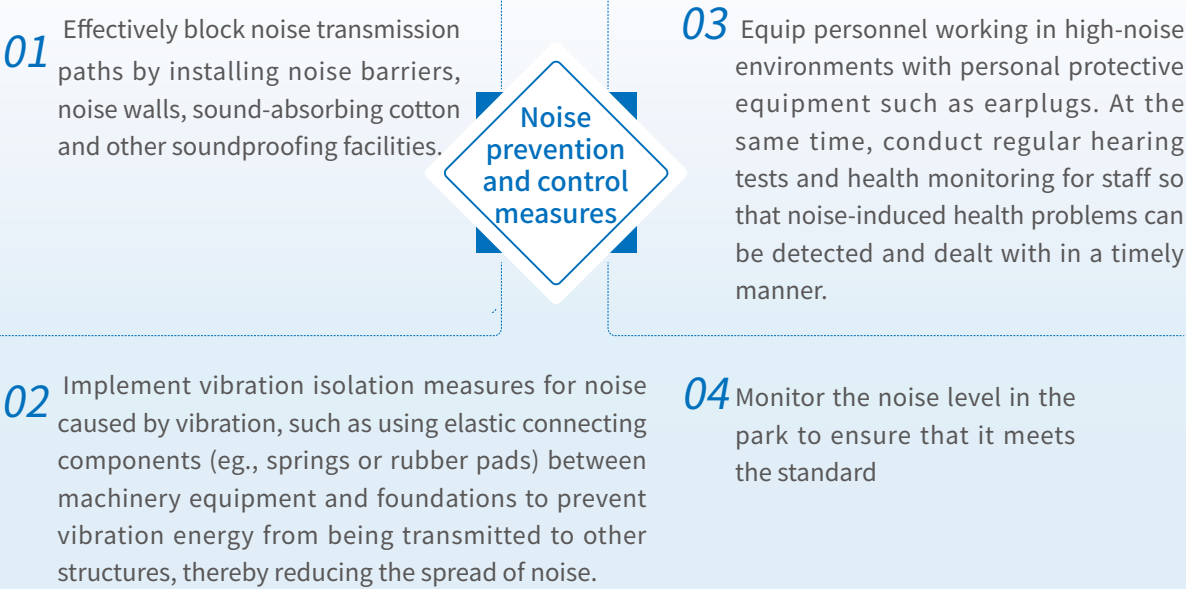
Waste Gas-Related Indicators 2024



Note The above-mentioned data includes emissions from Changhong Meiling, Jiangxi Meiling, Mianyang Meiling,and Zhongke Meiling.

Noise Pollution Control

The Company takes noise management seriously and has implemented targeted measures to minimize environmental pollution caused by noise. During the reporting period, third-party pollutant monitoring was conducted by Changhong Meiling, Changhong Air Conditioner, and Ridian Technology. The results confirmed that all noise emission indicators met the required standards.



Waste Management

Changhong Meiling has continuously established and improved waste treatment and disposal control measures, clarified waste management requirements, measures and management objectives, and ensured orderly implementation of waste management initiatives. During the reporting period, the Company was not classified as a key entity under environmental supervision.

Its environmental performance was assessed at the **C-class** enterprise level, while its subsidiary, Zhongke Meiling, achieved a **B-class** rating. Additionally, the Company maintained a **100%** compliance rate for standardized solid waste disposal.

Waste management program

Solid waste management	1. Conduct monthly filing in Anhui Province’ s solid waste system as required 2. Ensure solid implementation of three preventive measures for solid waste, namely, “anti-leakage, anti-loss, anti-dissemination” 3.Strictly implement the solid waste collection, storage, transfer management regulations
Hazardous waste management	1. Conduct monthly reporting in Anhui Province’ s solid waste system as required 2. Develop the year’ s hazardous waste management and transfer plans 3.Strictly implement the solid waste collection, storage, transfer management regulations

Wastes generated in the Company’ s operation include general waste and hazardous waste. For the management of solid waste, the Company has clearly designated particular places for placement and set up clear markings, regularly filed the general solid waste generated in the park, established a solid waste disposal ledger, and ensured standardized transfers.

In terms of hazardous waste, the Company has formulated a detailed hazardous waste management plan based on the *Hazardous Waste Management Plan*, established a hazardous waste management ledger, applied digital means for real-time monitoring of hazardous waste, and prepared and refined the emergency disposal plan, minimizing leakage risks. The Company has also cooperated with qualified professional third-party organizations to collect and treat hazardous waste on a regular basis.

Type of waste	Major waste	Treatment/Disposal method
General waste (recyclable)	Waste cartons, waste copper, and waste metal	Sort waste and commission qualified entities for recycling
General waste (non-recyclable)	Domestic garbage, and labor protection products	Commission qualified entities for incineration treatment to decompose harmful waste materials into harmless substances
Hazardous waste	Hazardous waste	Commission qualified entities for landfill and incineration treatment



Indicators Related to Waste Disposal 2024

Hazardous waste generation	Hazardous waste generation per million revenue(RMB)
671.75 Tons	0.02 Tons per million revenue(RMB)
Non-hazardous waste generation	Non-hazardous waste generation per million revenue(RMB)
31,712.26 Tons	1.11 Tons per million revenue(RMB)

**Note** The above-mentioned data includes that from Changhong Meiling, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Changmei Home Appliances, Ridian Technology, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioner.

Strengthening Energy Management

Four-Element Framework for Energy Management

Governance Related to Energy Management

To further enhance energy management, deepen energy conservation and emission reduction efforts, raise corporate awareness of energy efficiency, and optimize energy utilization, the Company has established a comprehensive energy management system, and formulated and issued the *Energy Management Regulations*, which clearly defines responsibilities and implementation pathways for energy conservation and emission reduction. These include design controls for energy-efficient process renovations, management of key energy-consuming equipment and facilities, energy data collection, analysis, and continuous improvement. Additionally, the Company has set up an Energy Management Team responsible for overseeing and managing overall energy consumption, setting and breaking down annual energy control targets, and incorporating energy and resource efficiency into performance assessments.

Strategies Related to Energy Management

The Company adheres to the principle of “empowering mechanisms, stimulating internal potential, expanding revenue sources, and reducing costs continuously” in its energy control strategy. Externally, business units are encouraged to leverage policies and resources to actively seek government subsidies and reform incentives through various channels, and lower operational costs. Internally, the Company works to enhance cross-departmental collaboration, extensively explore energy-saving potential from multiple perspectives such as management optimization, process modifications, and technological upgrades, and formulate practical, science-based integrated energy control plans and implementation measures. To incentivize participation, the Company has established an empowerment and incentive mechanism to foster innovation, and actively engage employees to innovate in energy management. These efforts aim to continuously improve energy efficiency, effectively control energy expenses and support the Company’s green and sustainable development goal.

Identification of Risks and Opportunities, and Mitigation Measures

Risk factor	Description of risks and opportunities	Impact level	Impact duration	Mitigation measures
Policy and regulatory risks	Stricter energy consumption restrictions and policies may lead to production restrictions or penalties	Low	Medium- to long-term	Strengthen policy research and proactively promote process modifications
	Tightening carbon emission policies will increase carbon costs	Medium	Medium-term	Optimize energy structures to reduce carbon emission intensity
Operational risks/ opportunities	Inefficient energy management will lead to higher costs	High	Medium-term	Introduce intelligent energy management systems to improve efficiency and reduce energy consumption
	Equipment aging will lead to reduced efficiency	High	Medium- to long-term	Maintain and upgrade equipment regularly to ensure efficient operation
	Fluctuations in energy prices will result in rising costs	Low	Medium- to long-term	Sign long-term energy supply contracts to secure costs
Policy and regulatory opportunities	Government subsidies and tax incentives for energy-saving technology renovations, as well as green finance support for low-carbon transition	High	Medium- to long-term	Monitor and respond to government policies on tax cuts, tariff reductions or reforms in the energy category, such as hydroelectricity, natural gas and steam, and promote the implementation of government energy-saving award and subsidy projects and seek policy support Utilize green finance tools to lower financing costsprojects and seek policy support
Brand value opportunities	Green transition will enhance corporate image and boost investor confidence in sustainable development	Medium	Long-term	Strengthen green branding initiatives, regularly disclose sustainability reports, and enhance corporate reputation
External energy supply opportunities	External energy supply can expand business scope, increasing corporate revenue	High	Short-term	All external energy supply costs must be collected to ensure a balance between energy consumption and expenditure

Impact, Risk and Opportunity Management Related to Energy Management

Changhong Meiling places a high premium on the impact, risk and opportunity management related to energy management. For specific energy-consuming processes, procedures, and equipment, we conduct in-depth consumption analyses of major energy sources to identify potential risks and energy-saving opportunities, and systematically examine energy-consuming equipment and their efficiency-influencing factors. We have determined the intensity of energy performance improvement opportunities based on three aspects: technical feasibility, economic feasibility, and adverse effects (safety, quality, and the environment). Meanwhile, we have established corresponding control measures, plans, and targets, and kept monitoring operational control measures and effectiveness.

During the reporting period, we implemented energy consumption monitoring for energy-intensive equipment on a shift, daily, and monthly basis, specifically analyzing characteristic parameters such as the start-up rate, the qualified product rate and the energy consumption per unit of output. We drew energy consumption curves for key equipment, and conducted benchmark management by comparing operational characteristic parameters among similar types of equipment through analogy or normalization analysis, identifying performance gaps and improvement strategies.

Indicators and Targets Related to Energy Management

In alignment with legal and regulatory requirements, national standards, and the *Guidelines*, as well as our operational realities, we have set specific targets for energy management topics and continuously tracked their implementation.

During the reporting period, we successfully achieved our energy management targets.

Indicator	Target	Timeframe	Progress during reporting period
Energy management	Reduce energy cost per unit by 10% compared to the previous year	Short-term	Achieved
	Reduce total energy cost by 10% compared to the previous year	Short-term	Achieved

**Note** The above-mentioned energy management improvement targets are mainly applicable to the production and manufacturing systems, the Quality Assurance Department and Administration Department.

The Company has obtained ISO 50001:2018 energy management system certification.



Energy Management Measures

Energy Consumption

The main energy sources used in the Company's production and operation are purchased electricity, gasoline, diesel, natural gas, steam and renewable energy. To better promote various energy saving and emission reduction initiatives, the Company has taken measures to optimize the energy structure and vigorously introduce renewable energy, such as building distributed rooftop photovoltaic power stations and actively purchasing green power.

Case

Distributed photovoltaic power generation project

To actively promote the green transition, the Company has developed distributed photovoltaic (PV) power generation projects tailored to its actual scenarios. Changhong Meiling has installed distributed rooftop PV power stations on nine of its buildings, while its subsidiary, Ridian Technology, has installed 0.71934 megawatts of PV panels. These projects operate under a “self-generation for self-consumption, with surplus power fed into the grid” model, ensuring that the generated electricity first meets internal demand, while any excess is integrated into the national grid. This initiative has yielded significant social and environmental benefits.

In 2024, the Company's total photovoltaic power generation reached 4,367,800kWh.



PV power stations

Case

Green power utilization

The Company actively explores the market-oriented trading of green power. During the reporting period, it purchased more than 20,000 green power certificates and consumed 38,917,200 kWh of green power.





Energy Consumption

Total amount of electricity used	Of which: total amount of purchased green power	The Company's photovoltaic generation
190.089 Million kWh	38.9172 Million kWh	4.3678 Million kWh
Total gasoline consumption	Total diesel consumption	Total natural gas consumption
16.48 Tons	143.20 Tons	2.7410 Million cubic meters
Thermal power (steam) consumption	Liquefied petroleum gas consumption	Percentage of renewable energy consumption
37,140 Million kilojoules	13.06 Tons	22.77 %
Total integrated energy consumption	Total energy consumption per million yuan of revenue	
29,164.20 Tons of standard coal	1.02 Tons of standard coal per million revenue(RMB)	

**Note** The above-mentioned data includes that from Changhong Meiling, Hefei Industrial, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Changmei Home Appliances, Ridian Technology, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioner.

Digital Energy Management

To enhance its energy management system, the Company has actively advanced digital energy management by developing and continuously optimizing the “Meiling Energy Management Platform” . This platform integrates an electricity demand management system and a key energy consumption online monitoring system, enabling precise measurement, automatic data collection, and real-time monitoring of critical energy-consuming equipment. Covering major energy sources such as water, electricity, steam, and natural gas, the platform has been applied to daily energy statistics, analysis, monitoring, and early warning, providing data support for optimizing energy consumption structures and implementing energy-saving technological upgrades, effectively improving energy efficiency.



Energy-Saving Initiatives

In response to the national Energy Conservation Publicity Week's slogan, “Green Transition and Energy Conservation Initiative” , the Company formulated its 2024 Energy Control Plan and established a dedicated energy management task force. Internally, it has implemented a comprehensive energy conservation and emission reduction strategy, ensuring regular progress tracking and supervision. The Company has continuously upgraded its production processes and equipment to enhance energy efficiency while promoting and practicing green office initiatives, embedding energy-saving efforts into daily operations to collectively drive energy conservation and consumption reduction targets.

As of the end of the reporting period, Changhong Meiling and its subsidiaries had obtained 84 energy conservation and environmental protection certificates.



Energy-Saving Upgrades

The Company has conducted an in-depth analysis of energy consumption in its production and manufacturing process, and reduced energy consumption by optimizing production processes and improving equipment efficiency.

Case

During the reporting period, the Company upgraded its extrusion line by replacing the 120mm screw with the 130mm screw, resulting in a 20% increase in production capacity and a 5% reduction in energy consumption. Additionally, the aluminum casting heating rings were replaced with energy-efficient heating rings, leading to an accumulated energy savings of 20 kWh per ton.



### Case

The Company installed electric remote switch valves to control steam heating, ensuring that steam heating time is kept within an effective range to prevent energy waste caused by early activation. After the upgrade, the system achieved an annual savings of 200 tons of steam.



Before improvement



After improvement

### Case

During the reporting period, Changhong Air Conditioner upgraded a vacuum suction cup system for the complete machine. By redesigning the suction cup structure, the project significantly reduced compressed air consumption during operation, leading to a 50% decrease in compressed air usage per unit.



Before improvement



After improvement

### Case

To reduce helium consumption and minimize the consumption of scarce gases, Changhong Air Conditioner added two helium purification systems in its helium leak detection process. These systems helped recover over 80% of helium, significantly improving the recycling efficiency of this limited natural resource.



The helium purification system

## Green Office Initiatives

The Company has implemented a series of green office measures in response to environmental protection initiatives. These efforts aim to reduce resource consumption, lower office-related carbon emissions, and promote environmental sustainability.

### Power and water management in office areas

Install energy control responsibility signs, prioritize the use of natural light, and eliminate unnecessary electricity usage. Replace hallway lights in office areas with sound-activated lighting.

Upgrade air conditioning circuits in living quarters with dedicated control lines and under centralized management. Set air conditioning temperatures based on environmental conditions to ensure energy efficiency while maintaining employee comfort.

Adjust streetlight operating schedules based on day and night duration and replace certain streetlights with solar-powered alternatives.

Encourage the use of energy-saving devices and appliances, place water conservation reminders near faucets, and enhance regular inspections to identify and fix leaks in office areas, preventing water waste.

Upgrade pipelines to minimize water waste.



### Office supplies management

Advocate paperless office initiatives to reduce the consumption of paper and printing materials by reducing paper documents and encouraging electronic communication via emails and internal office systems. During the reporting period, the Company reduced paper consumption by 3,705,700 sheets compared to 2023, a 47% year-on-year decrease.

Place paper-saving reminders in restrooms of office areas.



### Advocating green lifestyles

Install waste sorting bins to promote sustainable waste management.

Set up new energy vehicle (NEV) charging stations to encourage eco-friendly commuting among employees.





Energy Conservation Promotion

The Company actively organizes a series of energy conservation promotional activities during the Energy Conservation Week, including poster campaigns, specialized inspections, and training sessions. Leveraging digital screens, online media platforms, and other communication channels, the Company has effectively disseminated energy-saving philosophies, fostered a strong energy conservation culture, and raised employee awareness, driving high-quality and sustainable corporate development.



Poster campaign



Energy conservation training and promotion

Water Resource Utilization

Changhong Meiling strictly complies with the *Water Law of the People's Republic of China*, the *National Water Saving Action Plan*, and other relevant laws and regulations. The Company has formulated a series of policies, including the *Water Resource Management System*, the *Water Saving Management Measures*, and the *Basic Water Saving Regulations*, which define the objectives, principles, measures, and responsibilities for water resource management. In 2023, in accordance with the *Evaluating Guide for Water-Saving Enterprises (GB/T 119-2018)*, the Company was recognized as an "Anhui Province Water-Saving Enterprise" as it met the relevant standard.

Water Resource

The Company places great emphasis on water resource management, requiring all departments to regularly inspect and maintain water supply pipelines, faucets, and other water facilities to prevent leakage and waste. To further optimize water usage, the Company has implemented water-saving equipment and appliances across its facilities. Water conservation reminders are prominently displayed at water consumption locations, and routine inspections and maintenance are conducted to detect and repair leaks. These measures ensure the efficient use of water resources and contribute to the Company's sustainable development goal.

Key performance in 2024

Total water consumption

823,326.48 Cubic meters

Total water savings

10,819.00 Cubic meters

Water consumption per million yuan of revenue

28.79 Cubic meters per million revenue(RMB)

Total amount of recycled water

434,271.13 Cubic meters

Cubic meters

52.75 %

**Note** The above-mentioned data includes that from Changhong Meiling, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Hefei Industry, Ridian Technology, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioner.

Case

Implementation of Water Saving Measures

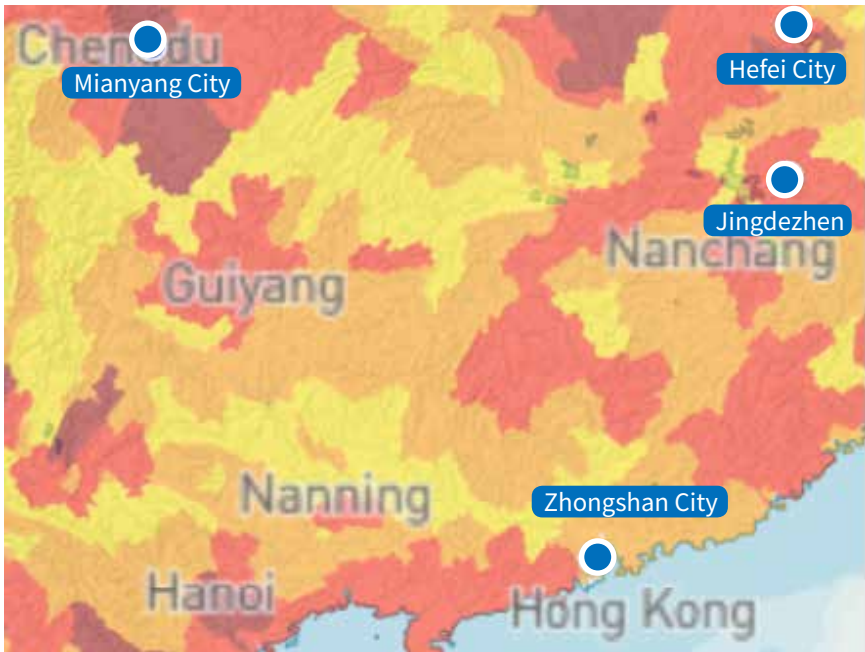
Jiangxi Meiling has established an Energy Saving and Emission Reduction Task Force, led by the General Manager, with department heads serving as deputy leaders and unit heads as team members. This task force designates personnel to record regular meter readings at all water consumption locations, performs in-depth analyses of water consumption intensity, and inspects the integrity of water-consuming equipment to prevent leaks and waste. During the reporting period, Jiangxi Meiling implemented a series of effective water conservation measures, consuming 19,100 cubic meters of recycled water and reducing water consumption intensity to 0.6 cubic meters per 10,000 yuan of revenue. These efforts have significantly improved water efficiency and laid a solid foundation for the Company's green and sustainable development.

Water Risk Assessment

During the reporting period, we employed the World Resources Institute (WRI) Water Risk Assessment Tool to model water availability scenarios for Changhong Meiling and its subsidiaries. The results indicated that Hefei City, Mianyang City, and Jingdezhen City face high water risk levels. To proactively mitigate such potential risks, we have adopted a comprehensive approach, including creating emergency water storage facilities, recycling and reusing water resources, implementing water-efficient equipment, and enhancing water saving promotional campaigns, continuously strengthening our water resource management capabilities.

Water risk assessment results

类别	Hefei City	Mianyang City	Zhongshan City	Jingdezhen City
Physical risks to water resources	Very high (4-5)	Very high (4-5)	Medium-low (1-2)	High (3-4)
Water stress	Very high (>80%)	Very high (>80%)	Low (<10%)	Medium-high (20-40%)
Drought risk	Medium-high (0.6-0.8)	Medium (0.4-0.6)	Medium (0.4-0.6)	Medium (0.4-0.6)
Groundwater level decline	Medium-low (0-2cm/year)	Not significant	Not significant	Not significant



The overall water risk in the locations of Changhong Meiling and its subsidiaries

Developing the Circular Economy

Changhong Meiling actively supports China's 14th Five-Year Plan for Circular Economy Development and strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China and the Circular Economy Promotion Law of the People's Republic of China. The Company adopts a refined management model, setting multiple circular economy targets, including energy saving and emission reduction, increasing the proportion of recyclable and renewable materials in products, and more. Through various energy-saving initiatives, the Company has reduced energy consumption, and prevented and minimized waste generation. We have prioritized the use of recyclable and renewable materials, and continuously promoted lightweight packaging to enhance resource efficiency. Additionally, we have actively advocate and implement "trade-in" programs, reducing the energy consumption impact of long-term product usage. By recycling discarded appliances, we contribute to the realization of a circular economy.

2024 Key Performance

Total material consumption in production and packaging  
**1,171,101.81** Tons

Consumption of renewable materials  
**807,487.36** Tons

**Note** The above-mentioned data includes that from Changhong Meiling,Mianyang Meiling, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioner.

Case

"Trade-In" programs

Changhong Air Conditioner has proactively responded to the Action Plan for Large-Scale Equipment Upgrades and Consumer Goods Trade-Ins and the Measures to Support Large-Scale Equipment Upgrades and Consumer Goods Trade-Ins. It has actively promoted trade-in initiatives by organizing a total of 1,759 promotional events during the reporting period. All collected old air conditioners were dismantled and properly reused by Kuaiyitian, a subsidiary of Changhong Group, ensuring that the "trade-in" initiative is accompanied by an effective "old appliance recycling process". The efforts have contributed to the expansion of the circular economy industry by providing a stable supply of more raw materials for the recycling sector.



Events and posters in the garden community



"Home Expo Trade-Ins" live streaming event



Case

Packaging material recycling

Changhong Meiling focuses on improving the workshop environment, enhancing production efficiency, meeting high-end product manufacturing standards, and increasing resource recycling rates. We work to promote the standardization of packaging containers to reduce employees' operation time and minimize natural resource consumption. By replacing traditional cardboard boxes with EU standard containers or turnover carts for all supplier materials, we are gradually realizing a cardboard box-free manufacturing process, enabling recyclable and reusable packaging solutions.



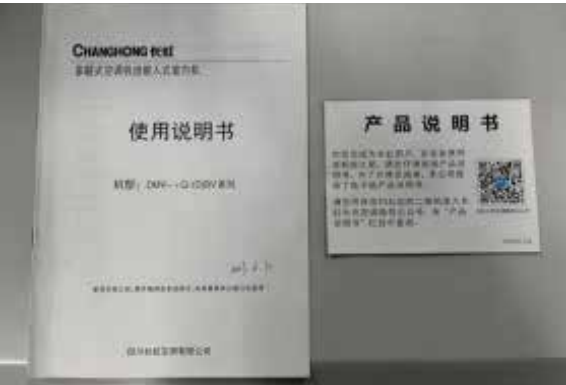
Comparison of original non-reusable packaging (left) and current reusable packaging (right)

Changhong Air Conditioner adheres to the principles of lightweight, reduction, and recyclability when selecting packaging materials. While ensuring product quality, it continuously improves packaging material utilization and recycling rate, thereby reducing production costs and conserving natural resources. Additionally, the company encourages suppliers to adopt recyclable packaging materials. By the end of the reporting period, over 95% of front-end suppliers used recyclable packaging and more than 80% of local suppliers reused packaging materials, significantly reducing both procurement costs and packaging material consumption.

In 2024, Changhong Air Conditioner prompted motor suppliers to choose green recycled plastic packaging, drastically reducing packaging waste.



Comparison of original non-reusable packaging (left) and current reusable packaging (right)



Comparison of original manual (left) and electronic manual (right) for commercial central air conditioners

To practice the green and sustainable development philosophy and reduce the amount of solid waste generated during the product life cycle, Changhong Air Conditioner is actively exploring lightweight solutions for product manuals. The company has introduced an innovative hybrid model that combines a simplified printed guide with a digital user manual, gradually replacing traditional paper-based manuals. By 2024, the company had fully transitioned to digital manuals, leading to a projected paper consumption reduction of over 70%. The effort has not only effectively reduced the consumption of resources, but also further fulfilled the company's commitment to sustainable development.

Ecological and Biodiversity Conservation

Changhong Meiling and its subsidiaries actively respond to international initiatives and agreements, including the *United Nations Convention on Biological Diversity* and the *2030 Agenda for Sustainable Development*. The Company also follows domestic regulations such as the *China Biodiversity Conservation Strategy and Action Plan (2023–2030)*, conducting in-depth analyses of the potential impact of its business activities on biodiversity and the ecological environment. The Company advocates for integrating biodiversity conservation into all aspects of daily operations and actively participates in initiatives such as soil erosion prevention and ecological restoration to minimize negative environmental impacts at the source. Through practical actions, the Company strives to advance ecological restoration efforts.

Case

Changhong Air Conditioner's contribution to ecological and biodiversity conservation

Changhong Air Conditioner takes ecological and biodiversity conservation seriously. In 2024, the company revised and issued key environmental management policies, including the *Environmental Protection Responsibility Management Measures* and the *Pollution Prevention Management Measures*. Additionally, it conducted a systematic risk assessment across the entire product lifecycle, and studied the surrounding ecosystem, flora and fauna. According to a compliance analysis against relevant ecological protection laws and regulations, Changhong Air Conditioner and its subsidiaries are not located within ecological protection red line zones, and their operational areas align with local environmental impact assessment plans. There are neither nature reserves nor protected wetlands in the vicinity. The environmental impact of the manufacturing process is controllable and does not pose a significant threat to ecology or biodiversity.



Advancing Green Manufacturing

Developing Green Products

Changhong Meiling closely follows industry trends in green, efficient, and energy-saving technologies, firmly upholding sustainability as a clear and guiding principle. The Company adopts a preventive approach, integrating environmental protection concepts throughout the entire product lifecycle—from raw material procurement, product design, manufacturing, and packaging to product recycling—to continuously drive the green transition of its products.

Raw material procurement

- The Company prioritizes the use of recyclable and renewable materials which are in line with regulations such as Waste Electrical and Electronic Equipment Directive (WEEE) and Restriction of Hazardous Substances Directive (RoHS).
- Apply bio-based materials in bulk, integrating a certain proportion of straw, bamboo flour, and other biodegradables into raw materials to reduce plastic usage.

Product design

- Enhance energy efficiency: Continuous R&D efforts focus on developing high-efficiency, and low-energy-consuming products.
- Standardized design: Core components are standardized across product lines, reducing the variety and quantity of parts.
- Eco-friendly refrigerants: Replace R22 refrigerants (including fluorocarbon compounds that harm the ozone layer) with R290 (propane), the most environmentally friendly alternative.

Product manufacturing

- Green equipment upgrades: Upgrade production lines and outdated equipment to improve efficiency, eliminate high-energy-consuming and non-compliant devices while reducing the consumption of scarce resources such as copper, aluminum, and tin to enhance the Company's clean production.
- Process innovation: Develop new surface decoration techniques to replace traditional coating processes, improving material recyclability.

Product packaging

- Develop low-carbon and eco-friendly packaging materials to replace non-recyclable packaging.
- Adopt a simplified paper guide and an electronic version for user manuals to reduce paper consumption.

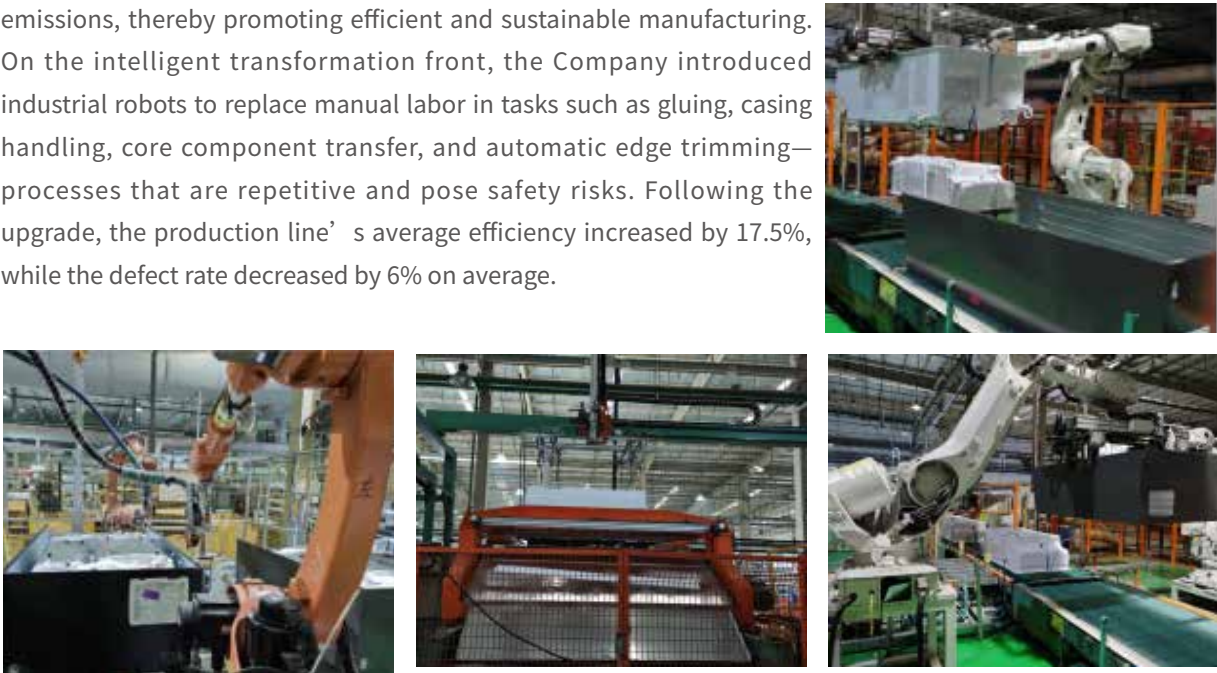
Product recycling

- Incorporate the concepts of being detachable, repairable and reusable in product design to improve the secondary utilization rate of the products, and mark the materials well to reduce the difficulty in the recycling and disposal of the products at the disposal stage.

Case

Production line upgrades

During the reporting period, Changhong Meiling actively responded to the call for carbon reduction and energy conservation by upgrading its production lines. The application of variable frequency screw pumps in plastic vacuum forming machines led to a 60% reduction in pump energy consumption, while an upgraded heating system lowered heating energy consumption by 40%, significantly contributing to energy savings and emissions reduction while ensuring production quality. Additionally, new extrusion equipment improved production efficiency by 15%, achieving a 10% reduction in energy consumption and lowering carbon emissions, thereby promoting efficient and sustainable manufacturing. On the intelligent transformation front, the Company introduced industrial robots to replace manual labor in tasks such as gluing, casing handling, core component transfer, and automatic edge trimming—processes that are repetitive and pose safety risks. Following the upgrade, the production line's average efficiency increased by 17.5%, while the defect rate decreased by 6% on average.



In alignment with green manufacturing requirements, Changhong Air Conditioner accelerated the industrialization of air conditioning evaporators, smaller-diameter condensers and new materials. The company invested approximately RMB 70 million in upgrading green production equipment, including the installation of advanced, environmentally-friendly, and energy-efficient manufacturing systems, and technical upgrading of outdated equipment for complete machines and electronic control production lines. Over 100 high-energy-consuming, and non-compliant sets of equipment were phased out. During the reporting period, Changhong Air Conditioner replaced traditional wave soldering machines with two nitrogen wave soldering machines, which reduced solder dross waste by 40-50% per machine, effectively addressing the high waste generation issue in conventional soldering processes.



The nitrogen wave soldering machine





To further reduce metal resource consumption, the company established two fully automated smaller-diameter demonstration lines for the two products, resulting in an annual copper resource savings of 17.15 tons, and significantly cutting down raw material consumption.



Case

### Eco-friendly packaging materials

Changhong Meiling has actively pursued research and development in green and sustainable packaging materials, focusing on reducing non-recyclable materials, optimizing packaging structures, and adopting lightweight designs to minimize material usage. Key initiatives include developing paper-based packaging to achieve 100% recyclability of packaging materials, introducing expanded polypropylene (EPP) foam packaging bases to realize a 10% reduction in packaging weight, replacing non-recyclable expandable polystyrene (EPS) foam in refrigerator interior protective components entirely with eco-friendly expandable polyethylene (EPE), paper-based composite protection, or EPP foam protection.



Case

### Green products

The Company continuously drives technological innovation in high-efficiency products, advancing the upgrade of green products. Changhong Conditioner has independently developed a super grade-1 energy efficiency cabinet air conditioner series, which leverages the composite condensing heat exchange technology and dynamic refrigerant flow matching technology. These innovations enable rapid cooling and heating while significantly improving heat exchange efficiency and boosting the energy efficiency ratio. Under standard usage conditions, this series achieves an annual performance factor (APF) of 5.0. Compared to a grade-1 energy efficiency product of the same capacity (APF 4.20), it can save over 300 kWh annually, further enhancing energy conservation and reducing household electricity consumption.



Changhong Conditioner's super grade-1 energy efficiency cabinet air conditioner series

Using the super high-efficiency compressor, centrifugal fan, ultra-low thermal conductivity VIP technology, and multi-component ultra-low thermal conductivity foaming system, the Company has developed a super grade-1 energy-efficient refrigerator that consumes 30% less energy than its grade-1 counterparts. Compared to previous models, this refrigerator series can reduce greenhouse gas emissions by 528 kg CO<sub>2</sub>e over a 10-year lifecycle.





## Low-carbon product certification

During the reporting period, we actively promoted the establishment of a full-lifecycle carbon emission management system. We engaged third-party certification organizations to conduct carbon footprint assessments for three refrigerator models and three washing machine models, in accordance with the ISO 14067 product carbon footprint quantification standard. By constructing a full-lifecycle assessment model covering the manufacturing, distribution, usage, and end-of-life stages, we accurately quantified greenhouse gas emissions at each phase. The successful certification of these products not only provides data support for further low-carbon product improvements but also marks substantial progress in the development of the Company's green product portfolio, laying a solid foundation for future environmentally-friendly product innovations.



Refrigerator (MRF-252W) Carbon Footprint Certification



Refrigerator (MRF-424W) Carbon Footprint Certification



Refrigerator (MRF-431W) Carbon Footprint Certification



Front-Loading Washing Machines (MG80-14586B2) Carbon Footprint Certification



Front-Loading Washing Machines (MG100-14596B2H) Carbon Footprint Certification



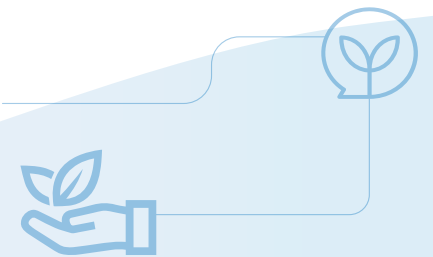
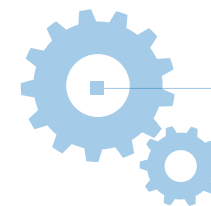
Front-Loading Washing Machines (MG120-14658D2H) Carbon Footprint Certification

## Building Green Factories

As a front-runner in prioritizing energy saving in green development within the home appliance industry, Changhong Meiling was certified as a "National Green Factory" in 2018. The Company has recognized green development as the basic corporate strategy and continuously promoted the building of green factories across its subsidiaries in line with relevant evaluation standards.

### Case

To further enhance the green rating of its factory buildings, Changhong Air Conditioner, having already met the standards of the *Green Building Evaluation Standard (GB/T 50378)* and the *Green Industrial Building Evaluation Standard (GB/T 50878)* in its original design, replaced over 400 conventional 150W LED work lamps with 100W high-efficiency industrial LED lamps, the most cutting-edge solutions in the industry. This upgrade maintains optimal factory illumination while significantly improving energy efficiency and extending the lifespan of the lighting system, resulting in an annual electricity savings of approximately 120,000 kWh.







## Social Responsibility

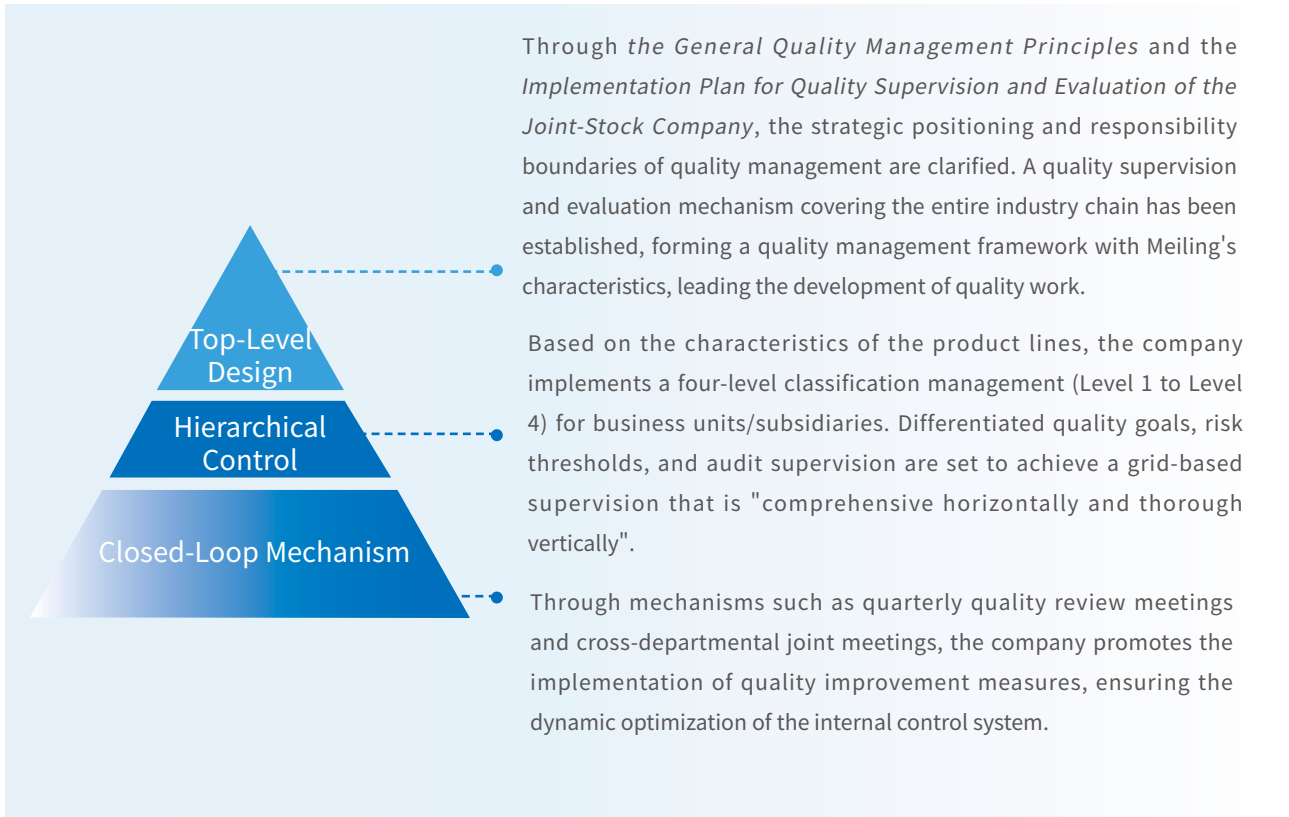
Changhong Meiling actively fulfills its social responsibilities. The company consistently adheres to the quality philosophy of "the enterprise's life depends on its products, and the soul of the product lies in its quality". Through a stable supplier cooperation system, the company provides comprehensive and personalized solutions to customers, ensuring the quality of its products and services. The company continuously explores new technologies and develops new products, accelerating the development of new quality productive forces. In terms of talent team building, the company values the development and well-being of its employees, creating a safe and comfortable working environment, improving company benefits and incentive mechanisms, and stimulating employees' creativity and work enthusiasm. Additionally, we actively respond to the rural revitalization strategy, participate in social welfare activities, and contribute Meiling's strength to the sustainable development of society.

Product and Service Safety and Quality

Four-Element Framework for Product and Service

Governance Related to Product and Service Safety and Quality

To enhance the quality level of the company's products and improve the quality supervision system, the company has established a three-tier quality management structure.



Strategy Related to Product and Service Safety and Quality

Changhong Meiling has established a "Dual-Loop Drive" model to deepen the implementation of its quality strategy. In terms of the "inner loop" system management, the company adheres to the quality policy of "customer first, total quality, source control, and continuous improvement". Driven by the dual loops of "system management and closed-loop resolution", tools such as FMEA (Failure Mode and Effects Analysis) are introduced during the design and development phase to achieve full lifecycle product management. In terms of the "outer loop" market environment, the company insists on adopting advanced standards, continuously innovating and improving, effectively ensuring product quality and process stability. A policy early warning system has been established, and the standardization committee regularly identifies energy efficiency regulations in countries/regions worldwide. Through the PLM (Product Lifecycle Management) system, rapid iteration of product parameters is achieved, ensuring the market competitiveness of the products.

Risk and Opportunity Identification and Mitigation Measures

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Policy and Regulatory Risk	Upgrades in domestic and international energy efficiency standards and safety regulations may render existing products non-compliant with new requirements	High	Medium to Long Term	Strengthen policy tracking and research, promptly obtain and analyze the latest domestic and international standards to ensure product compliance
	Stricter customer service-related policies may require increased resources for compliance management, potentially raising operational costs	Medium	Medium to Long Term	Clarify compliance standards for all after-sales service processes and regularly update them based on the latest regulations
Operational Risk	Substandard raw materials or components provided by suppliers may affect overall product performance and safety	High	Short Term	Regularly evaluate suppliers, phase out low-performing ones, and introduce high-quality alternatives to ensure the quality of raw material supply
	Lack of strict quality inspections in production may lead to inconsistent product quality or safety hazards	High	Short Term	Utilize advanced technologies such as AI to achieve 100% automated inspection of key production processes, significantly reducing quality risks
	Inadequate after-sales service systems may result in delayed handling of customer complaints, damaging brand reputation	Medium	Medium to Long Term	<ul style="list-style-type: none"><li>Establish a digital after-sales platform, leveraging the nationwide technical service network to implement a timely response mechanism of "online diagnosis—local dispatch".</li><li>Regularly conduct customer satisfaction surveys and adjust internal management mechanisms based on feedback</li></ul>
Policy and Regulatory Opportunity	Government implements subsidies for home appliance purchases and trade-in programs to encourage consumption	High	Medium to Long Term	Research and develop high-efficiency, low-carbon, and environmentally friendly new products, quickly understand consumer preferences, and seize a larger market share under this policy incentive
Brand Value Opportunity	High-quality products and services can foster long-term customer loyalty, enhance brand value, and increase corporate revenue	Medium	Long Term	Maintain high-quality products and services, organize customer activities, increase brand promotion, and enhance the company's influence



Management of Impacts, Risks, and Opportunities Related to Product and Service Safety and Quality

Changhong Meiling has formulated the *Comprehensive Quality Risk Control Measures*, established a risk management organizational structure, and clarified the quality risk control process. The company conducts comprehensive quality risk control activities to enhance overall quality risk management capabilities by standardizing risk identification, feedback, release, and improvement. This approach helps prevent major quality risks, reduce quality-related losses, and minimize market impact to the greatest extent.

The company has built a three-tier prevention and control system of "identification, traceability, and elimination", covering the entire process from product design, raw material procurement, production and manufacturing, logistics and transportation, to compliance certification. This system ensures the identification, traceability, and elimination of risk sources.

The *Comprehensive Quality Risk Control Measures* have been established, along with a risk management organizational structure and a clear quality risk control process. Comprehensive quality risk control activities are carried out to enhance overall quality risk management capabilities by standardizing risk identification, feedback, release, and improvement. This helps prevent major quality risks, control quality-related losses, and minimize market impact to the greatest extent.

Risk Identification

Closed-Loop Control

Emergency Response

The company has implemented a "180-Day Review" mechanism, covering all stages including product design, raw material procurement, production and manufacturing, logistics and transportation, and compliance certification standards. Through weekly risk identification and monthly summaries, the company dynamically monitors changes in risk sources and ensures the actual closed-loop improvement of risk sources.

A digital after-sales platform has been established, leveraging the nationwide technical service network to achieve a timely response mechanism of "online diagnosis—local dispatch". The service appointment rate within 2 hours reaches 98.27%, and the service completion rate within 24 hours achieves 100%.

Indicators and Goals Related to Product and Service Safety and Quality

In accordance with laws and regulations, national standards, *The Guidelines* requirements, and the company's actual conditions, we have set relevant goals for product and service-related issues and continuously track the progress of these goals.

During the reporting period, we achieved the tasks and objectives related to products and services.

	Target	Time Frame	Progress During Reporting Period
Product QualityQuality	Zero major quality incidents	Short Term	No major quality incidents occurred
Product Quality	100% compliance with energy efficiency standards	Short Term	All product lines passed CQC certification
Customer Service	Comprehensive customer satisfaction rate above 90%	Medium to Long Term	Completed

Product Quality Management

The company adheres to the quality philosophy of "the enterprise's life depends on its products, and the soul of the product lies in its quality". By maintaining high standards and strict requirements, the company controls product quality, continuously improves and innovates, enhances core competitiveness, and increases customer satisfaction and loyalty.

The company and its subsidiaries have obtained ISO9001 quality management system certification and CNAS accreditation, gaining authoritative recognition for their management and technical capabilities. This provides strong technical support for product development, production, and quality control.





Product Quality Assurance

Guided by the quality policy of "customer first, total quality, source control, and continuous improvement", the company strengthens the awareness of upstream processes serving downstream processes, encourages all employees to actively participate in quality work, and enhances their sense of responsibility and quality consciousness. In daily operations, the company strictly implements this policy, continuously advances quality improvement measures, optimizes production processes, and steadily improves product quality year by year. During the reporting period, the company's product qualification rate reached 98.98%.

Product Quality Testing

To ensure that the quality of components, semi-finished products, and finished products meets the company's quality standards during incoming inspection, in-process inspection, and final inspection, the company has established the *Inspection and Testing Control Procedures* to standardize product quality inspection and testing processes.

In terms of testing capabilities, the company's laboratory has been continuously certified by CNAS for 16 years. From a performance perspective, the laboratory has comprehensive testing capabilities, including refrigeration performance, safety performance, EMC, noise, RoHS, freshness preservation, simulation, voice laboratory, and physical strength, meeting the testing requirements of international, regional, and national standards such as BV and SGS. In terms of equipment measurement, the company has established six measurement standards across four categories: length, thermology, mechanics, and electricity. It actively conducts internal self-inspection and calibration to ensure the timeliness and effectiveness of measurement and testing.

Product Quality Training


The company places great emphasis on building a high-quality talent pool through training and various activities, creating an excellent talent platform. The company has established a Six Sigma certification incentive mechanism to fully motivate employees and encourage them to enhance their professional skills. It organizes "Quality Month" activities and hosts quality group achievement competitions, providing employees with a stage to showcase their talents and exchange experiences. These efforts continuously improve the company's quality management level and capabilities.

Key Performance in 2024

the company organized approximately **40** company-wide and departmental-level quality management training sessions.



Case

In September 2024, the company held the Changhong Meiling 2024 Quality Group Achievement Competition, where various QC groups shared their experiences and exchanged results. The achievements from this competition won second prize in the provincial QC competition and first prize in the municipal QC competition.



Case

During the 2024 Quality Month, the company deepened employees' understanding and awareness of quality through activities such as quality pledges, specialized training, and knowledge competitions. This strengthened the foundation of quality management and further enhanced the overall quality consciousness of the company's employees.



Product Quality Incidents

The company has formulated the *Market Issue Handling Regulations*, which defines quality incidents, specifies information flow management after incidents occur, and outlines response time requirements. In 2024, the company did not experience any major quality-related incidents involving products or services.

Product Recall Management

In accordance with the *Interim Provisions on the Recall of Consumer Products* and other relevant laws and administrative regulations, the company has specifically established the *Refrigerator and Cabinet Product Recall Management Regulations*. These regulations clarify the trigger conditions, implementation processes, and division of responsibilities for product recalls, ensuring that recall actions can be swiftly and effectively initiated when product safety hazards are identified, thereby minimizing potential harm to consumers. For quality issues in products exported to overseas markets, the company has formulated the *Export Market Quality Issue Handling Regulations* to ensure the rapid and effective resolution of any defects that may affect consumer health and safety, safeguarding customer interests. During the reporting period, the company did not experience any recall incidents.

Customer Service and Rights

Responsible Marketing

The company strictly adheres to laws and regulations such as the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *E-Commerce Law of the People's Republic of China*, ensuring that marketing activities are executed effectively and in compliance. The company rigorously controls the messaging across information output channels such as television, print media, portals, and streaming platforms, ensuring that external promotional information is accurate, legal, and truthful.



Product Compliance Promotion

The company has established relevant management regulations to standardize sustainable promotion and responsible marketing. It commits to ensuring clear marketing narratives, respecting consumer rights, opposing unfair competition, avoiding the provision of false information about competitors, and refraining from exaggerating environmental and social benefits. The company strictly reviews the use of advertising language in product sales across all business departments to prevent consumer misunderstandings of advertisements, packaging, names, or descriptions. This standardizes brand promotion and avoids inappropriate outputs that could lead to negative social impacts or legal risks for the brand.

Responsible Marketing Training

The company regularly conducts training on responsible marketing for business departments and all marketing employees. Additionally, the company actively participates in the "Live E-commerce Administrative Compliance Guidance Training" organized by the Hefei Administration for Market Regulation to ensure that marketing behaviors align with the principles of responsible marketing.

Enhancing Product Accessibility

The company is customer-centric, precisely responding to consumers' evolving demands for interactive experiences and personalized needs. It is committed to creating convenient and high-quality product services through technological innovation, continuously enhancing product accessibility. Leveraging the Zhihuijia model, the company has introduced distributed interactive experiences and developed AI-powered home appliances, building an interconnected, intelligent, and convenient home ecosystem.



Smart Care for the Elderly

Through voice interaction technology, the company has implemented a "three-in-one" functionality of "chatting, reminders, and alarms". Elderly users can operate home appliances via voice commands, and the system can provide timed reminders for medication or daily tasks. In emergencies, saying "help me call the police" can remotely notify family members and activate monitoring.

Scenario-Based Solutions for Mothers and Infants

The company has developed the "Play with Peace of Mind, Control with Ease, Sleep with Assurance" ("Three Assurances") scenarios. These include remotely monitoring children's activities via smartphones, cross-category control of home appliances to soothe crying children (e.g., remotely playing cartoons), and voice-controlled air conditioning functions that avoid disturbing sleeping infants.

Customer Relationship Management

With the goal of creating a better life through service, the company advocates for deeply understanding user needs and responding promptly, making "customer satisfaction" the core objective of its service efforts. From pre-sales, in-sales, to after-sales, the company has fully implemented a "zero-distance" service model, successively launching service channels such as the official website, corporate WeChat, Weibo, Quick Customer Service, and a nationwide unified customer service hotline, as well as internet access points like e-commerce platforms, JD.com, and Taobao. This ensures seamless, round-the-clock, multi-scenario connectivity with users. To quickly respond to service demands, the company has introduced a service commitment of "not delaying a single minute", leveraging its nationwide technical service network to provide timely professional maintenance services for a full range of smart home appliances, including refrigerators, freezers, and washing machines. This achieves a one-stop service model of "access-resolution-follow-up". The company standardizes the appearance, behavior, and language of on-site service personnel, utilizing "person, order, time" slice-based refined management and Moment of Truth (MOT) management for key service links, thereby enhancing service efficiency and quality. In response to evolving user needs, the company has launched an "integrated delivery, installation, service, and collection" service, improving user experience and satisfaction. Additionally, the company regularly conducts customer visits, ensuring smooth coordination during major retail promotions and periodic visits to top customers.

Handling of Customer Feedback

The company has established systems such as the *Customer Complaint Management Measures*, the *Export Market Quality Issue Handling Regulations*, and the *Product Quality Accountability Management Regulations*. These systems comprehensively manage customer complaints through classification methods, division of management responsibilities, identification standards, handling processes, control assessments, and analysis and improvement, building a rigorous and efficient customer complaint management system. To promptly respond to service demands, the company has set up branches in provincial capital cities across the country, collaborating with over 6,000 authorized service providers and more than 10,000 service outlets covering cities, counties, towns, and villages. With over 20,000 star-certified service engineers, the company provides 7×24-hour service response. Engineers offer on-site services within 24 hours for urban areas and 48 hours for suburban areas after appointment scheduling. Meanwhile, the company has established comprehensive mechanisms for handling user service demands, information management, follow-up assessments, complaint management, and maintenance parts management, ensuring the smooth delivery of nationwide home appliance technical services.



Online Channel

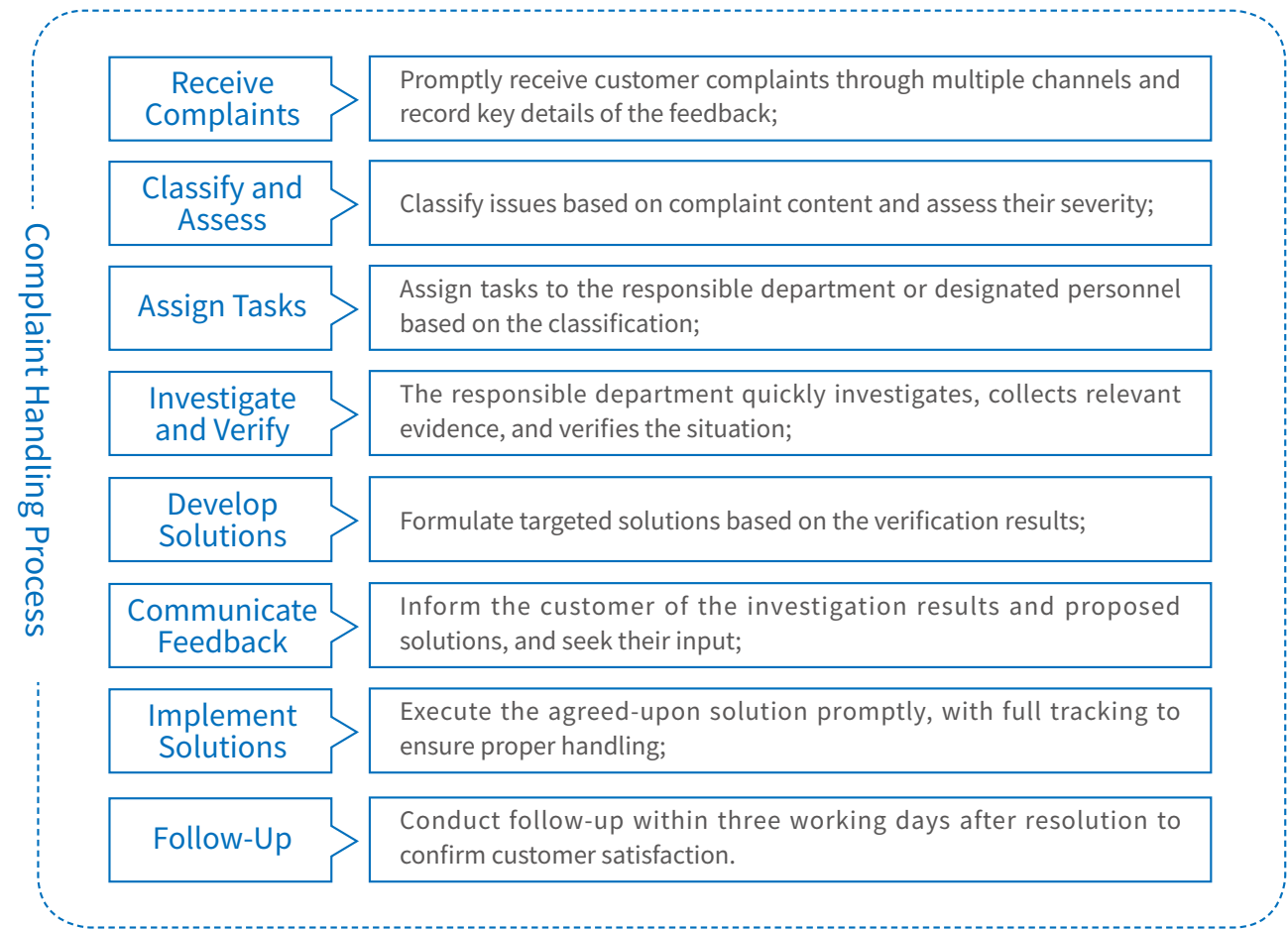
Consumers can provide feedback through multiple channels such as Hei Mao Complaints, the 12315 platform, and the 4008 after-sales hotline.



Offline Channel

For businesses with physical stores, customers can directly visit the store to report issues to staff, who will resolve the problem on-site or transfer it to the relevant department.

Feedback Channels



Customer Complaint Handling in 2024

Number of complaints related to products and services

851

Average response time for customer complaints

0.5 hours

Customer complaint resolution rate

100 %

Average resolution time for customer complaints

Within 24 hours

Customer complaint response rate

100 %

Customer Satisfaction Surveys

The company regularly conducts satisfaction surveys targeting distributors, service providers, and users. The survey content covers product performance and functionality, corporate image, product pricing, sales, and service, among other aspects.

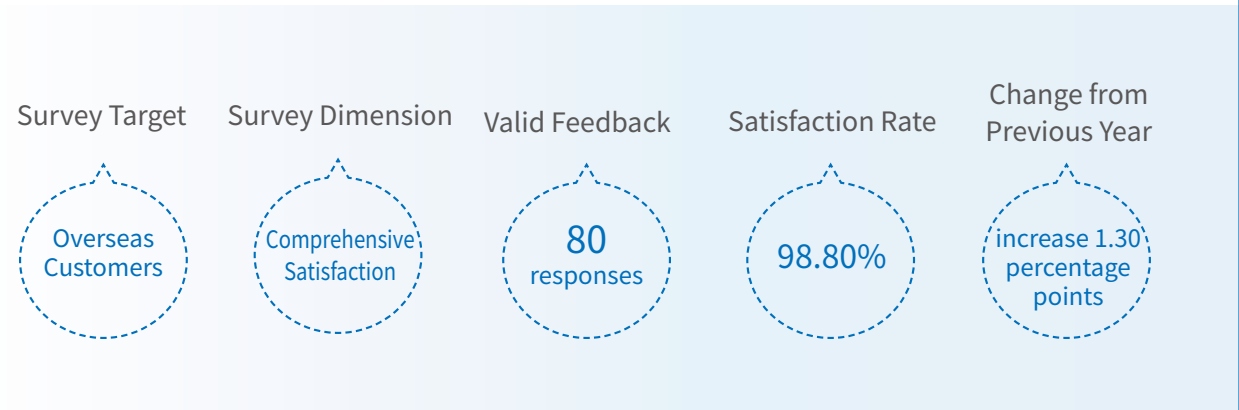
Domestic Customer Satisfaction Survey

In 2024, the Domestic Marketing Division conducted satisfaction surveys among users and distributors, and mainly designed the questionnaire based on product performance and functionality, corporate image, product pricing, sales, and service. The specific results are as follows:



Overseas Customer Satisfaction Survey

In 2024, the International Marketing Division conducted a customer satisfaction survey targeting overseas customers. The survey covered all business units in key overseas markets, including international large-scale manufacturers with their own brands, customers with large chain supermarkets and hypermarkets, and retail-oriented clients primarily consisting of wholesalers and traders of various sizes. The survey focused on eight aspects including order execution, product functionality, appearance, delivery timelines, and service quality. The specific results are as follows:







## Product Knowledge Promotion

### Product Knowledge Dissemination

Adhering to the principle of "user experience first", the company has established an active service system covering the entire product line of refrigerators, freezers, and washing machines. Through exhibitions, distribution of promotional materials, and inviting customers and industry-leading media to visit the company (factory), customers can witness the production process and quality control procedures, helping them gain a deeper understanding of product information.



JD Appliance & Changhong Meiling Co-Branded Store Factory Tour

Additionally, the company utilizes online platforms such as WeChat Official Accounts, Xiaohongshu, Douyin, and live streaming rooms to provide real-time answers to customer inquiries, making it easier for customers to understand product details. By hosting new product launch events such as the "Meiling Frozen Fresh Full Lineup Refrigerator Launch Conference" and the "Meiling Five-Door Refrigerator Launch Conference", customers can experience product performance and advantages firsthand.



Meiling Frozen Fresh Full Lineup Refrigerator Launch Conference



Meiling Five-Door Refrigerator Launch Conference

### Customer Training

#### Air Conditioning Product Training

In 2024, the company's home air conditioning division conducted product knowledge training, competitive product comparison training, and sales skills training for a total of 1,041 core customers across national basic channels, JD specialty stores, and retail cloud platforms. Throughout the year, a total of 12,365 training sessions were held, covering over 50,000 participants.



#### 2024 Home Air Conditioning Training

In 2024, the central air conditioning division conducted 29 empowerment training sessions for its overseas distributor teams, covering corporate culture, product knowledge, and sales skills, reaching over 3,000 participants.



2024 Central Air Conditioning Training





Refrigerator and Washing Machine Product Training

For refrigerator and washing machine products, Changhong Meiling's Refrigerator and Washing Machine Center conducted on-site training services across all national channels. These sessions covered basic channel customers (e.g., Lingpao customers, O2O JD specialty stores, Tmall), key channel (KT) customers, and customers in lower-tier markets. A total of 145,673 training sessions were held throughout the year, reaching over 200,000 participants.



2024 Refrigerator and Washing Machine Product Training

Data Security and Customer Privacy Protection

Information Security

Information Security Management System

Changhong Meiling follows the principles of "combining human and technical defenses, focusing on core asset security, prevention-first, and security compliance". The overarching policy for information security management is "prevention-first, hierarchical responsibility, scientific management, and ensuring security". The company strictly complies with laws and regulations such as the *Cybersecurity Law* and *Cybersecurity Level Protection 2.0*. It has established relevant management systems, including the *Information Security and Confidentiality Management Regulations*, *Computer Equipment Management Regulations*, *Security Training Management System*, *Key Business Information Systems and Master Data Management Regulations*, and *Confidential Position Personnel Confidentiality Management Rules*. These systems standardize the closed-loop management process for handling information security incidents, including organization and functions, classification and grading, reporting, handling, summarization, and accountability.

The company has established an Information Security and Confidentiality Committee and an Information Security and Confidentiality Office. The Committee is responsible for formulating the overall information security policies for the company and its subsidiaries, and clarifying the strategic goals for information security development. The Office is responsible for information security planning, organizing information security operation and maintenance, and emergency response support.

To ensure the security of internal data interactions, the company conducts audit management for the protection of critical data before, during, and after processes, meeting information security protection requirements and safeguarding the confidentiality, integrity, and security of corporate sensitive information. For any violations of the company's information security and confidentiality regulations that result in significant impacts or losses to the company or individuals, investigations, assessments, and handling will be carried out in accordance with relevant regulations. During the reporting period, the company did not experience any data security breaches.

Information Security Management Platform

The company has built a "zero-trust" industrial internet cybersecurity architecture system, with the cybersecurity situational awareness platform at its core. It has established an integrated "cloud-network-end" cybersecurity protection platform and an industrial control security protection platform based on a "white environment" mechanism. This achieves the isolation of two networks (office network and industrial control network) and the visualization of the cybersecurity posture across three networks (office network, industrial control network, and 5G SA private network). Centered on the three elements of "assets, threats, and vulnerabilities", the platform enables mechanisms such as rapid localization of security incidents, early warning of unknown risks, and traceability of risk events.

On the data side, the company has constructed a data security protection platform. By employing control measures such as encryption, identity authentication, and authorization, it ensures the confidentiality, integrity, and availability of sensitive corporate information. This protects sensitive data throughout its lifecycle, including editing, storage, access, and transmission, while enabling rapid traceability of data security incidents, risk analysis, and event monitoring.



Information Security Safeguards

Network Security Management

- Use professional firewalls for network boundary protection.
- Deploy professional EDR (Endpoint Detection and Response) protection platforms on terminals.
- Manage employee internet usage through specialized hardware devices.
- Use strong encryption software to manage important data and files.

Password Management

- All network devices and application servers must implement strong password policies.
- Relevant files and software data must be encrypted using appropriate software.
- Implement unified identity authentication and control across the network.

ERP Permission Management

- When employees require ERP access, the applicant must complete an ERP role menu permission request form, which is approved by their supervisor before being submitted to the ERP administrator for authorization.
- Every six months, the company organizes a review of ERP permissions across all business departments to ensure their rationality. The system administrator adjusts permissions in the system based on the review results.

Information Security Management Measures

Information Security Training

- The company conducts monthly information security briefings, releasing basic information security safeguards, cutting-edge security incidents, and compliance risk warnings. It also holds irregular information security training sessions to enhance employees' awareness and capabilities, strengthening the company's information security management and protection.

Confidentiality Agreements

- The company provides information security and confidentiality training to relevant personnel and requires them to sign *Confidentiality Agreement* and *Cybersecurity Responsibility Statement*. It classifies and grades the confidentiality levels of relevant file information (including user information), specifies confidentiality periods and access scopes, and defines access controls and transmission security measures for related files.

Security Testing and Drills

- The company regularly conducts system registration, evaluation, security testing, and attack-defense drills for core business systems. It also performs regular recovery drills for business systems to ensure their security and stability.

Protecting Customer Privacy

Customer Privacy Protection Management System

The company has established key systems such as the *Cybersecurity and User Privacy Protection Management Measures*, *User Information Security Management Measures*, and *Service Information System Data Security Management Measures*. These systems improve the customer privacy protection management mechanism and employ multiple technical measures, including data encryption, access control, and regular audits, to ensure the integrity and confidentiality of information. In the event of an information leak, the company will take strict accountability and act promptly to mitigate losses. During the reporting period, the company did not experience any customer information leakage incidents.

Customer Privacy Protection Measures

Confidentiality Agreements

When collaborating with customers, contractors, and other relevant parties, the company signs confidentiality agreements and related clauses. It requires these parties to maintain the confidentiality of company information and prohibits them from disclosing customer information to third parties without written consent. Violations may result in liability for infringement compensation; if a leak causes economic losses to the company, the responsible party bears full liability for compensation.

Confidential Document Labeling Management

The company has issued the *Notice on Standardizing the Use of Confidentiality Labels for Documents in China*. It strictly adheres to the "classification and labeling" requirements for trade secrets, classifying, grading, and labeling all information assets within the department. Any electronic documents, emails, paper documents, or drawings without proper labeling are prohibited from being circulated in any form.

Preventing Cross-Department Data Sharing

Based on employees' job roles and permissions, the company manages and transmits customer privacy information by department/employee, ensuring that information does not cross or disperse between departments. Customer information is isolated by department and responsibility to prevent disorderly flow of information between departments.

Anonymization

When transmitting important customer information internally, the company uses anonymization to effectively prevent employees with authorized access to sensitive data from unintentionally misusing or exposing it.



2024 Key Performance

Number of data security and privacy-related trainings

24 Times

Average training duration per person of data security and privacy-related trainings

2 Hours

Coverage rate of data security and privacy training

89%

Note Statistics cover Changhong Meiling, Hongmei Intelligent,Jiangxi Meiling, Mianyang Meiling,Ridian Technology, Changmei Living Appliances, Changhong Air Conditioning, and Zhongke Meiling,Zhongshan Changhong.

Win-Win Cooperation

Four-Element Framework for Supply Chain

Governance Related to Supply Chain Management

The company places great emphasis on the sustainability of its supply chain. To strengthen supply chain risk management capabilities, it has formulated and issued the *Supplier Management Measures* and *Supplier Risk Management Standards*, ensuring that all aspects of the supply chain are standardized, secure, and risk-controlled. Additionally, the company has established the SAP and ISRM Smart Supply Chain Collaboration Platform, which integrates procurement, production, and sales information with supplier systems. This enables real-time tracking of raw material inventory, production progress, and transportation status, achieving systematic and standardized management of the supplier lifecycle and ensuring the continuous and stable development of the supply chain.

Strategy Related to Supply Chain Management

Risk and Opportunity Identification and Mitigation Measures

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Policy and Regulatory Risk	Stricter domestic and international environmental regulations and new energy efficiency standards in China may increase operational costs if new suppliers are sought	Medium	Medium Term	<ul style="list-style-type: none"><li>Strengthen policy research and proactively identify new suppliers.</li><li>Sign environmental agreements with core suppliers to ensure the raw materials they provide comply with relevant standards</li></ul>
Operational Risk	Fluctuations in raw material prices and the higher costs of low-carbon materials (e.g., eco-friendly refrigerants, renewable plastics) compared to traditional materials may increase production costs	Medium	Medium to Long Term	<ul style="list-style-type: none"><li>Optimize supply chain management and sign long-term procurement agreements with material suppliers.</li><li>Explore low-cost alternative materials and collaborate with suppliers to reduce procurement costs</li></ul>
	Supply chain disruptions due to natural disasters (e.g., earthquakes, floods) or geopolitical conflicts may affect raw material supply and production schedules, potentially increasing production costs	High	Medium Term	<ul style="list-style-type: none"><li>Prioritize local suppliers and avoid sourcing raw materials from conflict/disputed regions.</li><li>Establish a diversified supplier network to avoid over-reliance on a single supplier or region</li></ul>
	Inefficient information flow across supply chain segments may lead to inventory buildup, delivery delays, or quality issues	High	Medium to Long Term	Promote supply chain digitization to achieve real-time information sharing between the company and its supply chain
Technological Innovation Opportunity	The application of technologies such as IoT, AI, and blockchain can optimize supply chain management, improving transparency and response speed	Medium	Medium to Long Term	Continuously optimize and improve the SAP and ISRM Smart Supply Chain Collaboration Platform to enhance supply chain management efficiency
Green Transformation Opportunity	Growing consumer and regulatory focus on environmental protection presents opportunities for green transformation	Medium	Medium to Long Term	Adhere to green procurement policies and prioritize suppliers with environmental certifications
Brand Value Opportunity	Building close collaborations with upstream and downstream enterprises can enhance supply chain efficiency and strengthen brand competitiveness	Medium	Long Term	Establish a supply chain collaboration platform to share demand forecasts and production plans



Management of Impacts, Risks, and Opportunities  
Related to Supply Chain Management

The company has built a scientific and comprehensive supplier system, establishing clear evaluation criteria for supplier selection, review, assessment, and evaluation. It implements differentiated management of suppliers in its database. To ensure the continuity and stability of the supply chain, the company has established mechanisms for supply chain risk identification, risk assessment, and risk response. By leveraging digital platforms to reduce information barriers with suppliers and enhancing communication and collaboration with partners, the company fully utilizes its strengths to promote harmonious, stable, and healthy supply chain development.

Indicators and Goals Related to Supply Chain Management

Based on laws and regulations, national standards, the Guidelines requirements, and the company's actual conditions, we have set relevant goals for supply chain management issues and continuously track their progress. During the reporting period, we achieved the tasks and objectives related to supply chain management.

Category	Target	Time Frame	Progress During
Supplier ESG Management	100% signing rate of the Supplier Social Responsibility Agreement	Short Term	Completed
	Over 20% of suppliers certified by ISO14001 environmental management system	Short Term	Completed
Localized Procurement	Local supplier ratio exceeding 30%	Short Term	Completed

Supplier Management

Changhong Meiling has established a comprehensive supplier management system, formulating the Supplier Evaluation Management Standards to standardize strict supplier access and evaluation processes. The company regularly conducts audits and assessments to continuously improve supplier capabilities and qualifications. We prioritize collaborating with suppliers that are reliable in quality, reputable, environmentally friendly, and scientifically managed. Annually, we evaluate suppliers based on product quality, new product collaboration, and business cooperation, compiling a list of qualified suppliers. The company implements a tiered management mechanism based on supplier performance evaluation results, and regulates suppliers' breach of contract and dishonest behaviors through the establishment of a Supplier Blacklist, thereby continuously strengthening supplier management.

The company comprehensively considers multiple dimensions of indicators to accurately classify suppliers into four levels (strategic suppliers, preferred suppliers, general suppliers, and suppliers to be excluded), implementing a differentiated management mechanism.

Supplier ESG Management

In the era of sustainable development, we are committed to building a sustainable supply chain to lay a solid foundation for the company's long-term development and social responsibility. Changhong Meiling pays attention to suppliers' ESG performance and has formulated the Supplier Social Responsibility Agreement. From a lifecycle perspective, the agreement sets requirements for suppliers in multiple key areas of sustainable development.

Labor Relations

Suppliers are required to create a fair, just, and harmonious working environment, safeguarding employees' legal rights, including reasonable compensation, equal employment opportunities, and ample career development space, ensuring every employee can work efficiently with respect and care.

Employee Health and Safety

Suppliers are urged to prioritize employees' life and health, establish a sound safety management system, equip necessary safety protection facilities, and conduct regular safety training and emergency drills to eliminate safety hazards at the source and build a strong safety defense line for employees.

Environmental Protection

Suppliers are encouraged to actively practice the concept of green development, adopt eco-friendly materials and processes in production and operations, reduce energy consumption and pollutant emissions, and participate in ecological protection initiatives to minimize negative impacts on the external environment.

Business Ethics

Suppliers are required to adhere to the principles of honesty, trustworthiness, integrity, and self-discipline in their business activities, resolutely resist bad behaviors such as commercial bribery and unfair competition, and maintain a fair and orderly market order.

2024 Key Performance

Total number of suppliers at the end of the reporting period

2,106 Suppliers

Localization rate of suppliers

36.45 %

Number of suppliers with sustainability certifications

850 Suppliers

Proportion of suppliers with sustainability certifications

40.36 %

Amount of responsible (green) procurement

1,236,667.8310,000 RMB

Note 1: The above data includes Changhong Meiling, Hefei Industrial, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Changmei Living Appliances, Ridian Technology, Zhongke Meiling, Zhongshan Changhong, and Changhong Air Conditioning.

2: Green procurement includes expenditures on materials with RoHS certification and recyclable materials.



## Supplier Training

The company places great emphasis on enhancing supplier capabilities and is committed to collaborative development with suppliers. To help suppliers improve their awareness of quality control and sustainable development, the company organized supplier training activities during the reporting period, with a total of 276 participants and a cumulative training duration of 859 hours.



## Supply Chain Security

### Supply Chain Risk Management

#### Risk Identification

Based on the principles of prudence and comprehensiveness, the company has defined four major risk categories, among which commercial risks and quality/technical risks are mandatory identification items.



#### Risk Assessment

In the risk assessment process, the company has established specialized compliance evaluation standards for identified risk items. By comprehensively considering the potential loss and probability of occurrence, supplier risk items are classified into high, medium, and low levels to achieve more efficient risk management and control.



#### Risk Mitigation

##### Supply Chain Stability Risk

##### Supplier diversification strategy:

The company actively expands its supplier network. When a supplier is unable to deliver due to natural disasters, strikes, or raw material shortages, Changhong Meiling can quickly source required components from other suppliers to avoid production halts.

##### Supply Chain Delivery Risk

##### Risk early warning mechanism:

Changhong Meiling has established the SAP and ISRM smart supply chain collaboration platform, which integrates procurement, production, and sales data from internal departments with supplier information systems. This enables real-time monitoring of raw material inventory, production progress, and transportation status. Additionally, the company has set up risk warning indicators. When the inventory level of a key raw material falls below a certain percentage of the safety stock, or when a supplier's delivery delay rate reaches a certain threshold, the system automatically issues a warning.

To respond to the call for green transformation and mitigate risks posed by stricter domestic and international environmental regulations and new energy efficiency standards in China, the company requires suppliers to provide materials that comply with environmental directives such as RoHS, REACH, WEEE, and green packaging, as well as the environmental regulations of target market countries and regions.

### Conflict-Free Minerals

Changhong Meiling consistently prioritizes the issue of conflict mines in its supply chain management, striving to build a conflict-free supply chain. The company requires suppliers to understand and establish a "Conflict Minerals Policy", ensuring that the metals contained in the materials they provide, such as tantalum, tin, tungsten, and gold, are not sourced from armed conflicts or illegal mining. The company has assembled a professional and experienced audit team that, in accordance with international standards and industry norms, employs advanced testing technologies and scientific review processes to conduct comprehensive audits of suppliers' raw material procurement channels, traceability information management, and internal control mechanisms.

## Industry Chain Collaboration and Cooperation

Changhong Meiling leverages its comprehensive advantages to engage in specialized collaborations, technical support, and resource sharing with suppliers and partners, jointly promoting the green transformation and sustainable development of the industrial chain.



Case

Changhong Meiling's strategic partner, visited the Innovation Hall and delved into the frontlines of washing machine manufacturing to gain insights into Meiling's industrial layout, technological innovations, and production operations. Following discussions during a symposium, the strategic partnership between the two parties was further elevated. In the future, Changhong Meiling will continue to deepen its collaboration with strategic partner, empowering industry development and enhancing user life experiences.



Case

During the reporting period, Changmei Living Appliances officially joined the China Electrical Equipment Industry Association, contributing Meiling's strength to the development of the electrical equipment industry.



Equal Treatment of Small and Medium

Changhong Meiling applies the same payment terms to SMEs as it does to other enterprises, never discriminating based on company size. The company adheres to contractual agreements and repays debts on time. As of the end of the reporting period, there were no instances of overdue payments to SMEs.

Innovation-Driven Development

Four-Element Framework for Innovation-Driven

Governance Related to Innovation-Driven Development

The company attaches great importance to and continuously strengthens the construction of its R&D innovation system. It has established a technical R&D architecture consisting of two institutes (Research Institute and Advanced Research Institute) and three centers (Testing and Experiment Center, User and Product Development Center, and Innovation Design Center). Utilizing a dual-drive model of "independent R&D + collaborative innovation", the company conducts innovative research across multiple fields, continuously expanding the boundaries of technological applications. In terms of internal system development, the company has implemented over 20 innovation management regulations, including the *Product Design and Development Control Procedures*, *Technological Innovation Project Management Regulations*, *Product Development Project Management Measures*, *Enterprise Technical Standardization Management Regulations*, *Company Technical Expert Management Measures*, *Meiling R&D Points System Management Measures*, *Technological Innovation Project Assessment Measures*, *Product Development Project Assessment Measures*, *Annual Intellectual Property Special Assessment Plan*, *Annual Standards and Specifications Incentive Plan*, and *Enterprise Technical Standardization Management Regulations*. During the reporting period, 8 of these regulations were updated and revised.

Strategy Related to Innovation-Driven Development

Changhong Meiling consistently adheres to a market-oriented approach, focusing on the development and application of high-tech and new products. The company emphasizes research on new materials and processes, as well as the acquisition of proprietary intellectual property rights, achieving a new pattern of "pre-researching one generation, reserving one generation, and applying one generation" in technological research and product development. This has enabled the company to build its core technologies. In the future, the company will continue to advance in areas such as AI technology, inverter technology, simulation technology, freshness preservation technology, refrigeration technology, and new material technology.



Risk and Opportunity Identification and Mitigation Measures

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Market Risk	Developing smart home appliances and energy-saving technologies requires significant capital investment, but market acceptance and the commercialization cycle of technologies are uncertain. The consumer education cost for smart home appliances is high, posing a risk of market promotion failure	High	Medium Term	<ul style="list-style-type: none"><li>• Adopt a "small steps, fast running" model to shorten product development cycles.</li><li>• Collaborate with universities to leverage academic resources, address technical pain points, reduce R&amp;D cycles, and lower trial-and-error costs</li></ul>
	Increasing consumer demand for high-end and personalized products may lead to inventory buildup if R&D directions are misaligned with market needs	Medium	Medium Term	Fully implement the IPD (Integrated Product Development) process to establish a business- and customer-oriented R&D workflow
Intellectual Property-Related Risks	Insufficient patent protection for core technologies may lead to technology leakage	High	Short Term	Establish a patent early warning system to proactively avoid infringement risks
	International patent barriers (e.g., EU energy efficiency standards) may restrict technology exports	Medium	Medium Term	Accelerate the localization of technology and production by establishing overseas R&D centers in advance
Market Opportunities	The dual-carbon goals drive demand for high-efficiency, low-emission products, making energy-efficient technologies and low-energy products core growth areas	Medium	Medium to Long-term	Accelerate the development of low-energy, environmentally friendly products to strengthen core competitiveness

Management of Impacts, Risks, and Opportunities Related to Innovation-Driven Development

Changhong Meiling places great emphasis on managing the impacts, risks, and opportunities associated with innovation-driven development. The company has established and improved systematic and scientific processes and methods to ensure that its strategies and operations can effectively address the challenges and opportunities brought by innovation-driven initiatives. These management processes are integrated into the company's overall risk management framework. For specific details, please refer to Section III, "Corporate ESG Governance (Sustainable Development Risk Management)".

Indicators and Goals Related to Innovation-Driven Development

In accordance with laws and regulations, national standards, *the Guidelines* requirements, and the company's actual conditions, we have set relevant goals for innovation-driven development and continuously track their progress.

During the reporting period, we achieved the tasks and objectives related to innovation-driven development.

	Target	Time Frame	Progress During Reporting Period
Innovation-Driven Development	Technology commercialization rate of 60%	Short Term	Completed (actual technology commercialization rate: 75%)

Technological Innovation Management

Changhong Meiling consistently prioritizes technological innovation as the primary task of its development strategy. By focusing on technological and product innovation, the company builds its core competitiveness, solidifying the four cornerstones of "team, technology, platform, and product". Leveraging its cutting-edge R&D team and advanced technological expertise, the company continuously optimizes its technological innovation management, creating a new pattern of coordinated development across multiple product categories, including refrigerators (and freezers), air conditioners, washing machines, major and small kitchen appliances, and biomedical low-temperature storage equipment.

During the reporting period, the company further strengthened its R&D investment, continuously improved the development of scientific projects, the formulation and revision of technical standards, and the construction of technological platforms. The R&D investment reached 801.4122 million yuan, accounting for 2.80% of total revenue, representing a 14.10% year-on-year increase compared to 2023.

The R&D investment amounted	accounting for	representing a year-on-year increase of
801.4122 million yuan	2.80 of total revenue	14.10 compared to 2023

Innovation Management System

The company attaches great importance to and continuously strengthens the construction of its R&D innovation system. By vigorously promoting technological innovation, the company enhances the creativity, collaboration, and systematic nature of its R&D system, effectively improving the management efficiency of its innovation and R&D efforts.





Centered around its five major business segments—refrigerators and freezers, air conditioners, washing machines, major and small kitchen appliances, and biomedical equipment—the company possesses a number of national, provincial, and municipal-level scientific research and technical service platforms. These include:

- National-level platforms: 3 in total, such as the National Enterprise Technology Center, National Industrial Design Center, and National Postdoctoral Research Station.
- Provincial and ministerial-level platforms: 9 in total, including the Anhui Provincial Green and Energy-Efficient Refrigerator Engineering Technology Research Center, Anhui Provincial Energy-Saving and Freshness-Preserving Green Refrigerator Engineering Research Center, Anhui Provincial Intelligent Home Appliance Manufacturing Innovation Center, and the Industrial (Refrigerator and Freezer) Product Quality Control and Technical Evaluation Laboratory recognized by the Ministry of Industry and Information Technology.
- Municipal-level platforms: 6 in total, such as the Mianyang Enterprise Technology Center and the Mianyang Air Conditioner Product Simulation and Lean Design Innovation Center.

To continuously stimulate innovation, attract and retain R&D personnel, and effectively incentivize their potential, the company has implemented an R&D points-based management system. This system breaks away from the "equal distribution" principle and establishes a points calculation rule based on multiple dimensions, including project level, advancement of technical completion indicators, technical application value, quality improvement, and cost reduction. This quantifies the work of R&D personnel, rewarding more for more work and promoting merit-based advancement.

In 2024, the R&D team across the company and its subsidiaries totaled

1,781 individuals

the total workforce of accounting for

16.90 % of the total workforce

representing a year-on-year increase of

6.84 %

Percentage of R&D personnel received promotions and salary increases based on their R&D points ranking

70 %

The company's central laboratory has obtained CNAS certification, and its performance testing laboratory and noise laboratory have been recognized by international organizations such as CSA (Canada), Bureau Veritas (France), LEC (UK), BRANDT (France), Electrolux, GE, and OMNI. This further enhances the credibility of Meiling's laboratory testing capabilities and provides strong support for the company's product exports.



2024 Hefei Postdoctoral Work Training Conference

Technological Innovation Initiatives

Efficient R&D Process

To more effectively drive R&D innovation, the company has introduced and fully implemented the Integrated Product Development (IPD) process. This process is business- and customer-oriented, managing the R&D workflow with a focus on cross-departmental and cross-system collaboration. It promotes close cooperation among R&D, production, and sales departments, ensuring that technological innovations can be quickly transformed into actual products and brought to market.



Industry-University-Research Collaboration

The company actively engages in "Industry-University-Research Collaboration", maintaining close partnerships with universities, research institutions, and other third-party platforms. Externally, the company continues to promote industrial cooperation. Relying on its provincial-level key enterprise research institute, the company has jointly established postdoctoral mobile workstations with academic institutions, attracting high-level talent and continuously strengthening its technological innovation capabilities.

During the reporting period, the company maintained long-term and close collaborations with universities such as China Agricultural University, as well as research institutions including the China Household Electrical Appliances Research Institute. Through various forms of technical cooperation and academic exchanges, the company has solidified its theoretical foundation and continuously elevated its level of technological innovation.



## Collaborative Achievements

During the reporting period, Changhong Meiling collaborated with Zhejiang University, Hefei University of Technology, and China Agricultural University on a total of 4 scientific and technological projects, of which 2 were completed and 2 are ongoing.

In collaboration with Hefei University of Technology, the company researched household refrigerator food preservation technology for portioned cooked meals, winning the First Prize of Science and Technology Progress Award of China Light Industry Council. As part of this project, the company led the formulation and release of 2 group standards and published 2 academic papers.

In collaboration with China Agricultural University, the company researched the flavor components and influencing mechanisms of fresh meat, leading to the formulation and release of 1 group standard.



## Case

Zhongke Meiling's innovatively developed centrifuge products have been adopted by prestigious institutions such as Tsinghua University and the Northeast Institute of Geography and Agroecology, Chinese Academy of Sciences. These products provide practical support for researchers in centrifugal theory studies and, through Changhong Meiling's cutting-edge technology, better serve research in life sciences, biological sciences, and other advanced scientific fields, ultimately contributing to the advancement of China's foundational science and technology.



## Case

Zhongke Meiling has established a deep collaboration with Fudan University in Shanghai, launching a new scientific research scholarship program. The company will invest a total of 500,000 RMB to support basic medical research at Fudan University, fostering academic research and providing strong support for the growth of scientific talent in higher education.



On-site Exchange for the Collaborative Project with Zhejiang University: "Research on Storage Characteristics and Health Factor Regulation Technology of Aquatic Products"



Changmei Living Appliances, through its collaboration with the China University of Geosciences (Wuhan), successfully developed a strontium-rich mineralized filter. Utilizing advanced mineralization technology, this filter effectively removes pollutants from water while releasing trace elements such as strontium, selenium, and zinc, which are beneficial to human health. This innovation significantly enhances the quality and health value of drinking water products.





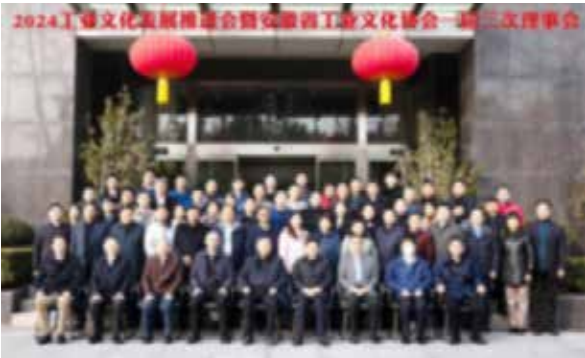


Industry Exchange

Industry collaboration and exchange serve as a crucial foundation for driving business development and technological innovation. Changhong Meiling actively organizes and participates in domestic and international industry innovation and technology exchanges, engaging with peers with an open mindset to share best practices and industry trends. In 2024, the company continued to host and participate in industry innovation and technology exchange events, including China Refrigerator Industry Development Conference, China Household Appliance Technology Conference, China Appliance Science & Technology Conference, IFA Berlin (Internationale Funkausstellung Berlin), the Appliance & Electronics World Expo (AWE) in Shanghai, and the Annual Conference of Anhui Provincial Association of Refrigeration. These efforts have yielded significant results in strengthening industry technical exchanges and learning.



2024 Annual Conference and Sci-tech Exchange Conference of Anhui Provincial Association of Refrigeration



Third Meeting of the First Council of the Anhui Industrial Culture Association



2024 Refrigerator Industry Development Conference



2024 China Household Electrical Appliances Conference

Case

During the reporting period, Changmei Living Appliances successfully participated in drafting the group standard Technical Specification for Instant Water Heaters. This once again highlights Changhong Meiling's leading position in the water appliance sector and demonstrates the company's important role in promoting industry technological innovation and standardization efforts.



Case

Through scientific research exploration and industry collaboration, Changmei Living Appliances successfully participated in drafting the group standard *Technical Specification for Performance Testing and Characterization Methods of Range Hoods*.

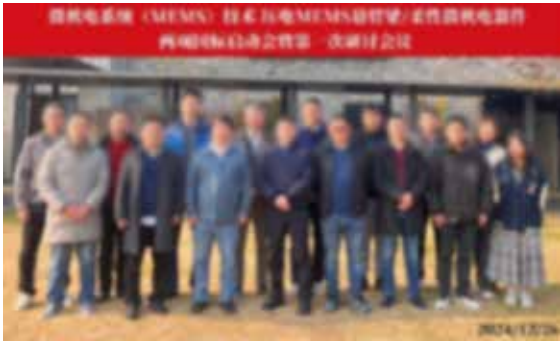


Category	Led Drafting	Participated in Drafting	Total
National Standards	16	35	51
Industry Standards	6	9	15
Group Standards	7	16	23
Total	29	60	89

Summary of the Company's Participation in Drafting National, Industry, and Group Standards

The company has participated in the formulation and revision of industry standards and group standards multiple times, contributing to the overall development level of the industry and the improvement of product quality.

In December 2024, Changhong Meiling, as a member of the drafting working group, participated in the National Household Electrical Appliances Standardization Technical Committee Secretariat's meeting in Hangzhou, Zhejiang Province. The meeting focused on drafting two national standards: *Specifications for User Experience Design Evaluation of Household and Similar Electrical Appliances* and *Design Specifications for User Experience Laboratories of Household Electrical Appliances*.



Micro-Electro-Mechanical Systems (MEMS) Technology: Launch Meeting for the Development of Two National Standards

Achievements in Technological Innovation

Innovative R&D Achievements

Based on its industrial technological expertise and professional advantages, Changhong Meiling has systematically organized its technological achievements according to the company's actual needs and application directions. The company continuously promotes the industrialization of these achievements, providing productivity for its development, creating value for users, and injecting strong momentum into the industry's progress.

Business Segment Industrialization Achievements

Refrigerator (and Freezer) Products

By accurately capturing market trends and consumer preferences, the company has focused on product upgrades centered around "freshness, slimness, narrowness, and embedded design". In 2024, the company further strengthened its product competitiveness, solidifying its product identity with the "Meiling Fresh", "Meiling Slim", "Meiling Narrow", and "Meiling Embedded Design" series.

Washing Machine Products

The company has deeply understood user needs, rapidly enhanced its core technological capabilities, and optimized its product portfolio. Building on its hand-washing-like drum series, the company pioneered the "Blue Oxygen Residue Removal Technology" and launched the "Blue Oxygen Hand-Washing" series. For pulsator washing machines, the company expanded its "Hercules" series lineup, creating distinctive products with strong brand identity.

Air Conditioning Products

With a user-centric approach, the company focuses on addressing user pain points. Following the product strategy of "AI + Wind Sensation, Airflow, and Control", it upgraded its exclusive 360° dust-free and dual-wing wall-mounted units, as well as the Panda Lazy cabinet units, and introduced the "Super Energy-Saving" series of cabinet units. These efforts embody Changhong Air Conditioning's brand philosophy of "Precision Engineering, Comfort in Every Degree".

Major and Small Kitchen Appliances

The company focuses on its core product lines, guided by market demand, and strengthens its R&D capabilities to optimize product structures. In the small appliance category, the company continued to excel in core segments, launching products such as the N10 Fresh Water Series Tea Maker and the second-generation Honeycomb Energy-Efficient Gas Water Heater.

Biomedical Equipment

Adhering to the brand philosophy of "using products as the primary medium to deliver core value to users", the company focuses on the life sciences sector. Based on user scenario needs, it continuously advances product innovation and quality upgrades, providing professional full-scenario solutions. This effort has shaped a safe and stable brand image, further enhancing the company's influence.

Changhong Meiling's "Blue Oxygen Hand-Washing" Series Drum Washing Machine combines the triple-force hand-washing-like technology with the blue oxygen residue removal technology, reducing detergent usage while thoroughly cleaning and removing residues, thereby minimizing environmental pollution.



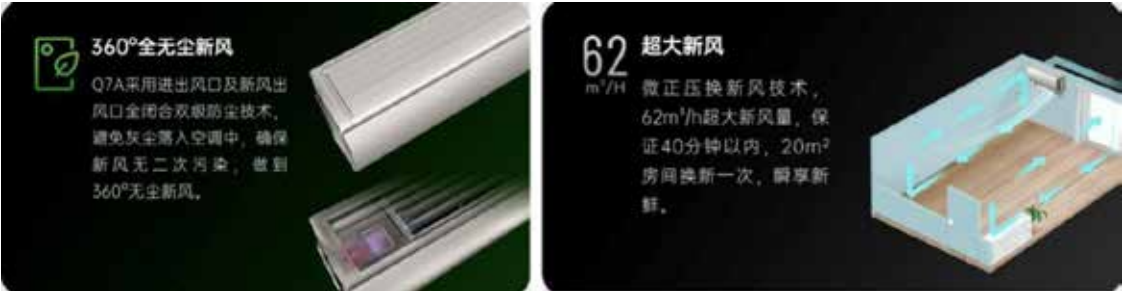
In October 2024, the company launched the world's first air-cooled inverter kitchen refrigerator (Meiling Inverter Energy-Saving King). In the commercial kitchen refrigerator sector, Meiling pioneered inverter technology, achieving energy savings of over 45%, leading the industry by a significant margin.



In 2024, Changhong Air Conditioning conducted key research on refrigerant flow control, focusing on refrigerant flow matching control, expansion valve opening control, and air conditioning performance matching tests. This led to the development of a patent portfolio for energy-saving air conditioning technologies based on adaptive refrigerant flow regulation. Without increasing product costs, the company significantly improved product energy efficiency and applied these advancements to the "Super Energy-Saving" series products Q7V/EV. The results were remarkable: the energy efficiency ratio of the 72Q7V/EV model exceeded the national standard by 19.05%, while the 51Q7V/EV model exceeded it by 17.33%, delivering an enhanced energy-saving experience for users.



In 2024, Changhong Air Conditioning independently developed and launched the Q7A air conditioner. As the industry's first fully dust-free fresh-air conditioner, it leverages 5A fresh air technology to once again lead industry development trends, ushering in the era of "dust-free fresh air" for fresh-air conditioners.



### R&D Innovation Honors

The company's consistent and stable output of R&D achievements has been widely recognized by government departments, industry associations, and the market, earning numerous qualifications and honors.

Award-Winning Service/Technology	Name of Honor	Award/Honor
Key Technologies and Equipment Innovation for Quality Control in Cold Chain Logistics of Pre-Made Meat Dishes	2023 First Prize of Science and Technology Progress Award of China Light Industry Council	
Meiling BCD-507WQ6S, Meiling BCD-511WQ6F	2024 German Red Dot Award	
BCD-560WPBX Large Freezer Air-Cooled Refrigerator, BCD-507WPU9CDZX Constant Temperature Micro-Freezing Fresh Freezer	Provincial-Level New Product Award	

Award-Winning Service/Technology	Name of Honor	Award/Honor
Frozen Fresh French Five-Door Refrigerator BCD-510WP9BDZ, Cloud-Based Automatic Fault Diagnosis Technology for Refrigerators, Drum Washing Machine LRS1AH100D, AI Adaptive Cloud Freshness Preservation Technology	20th China Household Appliances Innovation Award	
Refrigerator (Open State)	2024 Anhui Provincial Exterior Design Patent Silver Award	
Development and Industrialization of Air Conditioning Software Systems Based on Digital Simulation Technology	Ministry of Industry and Information Technology's 2024 "Digital Three Products" Application Scenario Typical Case List	
Super Energy-Saving Series Air Conditioners	Chinese Association of Refrigeration's "2023 Energy-Saving and Eco-Friendly Product Award" and "Smart Energy-Saving Pioneer" Honor at the Air Conditioning Industry Development Conference	

Award-Winning Service/Technology	Name of Honor	Award/Honor
Numerical Simulation Software Development and Application for Vibration and Noise in Inverter Air Conditioner Compressor Pipelines	Excellence Award at the First Mianyang Data Application Innovation Competition	
Development and Industrialization of Air Conditioning Software Systems Based on Digital Simulation Technology	Third Prize at the 2024 "Data Factor x" Competition Sichuan Division Finals	

Intellectual Property Protection

Intellectual Property System Construction

The company places great emphasis on intellectual property (IP) management. In accordance with relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, the company has continuously improved its internal systems, including the *Trademark Management Regulations*, *Detailed Rules for the Implementation of Trademark Management Regulations*, *Special Authorization Regulations for Trademarks*, *Patent and Technical Know-How Management Regulations*, *Patent and R&D Collaboration Management Regulations*, *Intellectual Property Management Regulations*, and *Intellectual Property Protection Management Measures*. These systems standardize the creation, utilization, protection, and management of intellectual property, ensuring that IP work is deeply integrated into the entire product R&D process.

Additionally, the company has continuously refined its IP management and incentive mechanisms, actively building a digital IP management system (IPS system). This system enables full lifecycle management of intellectual property, unifying the application, agency, and response submission processes online, with complete process support and logging. This has further improved the efficiency of IP management and advanced IP management toward standardization and scientific rigor.

During the reporting period, the company did not encounter any IP infringement litigation cases.





IPS System



Intellectual Property Management System Certification

Intellectual Property Protection Measures

Risk Prevention and Infringement Response

Before initiating business activities, the company conducts IP infringement risk analysis, identification and risk warnings for patents, trademarks, and promotional language, ensuring that IP risks are controllable and managed effectively throughout the business process.

During product development, R&D personnel (RD) and IP managers (IP) collaborate to conduct patent mining and layout based on market demand, establishing a technical intelligence risk database and marking patent technology guidelines.

The company has established a linkage mechanism with internal departments and external organizations for trademark registration, patent applications, infringement risk analysis, infringement risk avoidance, and IP rights protection.

During the reporting period, Changhong Meiling, in collaboration with external anti-counterfeiting agencies, obtained over 400,000 RMB in compensation from cases involving trademark infringement and the production and sale of counterfeit products.

IP Application and Registration

The company protects technological achievements generated during R&D through proactive patent applications. Product designs or patent applications are carefully crafted to avoid existing patented technologies, preventing patent disputes and infringement.

IP Awareness Training

To enhance employees' ability to manage IP risks, the company participates in IP protection lectures organized by provincial, municipal, and industry associations and conducts internal IP-related training sessions.

During the reporting period, the company organized 3 IP training sessions, with a total of 100 participants.



Key performance in 2024 As of December 31, 2024

Number of Valid Patents  
**3,933** Patents

Number of Invention Patents Applied to Core Business  
**981** Patents

Number of Software Copyrights  
**98** Copyrights

**Statistical Scope:** Changhong Meiling, Hongmei Intelligent, Jiangxi Meiling, Mianyang Meiling, Ridian Technology, Changmei Living Appliances, Changhong Air Conditioning, Zhongke Meiling, Zhongshan Changhong.

Governance of Scientific and Technological Ethics

Changhong Meiling adheres to the *Guidelines on Strengthening the Governance of Scientific and Technological Ethics*, continuously improving its scientific and technological ethics system, enhancing governance capabilities, and effectively preventing and controlling ethical risks. For AI applications in refrigerator big data research, the company actively conducts safety education and training, continuously strengthening its understanding of AI ethics. During the reporting period, the company did not encounter any violations of scientific and technological ethics.

Case

In the development of AI-enabled air conditioning products, the company consistently upholds a high sense of responsibility and strictly follows scientific and technological ethics principles. To provide high-quality services while protecting user privacy, the company only collects and analyzes data related to the operation of air conditioning products, ensuring that the application of AI technology fully complies with relevant laws, regulations, and social ethical standards.

Employees

Four-Element Framework for Employee-Related Issues

Governance Related to Employees

Talent is the cornerstone of corporate development. The company places high importance on employees' rights and well-being, establishing a robust employee management system, valuing employee contributions, standardizing employment practices, and promoting value co-creation and benefit-sharing between the company and its employees.

Strategy Related to Employees

Changhong Meiling has built a comprehensive training management system, implementing systematic training plans, process safeguards, and resource allocation to meet employees' career development needs and the company's strategic goals. The company focuses on core talent and adheres to a compensation philosophy of "reflecting position value and performance orientation", establishing a compensation management system aligned with the company's strategic and operational objectives.

Risk and Opportunity Identification and Mitigation Measures

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Other Risks	In labor-intensive production models, employee dissatisfaction with salaries and working conditions may lead to labor conflicts	Medium	Short Term	<ul style="list-style-type: none"><li>Establish a performance-oriented flexible compensation mechanism</li><li>Create a regular communication platform, hold periodic meetings, and respond promptly to employee concerns through a complaint mailbox</li><li>Reduce labor intensity and dependency through smart manufacturing equipment, such as automated production lines</li></ul>
	Intensified industry competition may lead to the loss of core technical personnel	High	Medium Term	Improve promotion and incentive mechanisms. For core employees, implement equity incentives or employee stock ownership plans to deepen their commitment to the company
Other Opportunities	The carbon neutrality policy drives enterprises toward green manufacturing transformation, creating demand for professionals skilled in low-carbon technologies and providing employees with career advancement opportunities	Medium	Medium to Long Term	Develop employees through internal training systems to reduce the cost of external recruitment

Management of Impacts, Risks, and Opportunities Related to Employees

The company has formulated talent development management systems, including the *Meiling Talent Team Building Plan*, *Job Grade Management Measures*, *Company Technical Expert Management Measures*, and *Meiling Vocational Skill Level Certification Implementation Measures*. It has established vertical development channels across six categories: management, R&D, technology, function, marketing, and production. Additionally, the company has created horizontal career development pathways, implementing a dual-channel management model for professional and managerial roles. Each channel has multiple promotion levels, guiding employees' career development and breaking the "glass ceiling" for talent growth.



Indicators and Goals Related to Employees

Based on laws and regulations, national standards, *the Guidelines* requirements, and the company's actual conditions, we have set relevant goals for employee-related issues and continuously track their progress. During the reporting period, we achieved the following employee-related objectives:

	Target	Time Frame	Progress During Reporting Period
Employee Recruitment	Female manager ratio exceeding 10%	Short Term	Completed
Employee Turnover	Employee turnover rate below 5%	Short Term	Completed (actual turnover rate: 2.98%)

Employee Employment

Compliant Employment

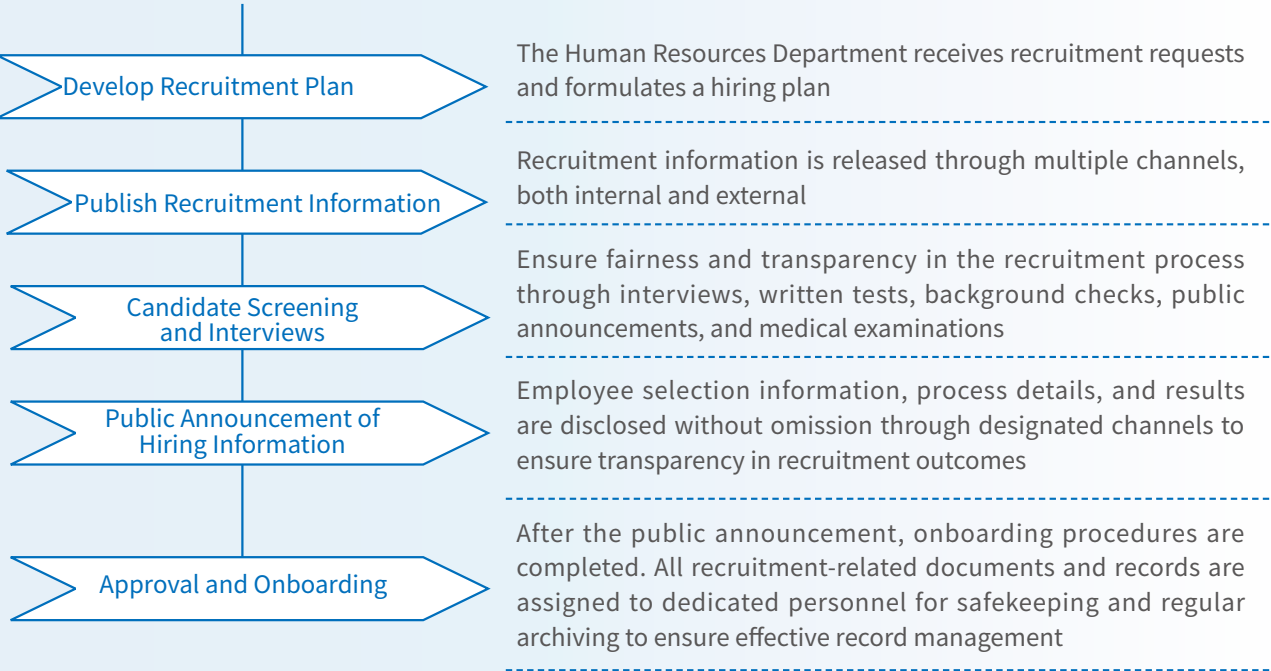
Changhong Meiling strictly complies with laws and regulations, establishing internal employment management systems such as the *Recruitment Management Regulations*, *Social Responsibility Personnel Management Regulations*, and *Meiling Employment Information Disclosure Standards*. These systems ensure a compliant and lawful recruitment and employment process, fulfilling the company's responsibilities as a corporate citizen. Following the recruitment principles that put people first, prioritize fairness, equity, and matching the right person to the right job, the company conducts recruitment activities in accordance with internal processes such as the *Recruitment Management Regulations*. It employs various recruitment methods, including social recruitment, campus recruitment, and headhunting, to attract top talent. The company emphasizes openness, fairness, and transparency in its recruitment process, establishing a fair, democratic, competitive, and merit-based talent selection mechanism to build a high-quality workforce.







▷ Changhong Meiling's Recruitment Process



The company strictly prohibits the use of child labor and forced labor, safeguarding employees' basic rights in recruitment, treatment, and promotion. In 2024, the company did not encounter any incidents involving child labor, forced labor, harassment, bullying, or intimidation.

Prohibition of Child Labor and Management of Underage Workers

When recruiting, the hiring entity must rigorously check the identification documents of applicants and confirm their accuracy before registering them for employment.

If a minor under the age of 16 is discovered, any company personnel must immediately report to the relevant departments and take appropriate remedial measures.

For underage workers aged 16 or above but under 18, the company continuously monitors their health conditions to ensure their physical and mental well-being.

Prohibition of Forced Labor

All employees hired by the company must be employed on a voluntary basis. Any form of forced labor is strictly prohibited, and deceptive practices to lure employees to work in the factory are not allowed. The company prohibits the employment of prison labor.

If the company uses violence, threats, or illegal means to restrict personal freedom to force workers to labor, employees may report to local public security authorities. If acts such as humiliation, corporal punishment, illegal searches, or detention constitute a crime, the company will investigate and hold the responsible parties accountable.

Employee Employment and Composition

Total Number of Employees

14,655 Person

Number of Production Staff

7,410 Person

Number of Sales Staff

4,458 Person

Number of Technical Staff

1,911 Person

Number of Financial Staff

292 人

Number of Administrative Staff

584 Person

Number of Employees with High School Education or Below

9,096 Person

Number of Employees with College Education

2,282 Person

Number of Employees with Bachelor's Degrees

3,054 Person

Number of Employees with Master's Degrees or Higher

223 Person

Number of Female Employees

6,835 Person

Proportion of Employees with Disabilities

0.5 %

Proportion of Female Executives Among Total Executives

23.53 %

Number of Female Senior Managers

4 Person

Social Insurance Coverage Rate

100 %

Diverse Workplace

Changhong Meiling consistently adheres to a diverse, equal, and fair employment policy, prohibiting all forms of discrimination based on nationality, gender, age, ethnicity, disability, or other factors. We respect employees from diverse cultural backgrounds and religious beliefs, striving to create an inclusive and diverse workplace atmosphere.

Prohibition of Discrimination  
and Exploitation

The company does not allow managers to engage in any coercive, threatening, humiliating, or exploitative behavior toward employees, including gestures, language, or physical contact. Employees may file complaints about discrimination in writing or verbally. The company's management will assign investigators to address the complaints and provide a verbal or written response to the complainant within 15 days.

During recruitment, the company shall not inquire about female applicants' pregnancy status or require female applicants to take pregnancy tests or set it as a precondition for employment.

Prohibition of Discrimination  
and Exploitation

The company strictly prohibits physical punishment and verbal abuse of employees, as well as sexual harassment and wage deductions as punishment. Violators will be warned or dismissed depending on the severity of the offense.

The company prohibits employees from making sexually suggestive, humiliating, or otherwise inappropriate comments or actions toward others in the workplace.

Creating Flexible Positions

In active response to national policies and calls to strengthen flexible employment and protect the rights of workers in new employment forms, Changhong Meiling has established comprehensive employment management standards for flexible positions. These standards ensure that employees' rights in terms of compensation, benefits, and career development are fully protected. The company has also set up effective communication channels and feedback mechanisms, allowing employees to report issues promptly. The company will then implement targeted improvements and remedial measures.

Changhong Air Conditioning and its subsidiaries, based on their production and operational characteristics, use labor dispatch and part-time employment to address peak-season labor shortages. A total of approximately **2,018** flexible workers were recruited.

Labor Dispute Resolution

Changhong Meiling strictly complies with relevant laws and regulations, such as the *Labor Contract Law of the People's Republic of China* and the *Labor Law of the People's Republic of China*. By formulating internal personnel management systems, including the *Human Resource Management Procedures* and *Labor Contract Implementation Management Measures*, and establishing an employee complaint platform, the company fully safeguards employees' rights and provides channels for employee grievances. Additionally, the company has designated specialized positions for labor relations, responsible for effectively preventing and mediating labor disputes, resolving them at the earliest stage.

Labor Dispute Resolution Mechanism

Direct Negotiation Between the Parties Concerned:

In the event of a labor dispute, the involved parties should first attempt to resolve the issue through equal and fair negotiation. If no agreement is reached, the parties may apply for mediation through a labor dispute mediation organization.

Third-Party Mediation:

The company's labor union serves as the labor dispute mediation organization, responsible for receiving and mediating internal labor disputes. Mediation must be conducted by a third party with no vested interest in the dispute. Individuals who may compromise the fairness of the mediation process are not permitted to participate.

Mediation Outcome:

If a mediation agreement is reached, both parties are expected to voluntarily fulfill the terms. If no agreement is reached, either or both parties may file for labor arbitration with the competent labor dispute arbitration committee.



Employee Compensation and Benefits

Compensation and Benefits

Changhong Meiling strictly complies with relevant national laws, regulations, and policy requirements. The company has established internal compensation systems, including the *Compensation Management Measures*, *Performance Evaluation Management Measures*, and *Employee Benefits Management Measures*, to regulate compensation management, distribution, and payment. These measures enhance the internal fairness and external competitiveness of the company's compensation structure. The company has developed a compensation structure tailored to various positions, primarily consisting of base salary, special rewards, and performance incentives. In addition, the company provides corresponding benefits and allowances in accordance with national laws and regulations. Furthermore, the company dynamically adjusts compensation through job value evaluations, performance-based salary adjustments, and technical points systems, ensuring that employees' compensation levels meet market standards and their personal needs.

► Compensation and Benefits Structure

Compensation Structure

Base Salary + Variable Pay (Performance Bonuses, R&D Project Awards, Patent Awards, Sales Commissions, etc.)

Benefits Structure

Five Social Insurances and Housing Fund, Regular Health Checkups, Employee Care (Gym, Holiday Benefits, Team Building, etc.), Allowances (Communication Allowance, High-Temperature Subsidy, Meal Allowance, etc.)

Performance Appeals

The company has clearly defined the performance appeal process, ensuring the fairness and accuracy of performance evaluations through three aspects: performance result disclosure, performance feedback, and performance audits.

- 01

Performance Result Disclosure

Each department must disclose its evaluation criteria and results. Employees who disagree with their performance evaluations may submit written feedback to the Human Resources Department within the specified time frame.
- 02

Performance Feedback

The company has established multi-level feedback channels. Appeals must be processed and responded to within the stipulated time, and temporary review meetings may be convened if necessary for adjudication.
- 03

Performance Audits

The Human Resources Department, in accordance with the compensation and performance system and rules, may audit performance evaluations, incentive distributions, and compensation outcomes. An accountability mechanism has also been established.

Employee Satisfaction

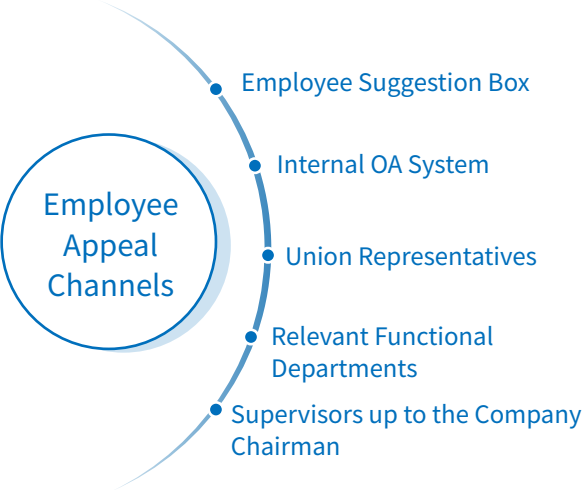
The company actively conducts employee satisfaction surveys through questionnaires, forums, and other methods to gain in-depth insights into employees' genuine thoughts and demands. Based on the survey results, the company analyzes and discusses the findings, promptly addressing existing issues to comprehensively improve employee satisfaction. Management strategies are adjusted and optimized to achieve mutual growth for both the company and its employees.

In 2024, Changhong Meiling, in accordance with the *Employee Satisfaction and Engagement Management Implementation Measures*, conducted a questionnaire survey through a third-party agency to understand employees' true thoughts and demands.

The overall satisfaction score was **72.4**, and the overall engagement score was **72.6**, both representing a **2%** year-on-year increase.

Democratic Communication

Changhong Meiling places high importance on employees' democratic rights. The company has established democratic management systems, including the *Workers' Congress Work Regulations* and the *Notice on Regulating the Listening and Resolution of Grassroots Employee Opinions by Managers at All Levels*. These systems ensure smooth channels for democratic participation, collect employee opinions and demands through multiple avenues, implement rational suggestions, and build a diversified feedback mechanism. The company fosters an equal dialogue space, ensuring that grassroots demands are fully valued and transformed into key drivers for optimizing organizational efficiency. Every employee's voice is heard, and rational suggestions are actively implemented. The company has established democratic management mechanisms such as labor unions and workers' congresses, standardizing the procedures for convening workers' congresses to ensure procedural justice in employees' democratic management rights and corporate governance structures.



During the reporting period, Changhong Meiling and its subsidiaries held workers' congresses, during which agreements were signed on collective wage negotiations, collective contracts, special collective contracts for the protection of female employees' rights, and special collective contracts for labor safety and health.



Workers' Congress

Case

In 2024, Changhong Meiling received a total of 248 rationalization suggestions, implemented 248 improvement measures, and achieved economic benefits of 19.098 million yuan.

Employee Care and Support

Changhong Meiling is deeply committed to the well-being of its employees, striving to create a warm and caring corporate environment. The company organizes various activities to alleviate work-related stress, offering diverse support and care initiatives to enhance the quality of life for its employees, thereby boosting their sense of happiness and belonging.

Employee Support

The company's labor union continuously monitors the family situations of employees facing difficulties. During the reporting period, the company distributed a total of 320,000 RMB in financial aid, benefiting 488 employees in need, helping them overcome challenges with the company's support.



for Employees in Need



Spring Festival Care Campaign

Case

Family Care and Educational Support

To support employees in their children's education, Zhongshan Changhong has implemented an educational assistance program, helping employees resolve issues related to their children's school enrollment. Additionally, the company has organized diverse activities such as swimming classes, family outings, and factory tours under the "Employee Children Summer Camp" program. Furthermore, the company provides financial aid to employees whose children are entering university, demonstrating its support and encouragement for employee family education.



"Employee Children Summer Camp" Activities

Employee Physical and Mental Health

Case

Psychological Counseling Courses to Prioritize Employee Mental Health

Changhong Meiling has launched a series of courses titled "Mental Health—Mindfulness and Stress Relief" to guide employees in focusing on their physical and mental well-being. These courses teach employees how to manage stress effectively, utilize internal resources more efficiently, and enhance their confidence and happiness. Over 300 employees participated in these courses, both online and offline.



Changhong Air Conditioning has developed an annual mental health plan, inviting psychology experts to conduct professional courses. The company has organized a series of lectures on "Production Line Safety Psychology" and arranged monthly one-on-one professional psychological counseling sessions for employees. Throughout the year, 84 employees participated, accumulating over 4,000 minutes of therapeutic time.



Psychology Enthusiast Team Learning



Case

Collaborating with Medical Institutions to Care for Employee Health

Changhong Meiling has invited a team of traditional Chinese medicine (TCM) practitioners to provide on-site consultations, allowing employees to access professional and detailed medical services during their work breaks. Employees can gain a deeper understanding of their health conditions and receive personalized TCM treatment advice and wellness guidance.



On-site Medical Services

Changhong Air Conditioning has partnered with medical institutions to provide on-site medical services within the company's premises. These services include consultations, acupuncture, massage, emergency care, and health training, ensuring the well-being of nearly 6,000 employees in the industrial park.





## Care for Special Groups

The company actively cares for and supports special groups such as employees facing difficulties and female employees, showing concern for their work and personal lives, and making them feel the warmth and care from the company.

### Case

The company organizes irregular visits to special groups, understanding the needs of disabled employees in their work and daily lives, and assisting them in resolving issues.



Special Group Care Campaign

### Case

To meet the nutritional and privacy needs of nursing mothers, Zhongke Meiling's cafeteria offers special meals for pregnant and nursing employees. Additionally, the company has established nursing rooms to provide private and comfortable spaces for nursing mothers.

During the reporting period, Zhongke Meiling was honored with the "Women Workers' Home Nursing Room" award by the Anhui Provincial Trade Union.



## Balancing Work and Life

The company actively organizes a variety of cultural and sports activities to enrich employees' leisure time and foster better communication among them.

### Case



Department Team-building Activity



Employee Interest Class



Football Match



Spring Festival "Paper-cutting" Activity



Dance Competition



Various Club Activities



Changhong Meiling's 2nd Gratitude Festival Featuring Fresh Food Market



Multi-skill Knowledge Competition

## Deepening Employee-Family Connections

To help employees' families gain a deeper understanding of the Company, its culture, and their loved ones' work environment and responsibilities, we launched the Meiling OpenDay initiative. This program invites family members to participate in corporate tours, professional presentations, knowledge quizzes, craft workshops, and other interactive activities, fostering a warm bridge between families and the enterprise.



OPEN DAY Meiling OPEN DAY



Fun Sports Day

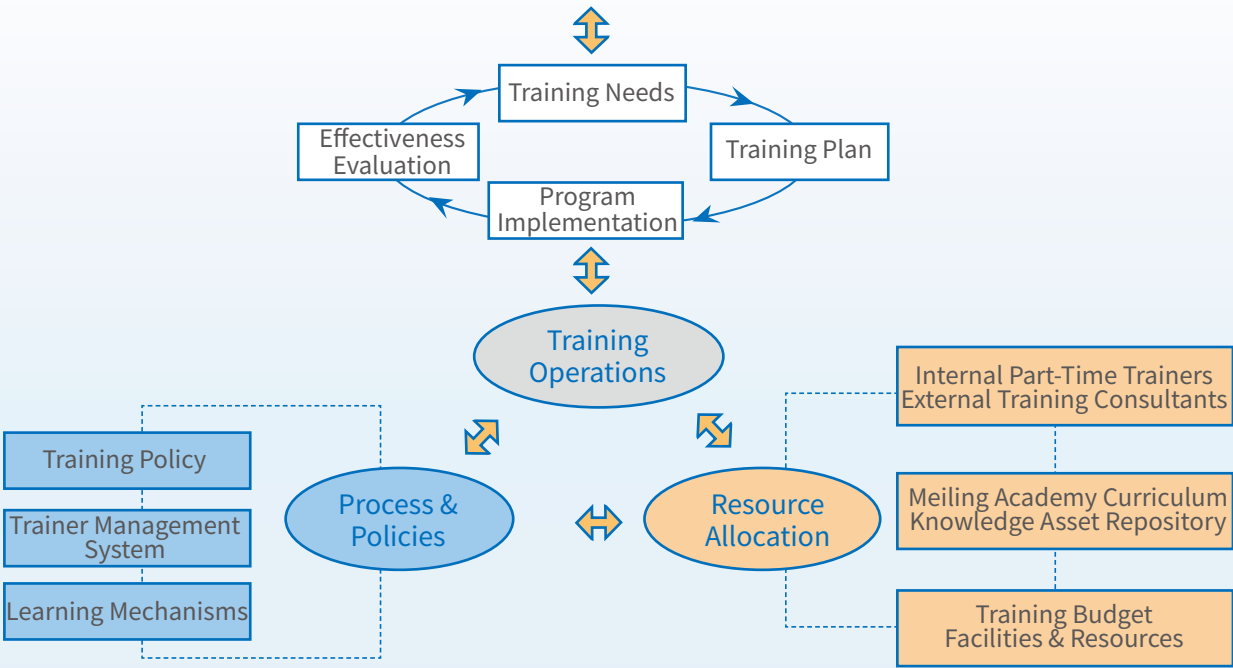
Employee Training and Development

Employee Training and Continuing Education

Training Management System

The company has established a three-tier training management system at the corporate, business unit, and departmental levels. Starting from identifying training needs, the company conducts detailed assessments to develop targeted training plans and courses. These plans are effectively implemented, supported by standardized processes and optimized resource allocation, ensuring the effectiveness of the training programs.

Employee Knowledge/Skill Requirements Strategic Goal Alignment  
Career Development Needs



Changhong Meiling's Training Management System

Based on job learning roadmaps, the company systematically organizes annual course development for various job sequences through experience extraction and external knowledge integration. This has gradually formed a comprehensive Meiling professional course system. In 2024, the company launched a micro-course development plan, organizing departments to review courses across 16 job sequences, resulting in the development of 302 micro-courses.

Throughout the year, various departments conducted a total of 3,307 online and offline training sessions at both departmental and corporate levels. The training coverage reached 100% of employees, and the average training hours per employee have steadily increased for three consecutive years.

Employee Training Data



Targeted Training Content and Diverse Training Methods

Employee Category	Training Methods	Main Training Content
New Employees - Operators	Face-to-face, Hands-on Training	Corporate Culture, Safety, Quality, Operational Processes, etc.
New Employees - College Graduates	Online Meiling Management Academy, Face-to-face, Job Rotation	Corporate Culture, Strategy, System Processes, Safety, Products, Job-specific Knowledge, Management Systems, etc.
Professional Staff	Online Meiling Academy and Knowledge Resource Library, Face-to-face, Internal Training and Sharing	Cultural Behavior Standards, Professional Knowledge, Process and System Training, Internal Experience Sharing, etc.
Team Leaders and Line Supervisors	Online Meiling Manufacturing Academy, Internal Training and Sharing	Cultural Behavior Standards, Safety, Team Management, Lean Management, Product Management, Smart Manufacturing, New-generation Employee Management, etc.
Core Key Personnel	Online Meiling Academy, Professional Lectures, External Development, Industry Forums	Cultural Behavior Standards, Professional Knowledge, Industry Trends, Cross-system Professional Courses, Skill Gap Training, etc.
Reserve Talent Pool	External Training, Online Meiling Academy, Professional Lectures, Elite Lecture Hall, Job Rotation, etc.	Innovative Thinking, Professional Skill Enhancement, Management Courses, Industry Development, etc.
Middle Management	External Training, visits, Online Chaos University, CEIBS, Study Tours, Executive Lecture Hall, etc.	Innovative Thinking, Management Courses, DDI Leadership, Crucial Conversations, Industry Development, etc.
Senior Management		Integrated Innovation, Corporate Practice, Audiobooks, Senior Executive Forums, etc.





Case

Elite Lecture Hall, Internal Experience Sharing

To fully leverage the knowledge and experience of the company's core talent, Changhong Meiling launched the "Elite Lecture Hall" training program. This initiative taps into the professional expertise of mid-to-senior managers and experts, enabling the rapid dissemination of elite knowledge and experience to other employees, thereby creating high-level professional training sessions.



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质量，作为企业发展的生命线，一直是我们的重点。而如何经营好质量，更是每一位员工需要深入探讨和学习的重要课题。



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Case

Professional Team Training, Enhancing Professional Skills

The company organized an *internal training session titled Internal Training on Application and Troubleshooting of Yaskawa Robots*, in which equipment operators participated to enhance their professional skills, building a reserve of talent for the professional team.



Case

Supervisor-level Training, Enhancing Management Skills

To improve the leadership and management efficiency of young managers, the company organized a specialized training session titled "Dancing with the New Generation—Positive Communication Based on Employee Differences and Contexts" for supervisors and reserve management personnel.



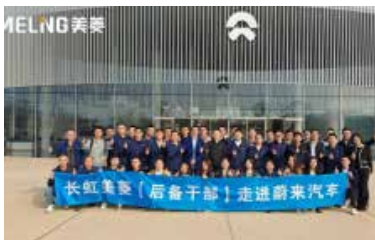
培训特邀APAC幸福学院联合创始人、主席高海霞授课，围绕二代心理特点与沟通，围绕23和以上心理特点与沟通的课题展开互动交流。



Case

Reserve Management Training, Broadening Horizons

To further deepen the understanding of lean management principles and improve management efficiency, the company organized reserve management personnel to visit and train at NIO's advanced manufacturing base. This allowed them to observe lean management practices firsthand and broaden their management perspectives.







Case

### Management Training, Enhancing Leadership Skills

To help managers better understand the impact of generational differences on the company and industry, the company conducted a "Generational Leadership" training program for management personnel. This training provided a systematic methodology and practical tools to empower managers to more effectively unlock the potential and vitality of the new generation.



Case

### New Generation Training, Accelerating Workplace Transformation

In July 2024, the company organized campus recruits to participate in the "Spark Training Camp" conducted by the Changhong Group. This initiative helped new graduates quickly understand the company, integrate into the corporate culture, enhance their sense of belonging, and transition from a student mindset to a professional one.



Case

### Team Leader Training, Enhancing Team Management Skills

To further strengthen team management skills and enhance team cohesion, the company officially launched a core team leader training program in June 2024. This program effectively improved the leadership capabilities of team leaders, providing solid grassroots management support for the company's sustainable development.



Case

### Professional Training, Multi-channel Development

To further help employees explore self-driven multi-channel career development, the company organized a specialized training session titled "Anchoring the Future, Self-driven Multi-channel Development" for core professional employees across various departments.





Ensuring Training Effectiveness

To ensure the effectiveness of training, the company continuously improves the quality and efficacy of training through multi-level training evaluations, credit-based incentives, and the optimization of training teams and platforms.

Four-Level Training Evaluation Model

The company consistently evaluates the effectiveness of various key training programs. Based on employee feedback and evaluation results, the company adjusts training content and methods in a timely manner. The evaluation results are also shared with relevant business departments as a basis for future training plans and needs.

Level of Training Evaluation	Method	Requirements
Level 1	On-site Training Evaluation—Feedback	Trainees evaluate the "satisfaction" with trainers, training courses, and training organization management
Level 2	Learning Outcome Evaluation—Results	Assess trainees' learning outcomes after training through exams or practical operations
Level 3	Behavioral Change Evaluation—Behavior	Evaluate whether trainees' behavior or work performance has improved as expected within 3–6 months after training
Level 4	Economic Impact Evaluation—Effectiveness	Conduct a comprehensive evaluation based on annual performance results and departmental performance outcomes

Training Incentive Mechanism

The company has established a credit-based training system, effectively integrating it with employees' actual work and performance. Training credits serve as a method to motivate and drive employee learning, linking internal evaluations and future career development, thereby enhancing employees' initiative and enthusiasm for learning.

项目	培训类别	学时/学分
新员工培训	入职培训	16学时/1学分
	企业文化培训	8学时/0.5学分
	产品知识培训	16学时/1学分
	销售技能培训	16学时/1学分
在职培训	专业技能提升培训	16学时/1学分
	管理能力提升培训	16学时/1学分
	领导力提升培训	16学时/1学分
	跨部门轮岗培训	16学时/1学分
专项培训	行业前沿技术研讨会	8学时/0.5学分
	行业峰会/论坛	8学时/0.5学分
	行业展会/博览会	8学时/0.5学分
	行业考察/调研	8学时/0.5学分

员工类别	年度培训学时/学分	年度培训学时/学分	年度培训学时/学分
销售人员	16	16	16
管理层	16	16	16
技术人员	16	16	16
生产人员	16	16	16
其他人员	16	16	16

Credit Calculation Mechanism

Training Incentive Mechanism



Enhancing the Capabilities of Training Managers

Training managers are both planners and implementers of training programs. The company provides specialized training for training managers according to plan, improving their management, operational, and resource-building capabilities, thereby enhancing the overall quality and effectiveness of the company's training efforts.

Optimization of the Meiling Academy Platform

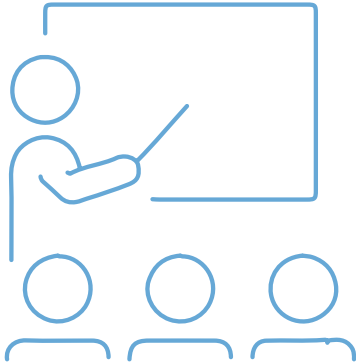
The company continuously optimizes the Meiling Academy management system by evaluating, revising, and integrating existing course materials, standardizing the course review process, continuously developing and validating question banks, optimizing the online credit application system, and increasing the development of micro-courses. These efforts promote online learning and knowledge sharing among employees, creating a knowledge platform with Meiling's unique characteristics.

Building a Strong Trainer Team

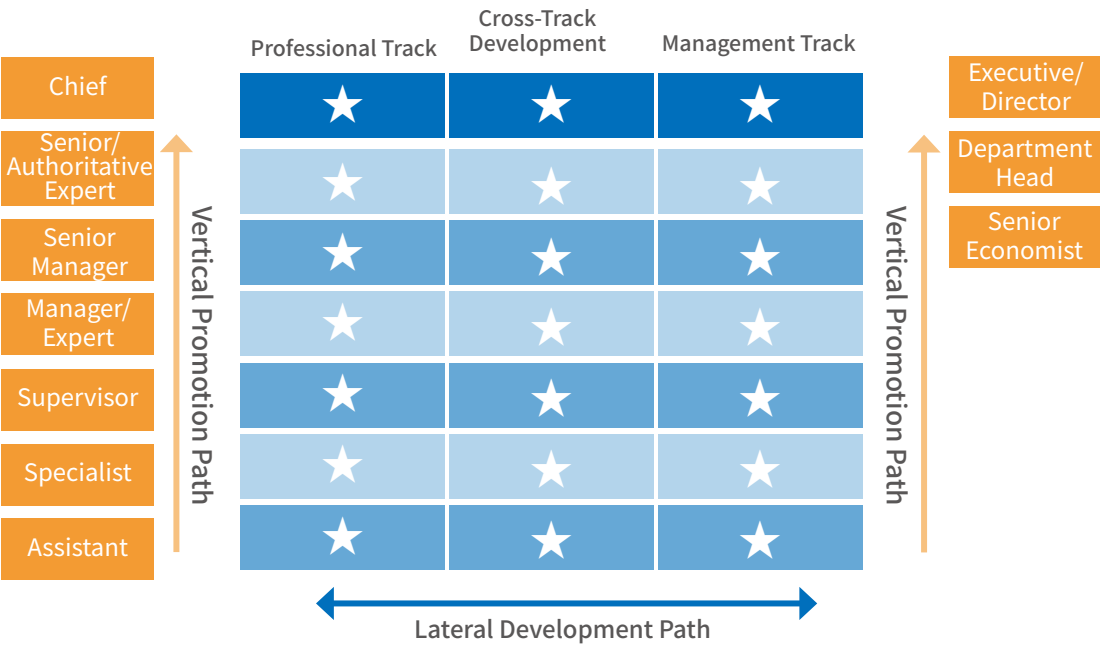
Trainers are the core of the training system. The company has built a high-level internal trainer team, expanding the pool of internal trainers to include mid-to-senior managers and top-performing employees. The company has improved the internal trainer management system and enhanced the teaching capabilities of internal trainers. Regular internal trainer team-building projects are conducted, systematically improving the quality and effectiveness of internal trainers' courses through TTT (Train the Trainer) camps and certification programs. Currently, the company has a team of approximately 160 certified part-time internal trainers.

Employee Continuing Education

To continuously improve employees' educational qualifications, the company encourages employees to pursue on-the-job education. Each year, over 40 employees obtain bachelor's degrees or higher. The company provides rewards to employees upon obtaining their degree certificates, continuously encouraging them to enhance their educational qualifications.



Dual Career Development Pathways



Employee Promotion and Development

Employee Career Development Pathways

Vertical Development Pathways

- Employees in management and professional roles can choose either management or professional development pathways based on their personal career plans, enabling vertical career progression. For management roles, the company conducts dynamic adjustments to the management team through competitive job-presentation and PK among incumbent managers and candidates, combined with democratic evaluations, capability assessments, performance scores, and performance grades. For professional roles, employees are evaluated annually based on performance, technical expertise, and expert assessments, combined with annual performance results and technical credit rankings, to organize employee promotions and ensure orderly vertical career growth.

Horizontal Development Pathways

- Horizontal development includes cross-sequence horizontal development pathways and dual-directional development pathways between management and professional roles. For cross-sequence horizontal development, the company encourages employees from various professional sequences to participate in cross-sequence job competitions based on their career plans, expertise, and capabilities. Additionally, the company has established dual-directional development pathways between management and professional roles, allowing professional employees to compete for management roles and management employees to participate in professional role evaluations.

Career Development Planning and Evaluation

Changhong Meiling provides employees with various career development opportunities at the corporate level, including professional and management pathways, dual career channels, qualification assessments, reserve talent pools, and learning roadmaps. The company conducts comprehensive analysis and balancing based on employees' interests, hobbies, abilities, and characteristics, helping them determine their optimal career goals according to their career inclinations.

Employee Promotion

The company conducts annual performance evaluations for employees in the talent pool. Based on work achievements, learning progress, innovation proposals, and evaluation rankings, combined with feedback from evaluators, the company determines promotions, retention, or removal from the talent pool. Each year, approximately 15 employees are promoted from the talent pool, making it a primary channel for the selection and cultivation of company leaders.

Talent Promotion Mechanism

Talent Pool Promotion

Promotions are based on annual reserve talent readiness, evaluation results, and performance

Annual Rank Promotion

Rank promotions are based on annual performance evaluations and capability growth





Occupational Health and Safety

Occupational Health

Occupational Health Management System

Changhong Meiling strictly adheres to the requirements of laws and regulations such as the *Occupational Disease Prevention and Control Law of the People's Republic of China*. The company has established occupational health management systems, including the *Occupational Health and Labor Protection Supervision Regulations*, *Occupational Health and Safety Operation Control Procedures*, *Occupational Health and Labor Protective Equipment Management Regulations*, and *Occupational Hazard Warning and Notification System*. These systems standardize occupational health processes, continuously improving the company's occupational health management level and providing solid protection for employees' health. By the end of the reporting period, the company and its six subsidiaries had obtained occupational health and safety management system certifications.

Occupational Health Management Process



Occupational Hazard Prevention and Control

To comprehensively safeguard employees' health and safety, Changhong Meiling has developed an occupational disease prevention and control plan, clearly defining the specific responsibilities and measures for the company and its subsidiaries in occupational disease prevention and control. All units are required to strictly implement the plan to ensure the orderly execution of occupational disease prevention and control work. During the reporting period, the implementation rate of the occupational disease prevention and control plan reached 100%.

During the reporting period, the implementation rate of the occupational disease prevention and control plan reached

100 %

Occupational Hazard Prevention and Control Measures

Occupational Hazard Notification

The company has established the *Occupational Hazard Warning and Notification System* to warn employees of potential occupational hazards in the workplace, raising their awareness of occupational risks.

Occupational Health Examinations

The company organizes pre-employment, on-the-job, post-employment, and emergency occupational health examinations, as well as regular employee health checkups, to ensure employees' physical health and safety.

Occupational Hazard Monitoring

The company proactively monitors occupational hazards, identifying potential risks in a timely manner to ensure a safe working environment.

Occupational Health Training

The company defines training content at the corporate, workshop, and team levels, ensuring comprehensive training for employees in basic occupational health knowledge, occupational health management, and job-specific operations.

Labor Protection Facilities

Based on job requirements, the company provides labor protective equipments against various hazards such as noise-proof rooms for noisy equipment, cooling facilities for high-temperature workstations, and personal protective equipment like earplugs, protective clothing, and gloves. These facilities are regularly maintained to ensure proper functionality.

Occupational Health Awareness Campaigns

The company conducts occupational health awareness campaigns, such as Occupational Disease Prevention and Control Law Awareness Week, to continuously improve employees' awareness of occupational health risks.

On-site Occupational Hazard Monitoring

In July 2024, Changhong Air Conditioning conducted on-site occupational hazard monitoring across the factory premises, testing 561 points. No points exceeded safety standards, and the results were publicly displayed on-site.



On-site Occupational Hazard Monitoring



On-site Display of Occupational Hazard Monitoring Results



Occupational Health Examinations

To ensure employees' health and prevent occupational diseases in advance, Changhong Air Conditioning organized occupational health examinations for its employees. The results showed no cases of occupational diseases or suspected occupational diseases. The company informed employees of their examination results and coordinated job transfers for those with occupational contraindications.



Occupational Health Awareness Campaigns

To continuously improve employees' awareness of occupational health, the company organized a series of awareness campaigns under the theme "Prioritize Prevention, Protect Occupational Health". During the reporting period, the company conducted 56 themed lectures, 26 warning education sessions, distributed 223 copies of promotional materials, mobilized 38 campaign personnel, and reached an audience of 5,010 employees.

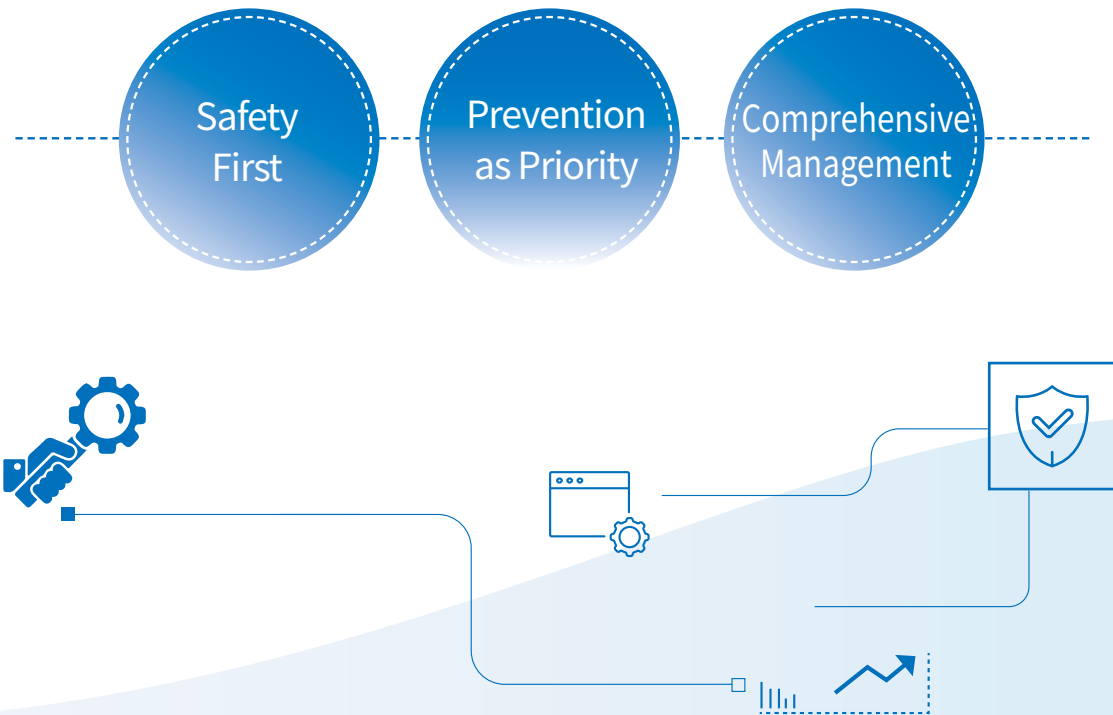


Work Safety

Work Safety Management System

Changhong Meiling consistently adheres to the safety management philosophy of "Safety First, Prevention as Priority, Comprehensive Management" and the core belief that "Safety is the Mountain, Safety is Life". In strict compliance with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the company has formulated and revised 14 internal regulations, including the *Safety Training Management System*, *Hazard Identification and Safety Risk Classification Control System*, *Related Party Safety Management System*, *Hazardous Work Management System*, and *Hazardous Chemical Safety Management Regulations*. These measures strengthen the corporate responsibility system for work safety, improve the dual-control prevention mechanism for risk classification and hazard investigation and management, and actively promote the development of a "Meiling-style" safety culture. The company continues to advance the construction of "Work Safety Standardization", aiming to create an intrinsically safe and scientifically developed enterprise.

The company has established a Safety (Occupational Health) Committee to define key safety priorities, implement safety responsibilities, and build a safe and healthy working environment. The concept of work safety is integrated into every aspect of the company's and its subsidiaries' operations to implement safety production work. By the end of 2024, Changhong Meiling and its seven subsidiaries had obtained work safety standardization certification.





Indicator 2024

Investment in Employee Work Injury Insurance

39010,000 RMB

Employee Work Injury Insurance Coverage Rate

100%

Work Safety Goals

During the reporting period, Changhong Meiling set work safety goals, clearly defining the categories of safety incidents. Subsidiaries followed Changhong Meiling's lead in establishing their own work safety goals to ensure the precision and effectiveness of safety management across the company. In 2024, all of Changhong Meiling's work safety goals were successfully achieved.

	2024 Target	2024 Achievement
Class II and above work safety liability incidents	0	0
Class III work safety liability incidents control target	≤ 2 incidents	0
Work safety liability incidents causing direct economic losses of 300,000 RMB or more	0	0
Occupational diseases (including acute occupational poisoning	0	0

Work Safety Measures

In accordance with the *Work Safety Inspection and Accident Hazard Investigation and Management Regulations* and combined with the identification criteria of significant hazards, the company implements a dual-control prevention mechanism for safety risk classification and hazard investigation and management. This includes mechanisms for in-depth hazard identification, closed-loop rectification, and hazard information tracking. The company conducts regular and systematic hazard investigations and rectifications, focusing on hazard identification and rectification. A hierarchical tracking management mechanism is established to monitor and rectify major safety hazards (Class A/B), ensuring that work safety remains under control.

For work safety inspections and hazard investigations, the company adopts a hierarchical control principle, conducting inspections, investigations, and rectifications at various levels, including operators, grassroots teams, functional departments, production units, and the company as a whole, in accordance with the frequency specified in the *Work Safety Inspection and Accident Hazard Investigation and Management Regulations*.

Work Safety Inspections and Hazard Investigations during the Reporting Period

Safety inspection reports issued throughout the year

53times

Total government inspections throughout the year

8times

issues identified

42issues

fully rectified

Hazard Investigations

Class A hazards were registered at the corporate level

8

Class B hazards were registered

8

resolved

4

under rectification

4

Class C and Class D hazards, which pose lower safety risks, are managed by individual units.

A total of 387 issues were identified

including 35 related to hazardous chemicals

all of which were resolved

Case

Pre-Holiday Safety Inspection Campaign

Before the holidays, to eliminate safety hazards and ensure a smooth post-holiday resumption of work, the company's president and the head of the Safety Committee led a comprehensive safety inspection. Key hazards, such as hazardous chemicals and confined spaces, were thoroughly inspected.





Case

Safety and Fire Safety Review

In October 2024, to enhance the company's work safety management capabilities, identify potential risks, and promptly address safety hazards, Changhong Meiling's expert team conducted safety and fire safety inspections at its subsidiary, Zhongshan Changhong. The inspection focused on safety management documents, on-site risk identification, and hazard investigation, with particular attention to equipment and electrical systems, safety management system documents, hazardous chemical storage and usage areas, and fire safety facilities.



Response to Safety Incidents

To standardize the reporting and investigation of work safety incidents and to prevent and reduce such incidents, the company has established the *Regulations on the Supervision and Management of Work Safety Incident Reporting and Investigation*. These regulations define the classification of incident levels, the division of responsibilities among departments and personnel, incident reporting procedures and content, on-site incident protection, investigation and analysis processes, work injury reporting, and labor capacity assessments. Based on the results of investigations, the company holds responsible units and individuals accountable and proposes improvement measures to enhance overall work safety standards. In 2024, the company experienced no safety incidents.

The company has developed a comprehensive emergency response system, including general emergency plans, specialized plans, and on-site response plans for various scenarios. Regular training and drills are conducted for fire safety, hazardous chemicals, and other incident scenarios to test emergency response capabilities and improve employees' safety awareness.

During the reporting period, the company organized emergency

37 drills

conducted self-rescue

36 sessions

with over

5,000 participants

mutual rescue training sessions, involving

155 employees



Confined Space Rescue Drill



Electric Shock Rescue Drill



Factory-level Fire Emergency Evacuation Drill



Emergency Awareness Training—Summer Heatstroke Prevention and Response





Hazardous Chemical Management

In accordance with laws and regulations such as the *Regulations on the Safety Management of Hazardous Chemicals*, the company has established the *Hazardous Chemical Safety Management Regulations* to standardize the entire process of chemical procurement, equipment and facility management, usage, and storage. Additionally, the company conducts regular training and assessments for relevant personnel and organizes hazardous chemical emergency drills every six months to continuously improve the management of hazardous chemicals.

► Comprehensive Management Measures for Hazardous Chemicals

Chemical Procurement

Chemical procurement strictly follows the company's procurement process to ensure compliance with national laws, regulations, and standards, reducing the risk of chemical incidents at the source.

Supplier  
Qualification Review

The company reviews the qualifications of chemical suppliers to ensure they possess legal permits for the production, operation, and transportation of hazardous chemicals.

Chemical Risk  
Assessment

The company assesses the potential safety risks of new chemicals, identifying physical, chemical, and environmental hazards in advance and implementing corresponding preventive measures.

Work Safety Risk Prevention and Control

The company systematically identifies safety risks, quantifies risk levels using assessment tools, and effectively reduces work safety risks through hierarchical control mechanisms, risk communication measures, and the distribution of protective equipment.

Safety Risk  
Identification  
and Assessment

The company's safety risk classification and control are based on the standards GB 13861 (Classification and Codes of Hazards and Harmful Factors in Production Processes) and GB 6441 (Classification Standards for Work-Related Injuries and Fatalities). The LEC (Likelihood, Exposure, and Consequence) method is used to quantify risk levels, and targeted measures are implemented accordingly.

Safety Risk  
Hierarchical  
Control

Based on different risk levels, control responsibilities are divided into three tiers: department heads, company responsible executives, and company top executives. Each tier has clearly defined responsibilities and duties to enhance accountability. The company conducts an annual identification of hazardous and harmful factors from May to June. After risk assessment, control requirements are proposed from both engineering and management perspectives to comprehensively reduce safety risks.

Safety Risk  
Notification and  
Protection

Safety risk notification signs are posted in hazardous chemical areas, and workers are provided with appropriate personal labor protective equipment to improve workplace safety levels.

Safety Culture Development

The company promotes a diverse range of safety culture awareness and education activities, fostering a culture that values safety, pays attention to safety, and actively participates in safety management. This guides employees to develop correct safety concepts, behaviors, and work practices, achieving the long-term goal of enterprise work safety.

Safety Culture Development during the Reporting Period:

Safety  
Education and  
Awareness  
Campaigns

The company organized 116 lectures, with 3,152 participants; conducted 306 activities such as "Workplace Safety Discussions", pre-shift meetings, and case studies, involving 3,585 participants.

"ANKANG Cup"  
Competitions

23 employees participated in the "Employee Work Safety Zone" specialized learning on the national platform; 1,927 persons participated in quiz competitions; 164 employees completed the "ANKANG Cup" mock exams. The company organized 6 "ANKANG Cup" competitions; released 20 videos for the online "Escape Drill Training Camp".

Safety  
Consultation  
and Promotion

The company held 16 on-site events for the "Safety Consultation Day", with 848 participants, and conducted 11 online webcasts, attracting 1,976 viewers.

Other Safety  
Activities

The company organized 13 promotional activities targeting employees and their families, with 1,061 participants; 1,874 employees participated in the Liangongbao online knowledge competition.



Online webcasts on the "Safety Consultation Day"

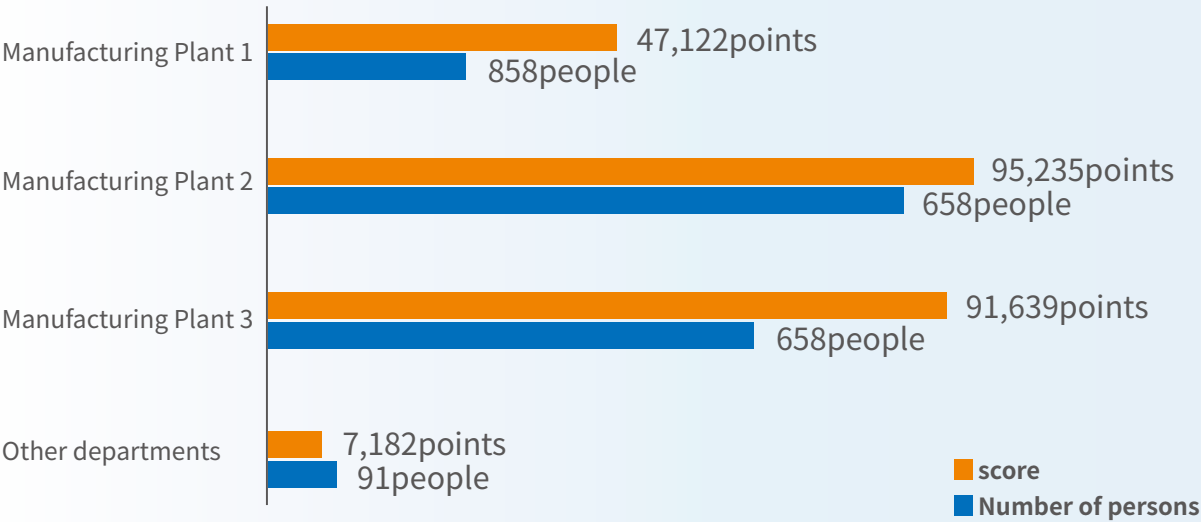


Case

Liangongbao Online Knowledge Competition

To enhance overall safety awareness, promote safety knowledge, improve emergency response capabilities and create a safety culture atmosphere, the company organized the Liangongbao online knowledge competition. With attractive rewards, the competition significantly boosted employee participation and further strengthened their safety awareness.

2024 Liangongbao Online Knowledge Competition Participation



Case

Work Safety Month Activities

In June 2024, the company and its subsidiaries organized a variety of activities for the Work Safety Month. These included safety lectures, viewing safety education videos, safety knowledge tests, and emergency skills competitions, all of which consolidated and deepened the concept of safety development among all employees.



Safety Production Month Kickoff Meeting



Safety Month Lecture



Safety Knowledge Quiz



Emergency Skills Competition





Digital Construction

Facing the complex and ever-changing landscape of work safety, Changhong Meiling introduced the EHS Work Safety Information Management Platform. Built on the foundation of risk classification and control and hidden hazard identification and management, the platform leverages the advantages of 5G technology to meticulously develop three key application scenarios:

- 1.5G + Safety and Environmental Data Collection, which enables efficient and accurate collection of safety and environmental data.
- 2.5G + Redcap Pilot, which explores new communication models for work safety.
- 3.5G + Risk Area Control, which provides real-time and dynamic monitoring of key areas.

The EHS Work Safety Information Management Platform not only achieves precise control and intelligent identification of major hazards but also comprehensively covers the entire process management of special operations and safety education and training for all employees. Through this platform, Changhong Meiling has successfully established a closed-loop management system that includes rapid perception, real-time monitoring, early warning, dynamic optimization, intelligent decision-making, coordinated response, system evaluation, and global collaboration. This system effectively eliminates safety hazards at the source, building a solid defense line for employee occupational health and safety, and creating a stable and secure environment for the company's high-quality development.

During the reporting period, the EHS Work Safety Information Management Platform integrated 4 wastewater monitoring points, 2 exhaust gas monitoring points, and conducted intelligent analysis and alarm monitoring for 6 key risk areas. Additionally, 285 high-definition surveillance cameras were deployed, comprehensively covering critical operational areas and providing a strong guarantee for the company's work safety.



EHS Work Safety Information Management Platform

Social Responsibility

Rural revitalization

In 2024, Changhong Meiling remained steadfast in fully implementing the decisions and plans made by the CPC Central Committee and the State Council regarding rural revitalization. The company actively responded to the call to promote rural revitalization and contributed to the development of rural areas. Changhong Meiling adopted a "purchase-to-support" approach, injecting strong momentum into the revitalization of rural industries. The company also focused on special groups within rural revitalization, providing targeted assistance and conveying its commitment to rural revitalization both internally and externally, demonstrating the responsibility of a state-owned enterprise.

Case

To actively respond to the rural revitalization strategy and help fruit farmers expand sales channels, increase income, and improve their livelihoods, the company purchased 20 tons of high-quality kiwifruit from rural areas.

Case

In April 2024, the company launched a care initiative for left-behind children, donating a "Blue Oxygen Hand-Washing" washing machine to a school in Chengkan, Huangshan. This initiative aimed to reduce the children's daily burdens, improve rural education and living conditions, and contribute to rural revitalization.





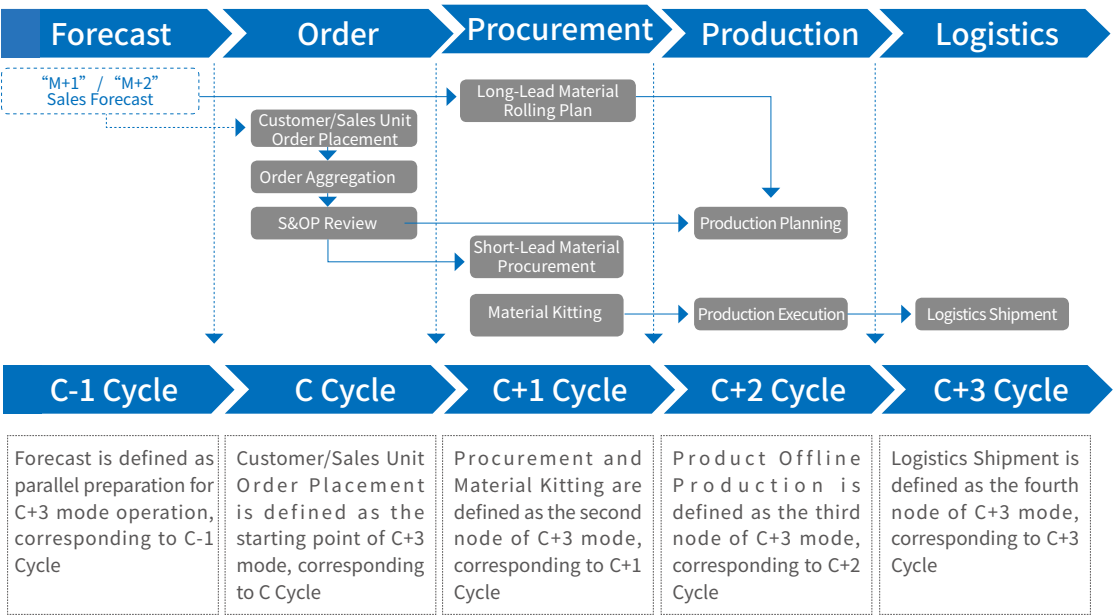
Bearing social responsibilities

Digital Transformation

The "14th Five-Year Plan" has outlined a new development blueprint, making digital transformation and upgrading an inevitable choice for the era, guiding enterprises and industries toward a new journey of high-quality development. Changhong Meiling actively responded to the national call to accelerate informatization construction, driving the company's digital transformation. Under the leadership of the Digital Transformation Governance Committee, the company focused on three pathways: digital support for business, digital value creation, and digital-driven innovation, continuously building and optimizing new capabilities across six dimensions.

Digital Marketing

Changhong Meiling continued to promote the application of the "C+3" customer order system model, increasing the proportion of "C+3" orders and the direct-to-customer delivery rate. The company also advanced the transformation of its e-commerce business, collaborated with Changhong headquarters to upgrade the warehousing system, improved inventory turnover, and enhanced market share.



Digital R&D

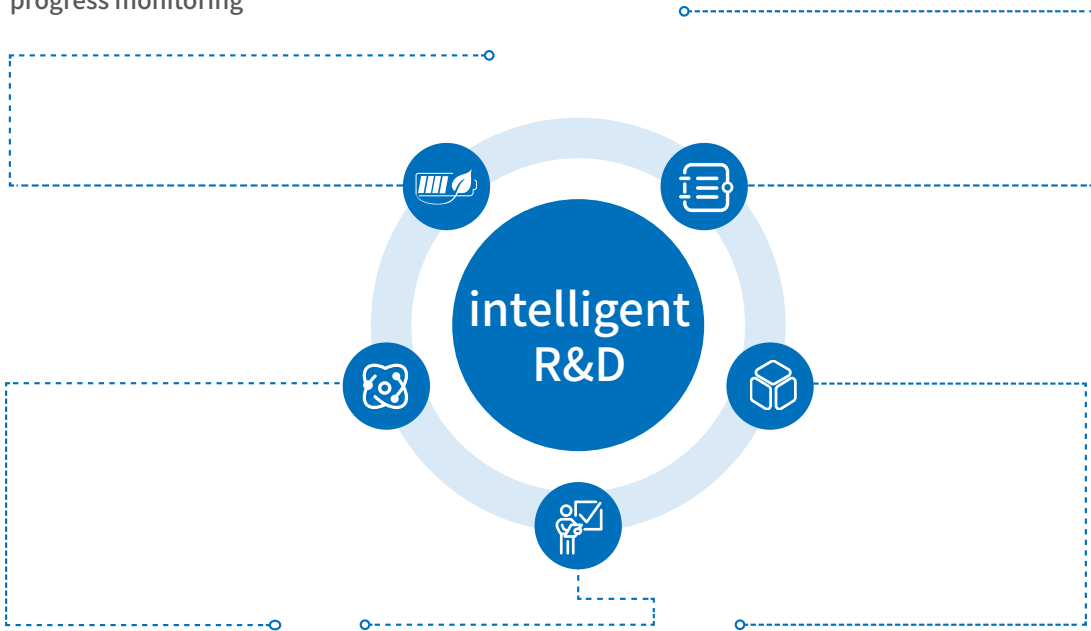
Changhong Meiling deepened the application of its PLM-based intelligent R&D platform, improving the efficiency of processes such as parts release and BOM (Bill of Materials) release to meet the demand for small-batch, multi-variety, customized production in overseas markets. The company also explored application scenarios for 3D simulation technologies in assembly, ergonomics, and thermal load analysis.

Product Lifecycle Management (PLM)

Task-driven product design with full lifecycle management; Visualized project progress monitoring

Knowledge Base Management

Online Standard Library & Knowledge Base



Multi-System Integration

Achieve ERP collaboration and close manufacturing interaction flow through process-driven methodology to enable business synergy

Standardized Management

Build efficient visualized business process libraries (preferred parts, modules, product templates) with normalized and highly standardized management

Online Collaborative Design

Top-Down Online Collaborative Design

Effective 3D Model Collaborative Design

Digital Manufacturing

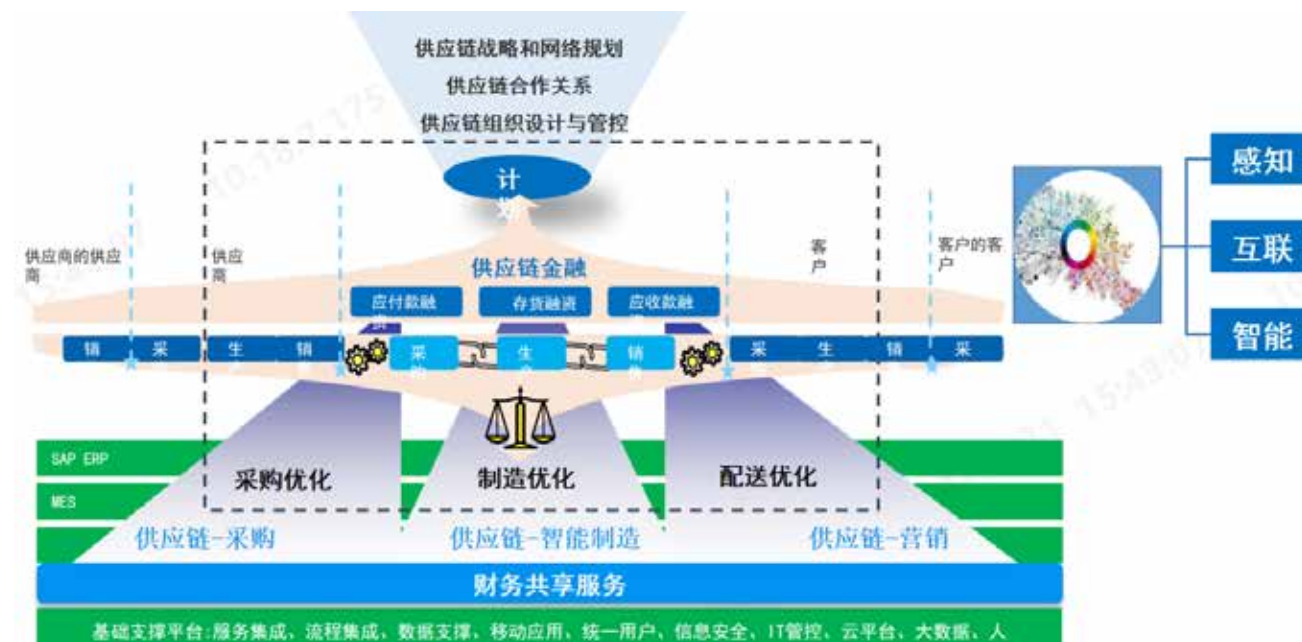
Through the integrated innovation and application of next-generation information technologies in manufacturing, Changhong Meiling built a 5G fully connected smart factory based on digital, networked, and intelligent manufacturing and service systems. The company continued to advance the digital transformation of its manufacturing, operations, and value chain systems. By replicating and promoting MES (Manufacturing Execution System), the company achieved full-process visual control of orders. It also implemented systems such as EHS and EMS (Energy Management System), constructing a unified IoT platform to enable real-time online monitoring of environmental, safety, and energy metrics. This improved energy efficiency, created a green and low-carbon industrial park, and reduced the likelihood of safety and environmental incidents.





## Digital Supply Chain

Through the ISRM-based smart supply chain interaction platform, Changhong Meiling provided supplier resource services to users and suppliers, enhancing the quality of service among "users, enterprises, and suppliers". To address the needs of procurement supply chain safety, speed, efficiency, and cost optimization, the company leveraged new industrial internet technologies to empower the digital, transparent, refined, and accurate delivery capabilities of the industrial internet platform, achieving a 26.3% improvement in inventory turnover.



## Information Security

Changhong Meiling further advanced the construction of its network and information security platform, establishing a situational awareness platform and an industrial control network and information security system. Additionally, the company comprehensively promoted the pilot implementation of desktop terminal data security protection systems and cloud desktop systems, reducing the risk of sensitive data leakage. It also achieved off-site disaster recovery for core data, ensuring data security and availability.

## Key Achievements



"5G Factory" Certification



3A Certification for Integration of Informatization and Industrialization



National 3-Star Certification for Digital Transformation Maturity (First Batch)

## Community Engagement

Changhong Meiling places great importance on building a civilized community with local residents. The company has established smooth communication mechanisms with local communities, actively addressing the needs of community stakeholders and integrating into community governance and activities. This has enhanced public satisfaction and happiness, showcasing the exemplary role of a state-owned enterprise.

### Case

To raise awareness and prevention of occupational disease hazards among employees and the public, Changhong Meiling's labor union collaborated with Hefei Third People's Hospital, Jinxiu Community Health Service Center, and Jinxiu Community Management Committee to organize a training session on occupational health monitoring and management.



### Case

Changhong Meiling actively participated in the "Firefly Plan—Caring for the Happy Growth of Two-Child Families", a micro-public welfare initiative launched by the Jinxiu Community Party Branch. The initiative advocates for attention to two-child families and promotes the healthy growth of children.





Case

Leveraging its strengths as a national-level intelligent manufacturing demonstration enterprise, Changhong Meiling conducted 26 study tours, hosting student groups from over 20 primary and secondary schools in Hefei. The company brought hands-on labor practice classes to the production frontlines, offering innovative and engaging courses such as fun experiment classes, creative labor classes, and brand history classes. These efforts deepened students' understanding of the concept of "Made in China".



Case

To celebrate the 75th anniversary of the founding of the People's Republic of China, the company actively participated in a thematic performance event organized by the Hefei Economic and Technological Development Zone. Employees were encouraged to showcase their talents, forming a choir to contribute to the event.



Thematic Performance and Singing Competition



Changhong Meiling "Old Boys" Band

Social Contribution

Changhong Meiling earnestly fulfills its corporate responsibilities by supporting public welfare and charitable causes, encouraging employees to participate in volunteer services and philanthropy, and actively giving back to society. The company promotes social regeneration and sustainable development, achieving a common development of employee growth, corporate vision, and societal prosperity.

Key performance in 2024

Amount of Charitable Donations	Number of Volunteer Activities	Employee Participation in Volunteer Activities	Total Hours of Volunteer Activities
192 10,000 RMB	7 Sessions	969 Person-times	2,404 Hours

Case

In response to the flood disaster in Shexian County, Huangshan, Changhong Meiling proactively assumed social responsibility by rushing to the disaster area with essential supplies such as food and water. The company also provided free home appliance repair services, contributing to the recovery of the affected residents' lives.



Case

To support the high-quality development of public health services, Zhongke Meiling donated an automated vaccination workstation to the Linhu Community Health Service Center in Hefei Economic and Technological Development Zone through the Hefei Red Cross Society. The workstation integrates storage and vaccination, ensures zero errors in automatic vaccine dispensing, enables traceability of vaccination information, and improves the efficiency and accuracy of vaccine management.







## Governance

Changhong Meiling strictly adheres to laws, regulations, and the management requirements of listed companies, continuously improving its corporate governance mechanisms, strengthening tax, compliance, and risk management. The Company fosters a favorable market environment through integrity and fairness, creating high-value returns for shareholders through high-quality development.





## Corporate Governance Mechanisms

### Governance Strategies and Processes

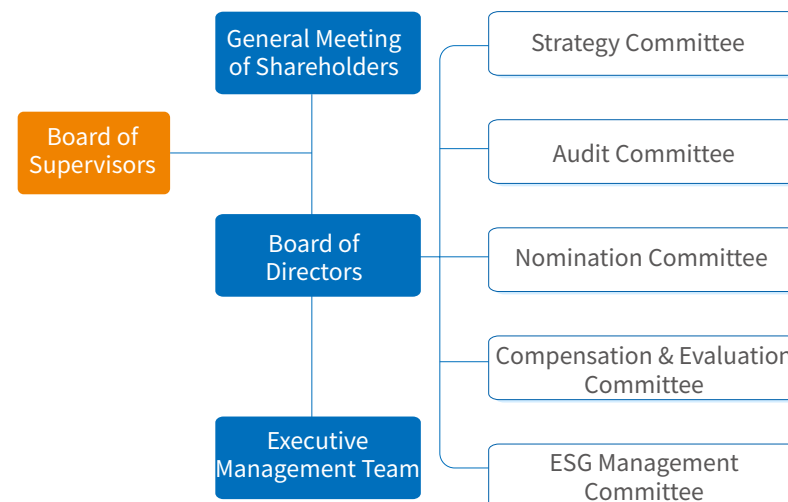
Robust corporate governance is a critical foundation for the Company's sustainable development. In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies*, the *Listing Rules of the Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange — Standardized Operation of the Listed Companies on Main Board*, and other relevant laws, regulations, and internal policies such as the *Articles of Association Guidelines*, the Company has established a governance system centered on the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the Management Team. The Board of Directors has established specialized committees, including the Strategy Committee, Audit Committee, Nomination Committee, Compensation and Assessment Committee, and ESG Management Committee, as well as an Independent Directors' Special Meeting. The Company continuously improves its governance mechanisms, enhances standardized operations, strengthens the execution of its systems, and ensures that the Shareholders' General Meeting, Board of Directors, Board of Supervisors, and Management Team each fulfill their roles effectively, maintaining checks and balances and enabling scientific decision-making to safeguard the Company's high-quality development.

The Company has developed a detailed delegation manual to manage its subsidiaries, setting clear approval procedures and authority to achieve scientific, reasonable, and efficient management. The Company appoints directors, supervisors, and senior executives to subsidiaries to represent the Company in fulfilling their duties. Functional departments of the Company maintain contact with their counterparts in subsidiaries to provide guidance and supervision on daily operations. Policies and procedures for performance targets, budget control, authorization and approval, evaluation, and audit supervision are established to effectively control subsidiaries' business activities and financial matters.

### Organizational Structure and Functions

#### Governance System Centered on the Shareholders' General Meeting, Board of Directors, Board of Supervisors, and Management Team

The Company's organizational structure is rational and operates effectively, with a governance system centered on the Shareholders' General Meeting, Board of Directors, Board of Supervisors, and Management Team. This governance system maintains checks and balances, with clear responsibilities and effective operations, forming a comprehensive, cohesive, and efficient corporate governance and management structure.



Organizational Structure Chart

### Shareholders' General Meeting

The Shareholders' General Meeting is the Company's highest authority, responsible for reviewing and approving major matters. The Company strictly complies with laws, regulations, the *Articles of Association*, and the *Rules of Procedure for the Shareholders' General Meeting* to standardize the convening, conducting, and voting procedures of the Shareholders' General Meeting. In addition to in-person meetings, the Company provides secure, economical, and convenient online voting methods to facilitate shareholder participation in corporate governance. Furthermore, the Company implements separate voting counts for proposals submitted to the Shareholders' General Meeting by minority investors, promptly disclosing the results to effectively protect their rights and ensure that all shareholders, especially minority shareholders, can fully exercise their rights.

### Board of Directors



#### Directors and the Board of Directors

The Board of Directors is accountable to the Shareholders' General Meeting and serves as the Company's decision-making body, responsible for implementing resolutions of the Shareholders' General Meeting and formulating business plans and investment proposals. The Company strictly adheres to the *Articles of Association* and the *Rules of Procedure for the Board of Directors* in convening and conducting Board meetings, ensuring that deliberations, voting, and information disclosures comply with relevant laws and regulations. All directors diligently fulfill their duties, actively attending Board and Shareholders' General Meetings and exercising their powers in accordance with the law. The specialized committees under the Board of Directors, operating in accordance with their implementation rules, leverage their professional expertise to discuss, decide, supervise, and evaluate major Company matters, playing a crucial role in enabling scientific decision-making and improving the efficiency and quality of Board decisions.

During the reporting period, the Company's 2024 First Extraordinary Shareholders' General Meeting approved proposals related to the Board's reelection, and the Board successfully completed its reelection in compliance with legal and regulatory requirements. In 2024, the Board of Directors held 15 meetings, all conducted in strict accordance with relevant laws, regulations, and the *Articles of Association*, with all resolutions being legally valid.



#### Effectiveness of the Board of Directors

We continuously optimize the Board's structure, encouraging directors to express diverse perspectives and opinions based on their professional backgrounds to enhance the scientific and rational nature of Board decisions. We have established a scientific evaluation mechanism to regularly assess Board members, ensuring they dedicate sufficient time and effort to Company affairs and fulfill their duties effectively. Digital tools, such as online meetings, are introduced to improve meeting efficiency and decision-making transparency. We leverage the expertise of professionals, including auditors, to provide professional opinions and decision-making support for the Board, effectively enhancing decision-making efficiency and corporate governance standards. Board members are actively encouraged to participate in training organized by regulatory authorities to improve their professional capabilities in corporate governance, sustainable development, industry trends, and risk management.





01

Attendance at Meetings

Directors are required to actively attend all meetings of the Board of Directors and the Shareholders' General Meeting. Directors must not request leave for Board meetings. If unable to attend a Shareholders' General Meeting in person, a director must delegate another director to attend on their behalf and provide reasons if necessary. Additionally, directors must diligently review all proposals and express their opinions on relevant matters.

02

Decision-Making and Voting

Directors must carefully review all proposals submitted to the Board of Directors, actively participate in discussions, and make independent voting decisions based on their personal judgment.

03

Independent Directors

Independent directors strictly adhere to the requirements of the independent director system. They conduct on-site inspections, spend no fewer than 15 days on-site, listen to management reports, and review the implementation of Board resolutions.

04

Confidentiality Obligations

Directors must strictly maintain the confidentiality of the Company' s trade secrets, financial information, and other confidential information. They must not disclose or use such information for personal gain without authorization and must sign a confidentiality agreement as an insider.



Independent Directors and Diversity

The Company has established and improved an independent director system, creating favorable conditions for independent directors to fulfill their duties and fully leverage their positive role in strategic decision-making, risk control, and corporate governance. In accordance with the Administrative Measures for Independent Directors of Listed Companies and other relevant laws and regulations, as well as the Company' s Independent Director System, the proportion of independent directors on the Board must not be less than one-third, including at least one accounting professional. Independent directors adhere to laws, regulations, and the Company' s policies, upholding the principles of independence, prudence, and diligence. They actively participate in corporate governance through various means and diligently perform their supervisory responsibilities. Additionally, the Company has established an Independent Directors' Special Meeting to review and provide opinions on related-party transactions, cash dividends, and major matters, effectively exercising checks and balances, mitigating operational risks, and safeguarding the interests of the Company and all shareholders.

The Company is committed to building a diverse Board of Directors, actively promoting policies for Board member diversity. The Nomination Committee considers diversity indicators such as candidates' work experience, educational background, cultural diversity, gender, and age when selecting candidates, ensuring that their qualifications align with the Company' s strategic development. A diverse Board, with varied professional expertise and personal potential, contributes to the Company' s high-quality development. All Board appointments are based on merit, with the benefits of diversity objectively assessed during the selection process.

The 11th Board of Directors includes members with diverse backgrounds in marketing, technology, finance, management, and more. Directors collaborate sincerely, complement each other' s strengths, and inject new vitality into the Company' s sustainable development with an open and innovative spirit.

Number of Directors

9

Number of Independent Directors

3

Proportion of Independent Directors

33.3 %

Number of Female  
Directors

2

Proportion of Female  
Directors

22.2 %

Number of Female Directors,  
Supervisors and Senior Executives

4

Proportion of Female Directors, Supervisors and Senior Executives

23.53 %



Board of Supervisors

The Board of Supervisors is the Company' s supervisory body, responsible for overseeing the Company' s financial and operational conditions, as well as the performance of directors and senior executives.

The Board of Supervisors consists of 3 supervisors, including 1 employee representative. Shareholder representatives are elected or replaced by the Shareholders' General Meeting, while employee representatives are elected by the Employee Representative Assembly. In 2024, the 32nd meeting of the 10th Board of Supervisors approved an adjustment to optimize the Company' s supervisory system, reducing the number of supervisors from 5 to 3. The Company' s 2024 First Extraordinary Shareholders' General Meeting passed proposals related to the adjustment and reelection of the Board of Supervisors, which was successfully completed in compliance with relevant laws, regulations, and internal policies.

The Board of Supervisors strictly follows the Articles of Association and the Rules of Procedure for the Board of Supervisors to convene and conduct meetings. The voting and information disclosure procedures comply with relevant regulations. During the reporting period, all supervisors diligently and faithfully fulfilled their duties in accordance with the Rules of Procedure for the Board of Supervisors. By attending Shareholders' General Meetings and Board meetings, they supervised the Board' s decision-making processes, resolutions, and the Company' s lawful operations from the perspective of safeguarding the Company' s and shareholders' legitimate rights and interests. They reviewed periodic reports prepared by the Board and provided written review opinions, effectively supervising major matters, related-party transactions, financial conditions, and the legality and compliance of directors, the President, and other senior executives' performance, and provided independent opinions to maximize the protection of the Company' s and shareholders' legitimate rights and interests.

In 2024, the Board of Supervisors held 10 meetings to review the Company' s major matters and related decision-making processes, providing relevant opinions and suggestions based on the proposals and its supervisory responsibilities. All meeting resolutions were legally valid.

Management Team

The Management Team is the Company's executive body, responsible for executing specific matters related to the Company's operations and management. The Company has one President and three Vice Presidents. The Nomination Committee is responsible for proposing the appointment or dismissal of senior executives to the Board of Directors, which makes the final decision.

Shareholders' General Meetings, Meetings of the Board of Directors, and Meetings of the Board of Supervisors

Number of Shareholders' General Meetings	Number of Items Discussed and Reviewed at Shareholders' General Meetings	Number of Meetings of the Board of Directors	Number of Items Discussed and Reviewed by the Board of Directors
4	34	15	103
Number of Meetings of the Board of Supervisors	Number of Topics Reviewed by the Board of Supervisors	Number of Times a Particular Topic was Not Approved at the Above Meetings	
10	41	0	

Information Disclosure

The Company complies with the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange — Standardized Operation of the Listed Companies on Main Board, actively fulfilling its information disclosure obligations. The Company strengthens information disclosure management, ensures the disclosure of major events, and oversees compliance by relevant disclosure obligors to guarantee the truthfulness, accuracy, completeness, timeliness, fairness, and effectiveness of information disclosure. Additionally, while ensuring compliance, the Company moderately increases voluntary disclosures to enhance the reference value and practicality of its information disclosures.

The Company has established the Information Disclosure Management System and the Financial Report Management Regulations to lay a solid foundation for compliant information disclosure, ensuring equal access to information for all investors. Furthermore, in accordance with the Insider Information Confidentiality System and the Insider Information Registrant Management System for Listed Companies, the Company standardizes the internal reporting, transmission, and confidentiality procedures for significant information, controls the scope of insiders, and prevents the risk of leaks.

	Periodic Reports Disclosed	Interim Announcements Disclosed	2023 Information Disclosure Exchange Rating
	4	76	B

Investor Relations

The Company is committed to establishing and improving investor protection mechanisms, actively building communication bridges, promptly responding to investor concerns, and conveying the Company's value. It enhances investors' understanding and recognition of the Company, continuously improves investor relations management, and fosters a positive capital market image.

Institutional System Construction

The Company has formulated the Investor Relations Management System, the Reception and Promotion Work System, and the Brand Crisis Early Warning Management Regulations, among others. In accordance with relevant requirements, the Company diligently carries out investor relations management tasks, deepens communication with investors, and enhances their understanding and trust in the Company.

Management Strategies

The Company engages with investors through the Shenzhen Stock Exchange's "Hudongyi" platform, hotlines, email, institutional research, broker strategy meetings, reverse roadshows, and earnings briefings, fully listening to investors' opinions and suggestions.

Meeting Communication	The Company has established a two-way communication mechanism, actively engaging with shareholders and investors through Shareholders' General Meetings, on-site research meetings, earnings briefings, and online investor receptions.
Research Receptions	The Company organizes research activities, conference calls, site visits, and other events to help investors understand the Company's operations.
Media Communication	Through official WeChat, video channels, and other platforms, the Company uses visual infographics and short videos to promptly and comprehensively present the latest developments to investors, leveraging diverse media channels to expand information coverage and influence. Additionally, the Company enhances the investor relations section of its official website, continuously publishing updates for investors' quick access.
Online Interaction	The Company promptly addresses questions raised by investors on the "Hudongyi" platform, confirming information with relevant business units as needed to ensure timely responses.
Phone, Fax, and Email	The Company provides dedicated investor contact lines, fax numbers, and email addresses, ensuring availability during working hours and arranging personnel to provide timely feedback to investors.
Strategy Meetings	The Company actively participates in large-scale listed company exchange events organized by brokers, engaging with investors to strengthen its brand image in the capital market.
Reverse Roadshows	By visiting investors in person, the Company introduces its business operations, enhancing investors' understanding of the Company.





Management Measures and Results

The Company' s public opinion monitoring covers traditional media as well as new media platforms such as East Money Stock Bar and Xueqiu.com. From pre-monitoring to in-process handling and post-tracking, the Company effectively manages negative incidents. When faced with negative investor comments, the Company responds appropriately in a timely manner and simultaneously releases positive content to guide public opinion. In cases of malicious or false reports, the Company promptly contacts the media and authors for positive and effective communication to minimize negative impacts. In 2024, the Company experienced no significant public opinion incidents.

The Company implements a continuous, stable, and transparent profit distribution policy, balancing long-term interests and sustainable development while prioritizing reasonable returns for investors. The 2023 Annual Shareholders' General Meeting approved the shareholder return plan for the next three years (2024–2026), stipulating that the Company will distribute profits annually from 2024 to 2026, provided that profits and cash flow meet normal operations and long-term development needs. The Company may also conduct interim cash dividends or stock dividends based on profitability and capital requirements, with cash dividends being the preferred form of profit distribution. The total cash dividends (including interim dividends) distributed in a single year shall be no less than 15% of the distributable profits of the listed parent company for that year but shall not exceed the lower of the distributable profits in the parent company' s financial statements and consolidated financial statements.

Amount of 2023 Annual Profit Distribution

30,897.7110,000 RMB

Proportion of Net Profit Attributable to Listed Company Shareholders

41.70%

IR Interactive Responses

126

Earnings Briefings

1

Investor Receptions

54

Investor Hotline Calls Received

560

Institutional Investor Receptions

757



Investor Research Activities

Identification of the Actual Controller

The Company' s actual controller is the Mianyang State-owned Assets Supervision and Administration Commission, and its controlling shareholder is Sichuan Changhong Electric Co., Ltd. The Company has a complete business system and independent operating capabilities, maintaining independence in business, personnel, assets, organization, and finance from the actual controller and controlling shareholder.

Business

01

The Company has independent and complete business operations and autonomous management capabilities. It has dedicated departments for procurement, production, technology, sales, and human resources, managing its business independently. Its operational personnel are independent of the controlling shareholder and its subsidiaries.

Personnel

02

The Company' s personnel, labor, and salary systems are fully independent. The President, Vice Presidents, Chief Financial Officer, and Board Secretary all work for the Company and receive compensation from the Company. They do not hold any administrative positions or receive remuneration from the actual controller, controlling shareholder, or their subsidiaries, except as directors or supervisors.

Assets

03

The Company possesses independent production and operation facilities and a complete asset structure separate from the actual controller and controlling shareholder. This includes independent production, procurement, sales, auxiliary production systems, and supporting facilities, as well as assets such as land use rights and property ownership.

Organization

04

The Company has established organizational structures fully independent of the actual controller and controlling shareholder. The Shareholders' General Meeting, Board of Directors, Board of Supervisors, and internal organizations operate independently, with no interference in business decisions by the actual controller or controlling shareholder beyond the authority of the Shareholders' General Meeting.

Finance

05

The Company has an independent financial management department, an independent accounting system, and financial management policies. It maintains independent bank accounts and tax filings.

Compensation Management for Directors, Supervisors, and Senior Executives

The Company has established and improved scientific, fair, and transparent performance evaluation standards and incentive and constraint mechanisms for directors, supervisors, and senior executives. The performance of directors, supervisors, and senior executives is evaluated daily by the Human Resources Department and assessed annually by the Compensation and Evaluation Committee. The remuneration, rewards and penalties of the President, Board Secretary, and other senior executives are determined by the Board of Directors. In accordance with the Management Measures for Independent Directors of Listed Companies and the Articles of Association, and considering industry practices and the Company's actual conditions, the 2024 First Extraordinary Shareholders' General Meeting approved the standards for independent directors' allowances to better leverage their supervisory and decision-making roles.

Internal Control

Overall Internal Control

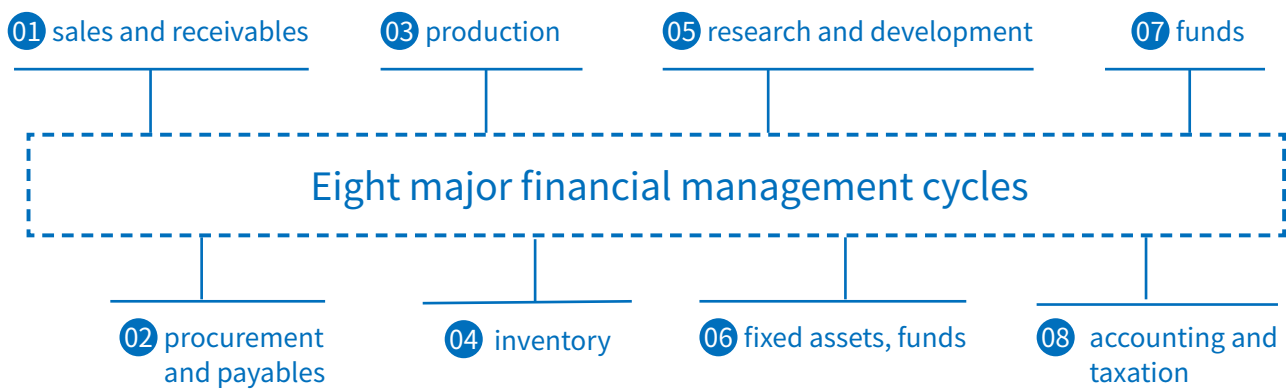
In accordance with the Basic Norms for Enterprise Internal Control and relevant government directives, and in line with the Company's strategic planning and operational objectives, the Company has formulated the Basic System of Compliance Risk Control Management and the Measures for the Administration of Compliance Review among other policies. These documents define the organizational structure, division of responsibilities, basic principles, management requirements, and procedures for internal control. Additionally, the Company monitors changes in laws, regulations, and regulatory policies, promptly reviewing and improving its rules and regulations to convert external compliance requirements into internal policies. In 2024, the Company formulated or revised over 70 internal control-related systems, including the Corporate Strategic Planning Management System and the Enterprise Technical Standards Document Management Regulations.

For key areas such as procurement, financial management, personnel management, service management, and safety management, as well as high-risk businesses, the Company has established specific operational policies or specialized guidelines to strengthen internal control. During the reporting period, the Company completed walkthrough tests for internal control, with no non-conformities identified.

Internal Financial Control

The Company places great emphasis on internal financial control, building a financial control system centered on accounting control and management control. Specifically, the Company has established comprehensive accounting policies to standardize accounting processes, ensuring the truthfulness, accuracy, and completeness of financial information. It has compiled an authorization and delegation manual to clarify the responsibilities and authorities of personnel at all levels, achieving clear accountability and mutual checks and balances. The Company has improved financial operation guidelines to standardize business processes and reduce operational risks. An effective internal audit mechanism has been established to promptly identify and rectify issues through financial audits, with audit results serving as a critical basis for improving financial management. By continuously refining its financial internal control systems, the Company has effectively enhanced its financial management capabilities, providing strong support for operational decision-making.

In line with financial management requirements, the Company has established eight major financial management cycles through the "Three Modernizations of Management" approach: sales and receivables, procurement and payables, production, inventory, research and development, fixed assets, funds, and accounting and taxation. For each of these cycles, the Company has formulated specific policies and management measures.





Internal Audit Management

The Company attaches great importance to internal audit work, establishing the Internal Audit Management System to provide institutional safeguards. The Audit Department, with the support of the Audit Committee, maintains a high degree of independence, enabling objective and impartial audit activities. The department diligently fulfills its responsibilities centered on supervision and service. In accordance with regulations, policies, and industry standards, the Audit Department conducts risk-oriented audits of all business units and departments, ensuring the effective execution of internal control procedures.



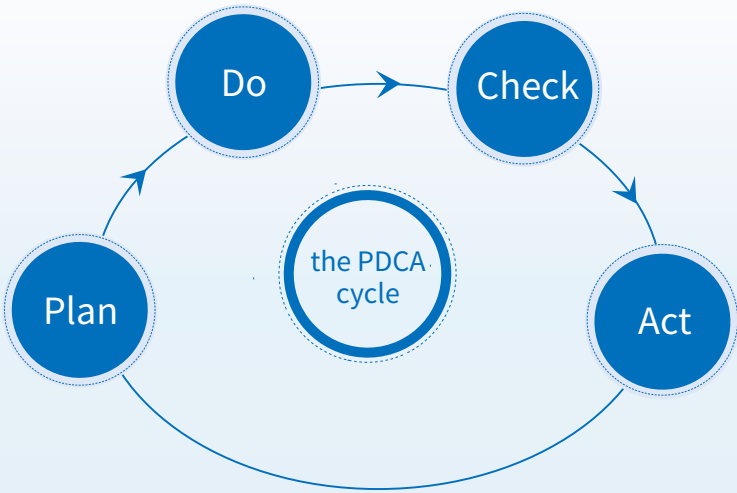
Number of Audit Projects for the Year

266

Tax Management

The Company regards tax management as a lifeline for its development, consistently prioritizing it and taking practical measures to continuously improve tax management capabilities. The Company has formulated tax management systems such as the Value-Added Tax Invoice Management Measures and the Enterprise Income Tax Deduction Voucher Management Measures, updating them in response to the latest business realities, processes, and tax policy changes to enhance tax compliance and reduce tax risks.

Based on tax-related policies, regulations, and the Company's overall financial and risk control requirements, we regularly identify and manage tax governance risks. A comprehensive tax risk assessment and control mechanism has been established, following the PDCA (Plan-Do-Check-Act) cycle, covering tax policy changes, business-tax differences, tax risk lists, and tax information management, effectively preventing and mitigating tax risks.



Tax Incentive Application Risks

Organize in-depth training for tax personnel and relevant business departments to accurately grasp the conditions and application processes for tax incentives; classify and properly store supporting documents as required by tax authorities

Invoice Management Risks

Follow the arm's length principle for related-party transaction pricing; promptly and fully submit related-party transaction declarations to tax authorities, including details of related enterprises, transaction types, and amounts

Related-Party Transaction Risks

Establish strict invoice management systems; strengthen training on invoice-related regulations and operational requirements for financial and business personnel

The Company has implemented a series of measures to strengthen tax management. It conducts regular tax-specific inspections and issues detailed reports to ensure timely identification and correction of tax issues. Through organized learning, sharing, and discussions, the Company has built an internal tax knowledge base, continuously enhancing the compliance awareness and tax management capabilities of relevant personnel. Additionally, the Company actively promotes the digital transformation of tax management, improving settlement efficiency through fully digital electronic invoices and achieving paperless invoicing, safeguarding the Company's sustained and healthy development.

The Company actively fulfills its tax obligations, promptly and accurately declares tax information, and conducts tax filings and payments in an orderly manner. It voluntarily accepts tax inspections, and its tax credit rating has consistently been classified as **A** by tax authorities for many years.

Compliance Management

The Company consistently adheres to ethical business practices, upholds compliance as a bottom line, and integrates compliance principles into all aspects of its operations and management. The Company continuously improves its compliance operation mechanisms, strengthens the foundation for compliance risk prevention and control, enhances compliance reviews, and advances the development of a compliance culture. Additionally, the Company actively builds a compliance management organizational structure that aligns with its development, effectively identifies and manages compliance risks, and systematically advances the construction of its compliance management system, driving high-quality development through efficient compliance management.

Four-Element Framework for Compliance Management Topics

Governance Related to Compliance Management

The Company has formulated compliance management systems, including the Basic System of Compliance Risk Control Management, the Measures for the Administration of Compliance Review, the Compliance and Risk Control Work Guidelines, the Internal Control System Standards, the Compliance and Risk Control Administrator Management Measures, and the Implementation Measures for Accountability in Irregular Business Operations and Investments. These systems provide a solid institutional foundation for compliance management. In terms of the compliance system, the Company has established a multi-level governance structure encompassing the “Shareholders’ General Meeting/Board of Directors/Party Committee—Company Leadership—Chief Compliance Officer—Board Office and Compliance and Risk Control Department—Functional Departments—Business Execution Units” , clarifying the division of responsibilities and authorities for compliance management.

Strategy Related to Compliance Management

To ensure continuous compliance in its operations, Changhong Meiling prioritizes risk management, aiming to establish a closed-loop risk management mechanism of “risk identification—remediation—tracking and early warning—remediation verification” . The Company has built a risk management system covering risk identification, assessment, monitoring, and response, and established a routine risk management reporting mechanism to ensure transparency and timely decision-making.

Risk and Opportunity Identification and Response Measures

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Policy and Regulatory Risks	Changes in domestic and international laws and regulations (e.g., antitrust laws) may increase compliance costs	Medium	Medium to Long Term	Monitor changes in relevant policies and regulations, and implement preventive measures in advance
Market and Public Opinion Risks	Non-compliance incidents may lead to negative public opinion, affecting business operations, such as customer loss and stock price declines	High	Short Term	Develop emergency response measures for compliance incidents, clarify event handling procedures and responsibilities, and minimize adverse impacts promptly
Brand Value Opportunities	A good corporate image can more easily gain consumer trust, thereby enhancing brand value	Medium	Long Term	Improve the credibility of corporate compliance management by referencing standards such as ISO 37301

Risk Factor	Risk/Opportunity Description	Impact Level	Impact Duration	Mitigation Measures
Export Control and Economic Sanction Risks in Overseas Business	Import/export of goods, item transfers, and personnel employment may be prohibited or restricted due to anti-subsidy, antitrust, anti-dumping policies, or changes in international environments and policies, impacting overseas operations, may be subject to economic sanctions, leading to impacts on overseas operations.	Medium	Medium to Long Term	Continuously monitor customs, tax, and foreign exchange control policies in client countries, establish early warning mechanisms and promptly report to the Company any policy changes that may affect transactions, so as to adjust business strategies proactively. Strengthen international market research to stay informed of market trends and competitive dynamics. Enhance corporate credibility through social responsibility audits, stabilize funding channels, and strengthen relationships with core clients to improve risk response capabilities.
Integrity Risks among Personnel	Some non-compliant personnel may abuse their power for personal gain, using their positions to benefit themselves, relatives, or specific relationships, engaging in improper behaviors such as unauthorized consumption and mutual banqueting, tarnishing the Company's image.	Medium	Long Term	Strengthen awareness of discipline and rules, strictly follow systems and procedures. Fulfill dual responsibilities, integrating Party conduct and integrity with business operations. Enhance integrity awareness among cadres and employees through integrity commitment agreements and integrity training.





Management of Compliance-Related Impacts, Risks, and Opportunities

Changhong Meiling has established an integrated compliance and risk management system that is risk-oriented, compliance-focused, and internal control-driven. Based on operational objectives, risk levels, and resource allocation, the Company scientifically sets up management structures, clarifies management responsibilities, and reasonably allocates management personnel. The Company has built a “three lines of defense” for compliance and risk management, consisting of business departments, the Board Office and Risk Control Compliance Department, the Audit and Supervision Department, and decision-making bodies, ensuring that risk control, compliance, and internal control management are fully implemented in terms of “structure, responsibilities, and positions” .

Compliance-Related Indicators and Goals

In accordance with laws, regulations, national standards, the *Guidelines*, and its actual conditions, the Company has set relevant goals for compliance governance and continuously tracks their execution. During the reporting period, the Company completed its compliance governance-related objectives.

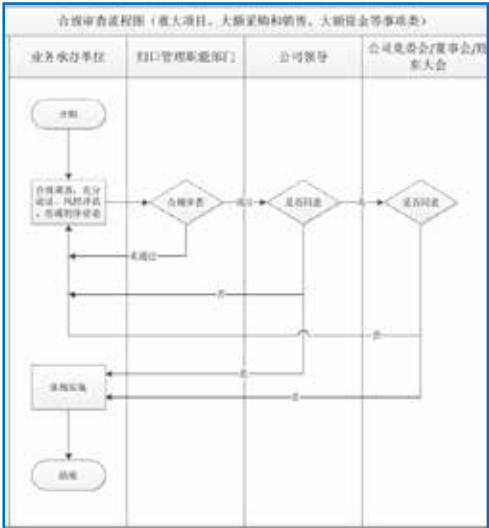
Category	Target	Time Frame	Progress During Reporting Period
Compliance Violation	Zero major compliance violations	Short Term	Completed
Risk Investigation	Conduct a comprehensive risk investigation at least once annually	Short Term	Completed

Compliance Review Process

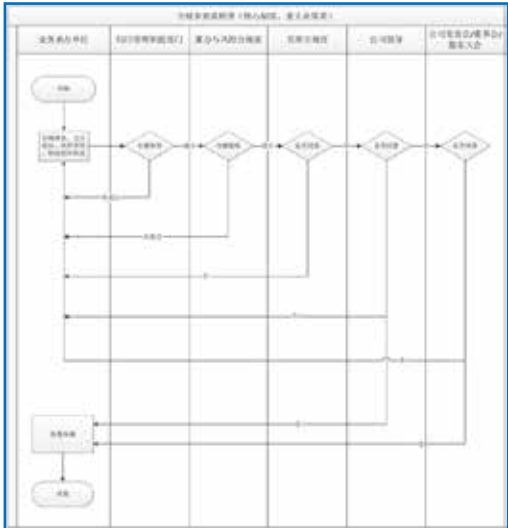
The Company embeds compliance reviews into its operational management processes, making them a mandatory procedure for core policy formulation, major decision-making, important contract signing, major project operations, large-scale procurement and sales, and significant fund management.

Business units conduct compliance self-checks, evaluations, and assessments of submitted matters based on laws, regulations, regulatory requirements, and internal policies, forming preliminary conclusions before submitting them for administrative approval. Depending on the category of the submitted matter, the administrative approval process involves selecting the relevant functional department for compliance review. Functional departments complete compliance reviews according to their responsibilities and division of labor. The relevant business and functional leaders, as well as senior management, review the submitted matters after compliance reviews. For core policies and major decisions, the Board Office and Risk Control Compliance Department conduct a secondary review, and the Chief Compliance Officer provides comments. Matters requiring review by the Party Committee, Board of Directors, or Shareholders’ General Meeting undergo comprehensive deliberation and decision-making through the appropriate procedures.

Compliance Review Flowchart (Major Projects, Large-Scale Procurement and Sales, Significant Funds, etc.)



Compliance Review Flowchart (Core Policies, Major Decisions)



Compliance Training

The Company actively conducts compliance training and awareness campaigns, continuously strengthening employees’ and compliance personnel’ s legal mindset, compliance awareness, and legal compliance capabilities, effectively advancing compliance efforts.

In 2024, the Company conducted over 10 training sessions on integrity, contract management, and compliance management, with compliance management personnel and related staff participating.

Total Number of Governance and Compliance Training Sessions

5

Total Number of Governance and Compliance Training Sessions

10

Total Number of Participants in Governance and Compliance Training

150



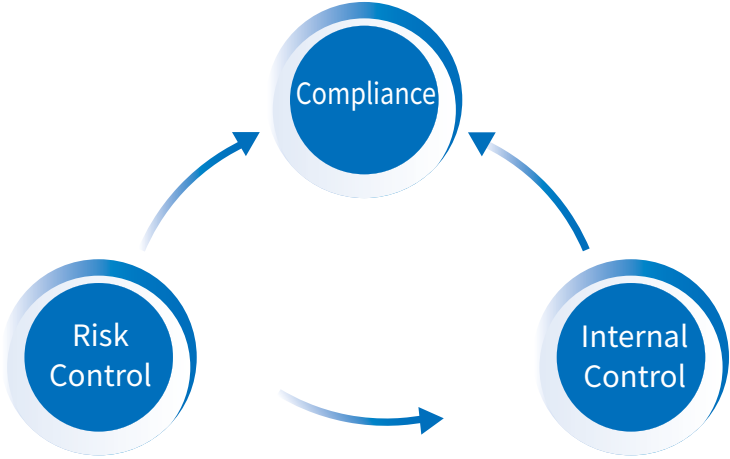
Compliance and Risk Control Roadshow Training



Practical Compliance and Risk Control Management

Business Ethics and Anti-Corruption

Changhong Meiling strictly complies with the *Company Law of the People's Republic of China*, the *Basic Norms for Enterprise Internal Control*, and other laws and regulations. The Company and its subsidiaries have established the *Anti-Corruption, Anti-Bribery, and Anti-Fraud Management Regulations* and the *Eight-point Provisions of Changhong Meiling Co., Ltd.*, clarifying a compliance, risk control, and internal control anti-corruption compliance management system within the legal framework. Additionally, the Company irregularly supervises and inspects for illegal and non-compliant behaviors, maintaining a “zero tolerance” stance towards violations of laws, regulations, and ethical principles.



Anti-Corruption Management

To effectively prevent corruption, the Company requires cadres and key employees to sign the Integrity Commitment Agreement and conducts one-on-one integrity talks with newly appointed cadres and key personnel. The Company also implements the “Sunshine Procurement” initiative, requiring participating employees to sign integrity agreements, effectively building a company-wide integrity and risk control defense line, ensuring the implementation of anti-corruption systems, and safeguarding the Company’s integrity-driven development.



Integrity Education Pocket Guide

To further strengthen employees’ anti-corruption awareness, the Company conducted multiple anti-corruption training sessions for management and key personnel during the reporting period, organized case studies of typical corruption cases, and visited integrity education bases, achieving a **100%** participation rate among management.

Case

During the reporting period, Changhong Air Conditioner added integrity culture promotion boards and installed integrity culture signage in multiple roads and areas of the industrial park, enhancing the integrity culture atmosphere.



Integrity Culture Signage

2024 Key Performance

- During the reporting period, neither the Company nor its employees were involved in corruption, bribery, or fraud cases concluded or under trial in court;
- No employees were dismissed or disciplined due to corruption;
- No business partner contracts were terminated or not renewed due to corruption.

Whistleblower Protection

To protect the privacy of whistleblowers, Changhong Meiling has formulated the Measures for the Administration of Complaint Reporting, which clearly define reporting channels, methods, and whistleblower protection measures. The Company has established multiple public reporting channels, including a whistleblower hotline, a disciplinary inspection commission email, and a whistleblower mailbox. Whistleblowers can submit complaints and reports anonymously, fundamentally eliminating the risk of information leakage. All reporting channels are directly managed by the Company’s Party Disciplinary Inspection Commission Office to minimize the risk of whistleblower information exposure.





For whistleblowers providing real-name reports and valid evidence, the Company implements strict confidentiality measures, prohibiting any form of suppression or retaliation. Individuals who violate confidentiality regulations will be severely punished. Additionally, the Company has established a whistleblower reward mechanism, recognizing and rewarding effective whistleblowers to encourage employee participation and jointly uphold the Company’ s integrity.

- Mobile OA Communication QQ Group: 539027439
- ▶ Whistleblower Hotline: 0551-62219043
- Whistleblower Email: [jianghong.tan@changhong.com](mailto:jianghong.tan@changhong.com), [li.liu@meiling.com](mailto:li.liu@meiling.com)

2024 Key Performance



Number of Anti-Corruption and Anti-Bribery Training Sessions

34

Total Duration of Anti-Commercial Bribery and Anti-Corruption Training

121

Total Number of Directors Participating in Anti-Commercial Bribery and Anti-Corruption Training

9

Total Number of Management Participating in Anti-Commercial Bribery and Anti-Corruption Training

541

Total Number of Employees Participating in Anti-Commercial Bribery and Anti-Corruption Training

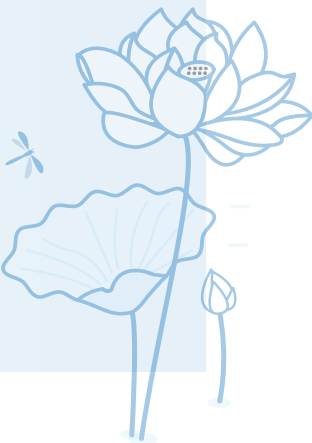
2,068

Percentage of Directors Participating in Anti-Commercial Bribery and Anti-Corruption Training

100 %

Percentage of Management Participating in Anti-Commercial Bribery and Anti-Corruption Training

100 %



Anti-Unfair Competition

The Company strictly complies with the Anti-Monopoly Law of the People’ s Republic of China, the Anti-Unfair Competition Law of the People’ s Republic of China, the Foreign Trade Law of the People’ s Republic of China, and relevant laws and regulations for overseas operations. It has formulated the Market Order Management Measures and established the Market Order Management Committee to actively build a fair and ethical competition mechanism, striving to create a fair market environment. The Company firmly opposes the use of unfair means to restrict or eliminate market competition, ensuring the healthy and orderly development of the market.

To systematically regulate anti-monopoly and fair competition risk control, the Company has established a full-process control mechanism. In the risk monitoring phase, the Company tracks updates to laws and regulations in real time, studies typical administrative law enforcement cases, and identifies potential compliance risks based on industry characteristics. During the contract signing stage, the Company rejects clauses that violate fair competition and opposes price monopoly clauses.

2024 Key Performance

During the reporting period, the Company did not incur any penalties for violations of the Anti-Monopoly Law of the People’ s Republic of China or the Anti-Unfair Competition Law of the People’ s Republic of China.

Case

The Company actively responded to the 2024 China Fair Competition Policy Publicity Week by promoting fair competition awareness among employees through platforms such as the official WeChat account, driving the optimization and high-quality development of the market environment.



Performance Table

	Indicator	Unit	2024 Data
Environmental performance	Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	710.36
	Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	62,486.27
	Total carbon emissions	tCO <sub>2</sub> e	63,196.63
	"Total carbon emissions per million yuan of output value"	tCO <sub>2</sub> e/million revenue(RMB)	6.18
	The total environmental protection investment	RMB10,000	1,723.74
	Industrial wastewater discharge volume	ton	763,511.73
	Domestic wastewater discharge volume	ton	312,195.12
	Total wastewater discharge volume	ton	1,075,706.85
	Wastewater discharge volume per million revenue(RMB)	t/million revenue(RMB)	37.61
	Chemical oxygen demand (COD) discharge	ton	113.42
	Biochemical oxygen demand (BOD) discharge	ton	18.49
	Total waste gas emissions	ton	6.08
	Waste gas emission intensity	t/million revenue(RMB)	0.0002
	Particulate matter (PM) emissions	ton	0.47
	Nitrogen oxide (NOx) emissions	ton	0.27
	Volatile organic compound (VOC) emissions	ton	0.67
	Hazardous waste generation	ton	671.75
	Hazardous waste generation per million revenue(RMB)	t/million revenue(RMB)	0.02
	Non-hazardous waste generation	ton	31,712.26
	Non-hazardous waste generation per million revenue(RMB)	t/million revenue(RMB)	1.11
	Total amount of electricity used	Million kWh	190.0890
	Of which: total amount of purchased green power	Million kWh	38.9172
	The Company's photovoltaic generation	Million kWh	4.3678

	Indicator	Unit	2024 Data
Environmental performance	Total gasoline consumption	ton	16.48
	Total diesel consumption	ton	143.20
	Total natural gas consumption	Million cubic meters	274.10
	Thermal power (steam) consumption	Million kilojoules	37,140.00
	Liquefied petroleum gas consumption	ton	13.06
	Percentage of renewable energy consumption	%	22.77
	Total integrated energy consumption	Tons of standard	29,164.20
	Total energy consumption per million yuan of revenue	Tons of standard coal per million revenue(RMB)	1.02
	Total water consumption	Cubic meters	823,326.48
	Total water savings	Cubic meters	10,819.00
	Water consumption per million yuan of revenue	Cubic meters per million revenue(RMB)	28.79
	Total amount of recycled water	Cubic meters	434,271.13
	Ratio of recycled water to total water consumption	%	52.75
	Total material consumption in production and packaging	ton	1,171,101.81
	Consumption of renewable materials	ton	807,487.36
Social performance	The company's product qualification rate	%	98.98
	Number of complaints related to products and services	case	851
	Customer complaint resolution rate	%	100.00
	Customer complaint response rate	%	100.00
	Average response time for customer complaints	Hour	0.50
	Average resolution time for customer complaints	Hour	Within 24 hours
	Domestic Customers Comprehensive Satisfaction	%	96.82
	Overseas Customers Comprehensive Satisfaction	%	98.80



	Indicator	Unit	2024 Data
Social Responsibility	Number of data security and privacy-related trainings	Time	24
	Average training duration per person of data security and privacy-related trainings	Hour	2
	Coverage rate of data security and privacy training	%	89.00
	Total number of suppliers at the end of the reporting period	Supplier	2,106
	Localization rate of suppliers	%	36.45
	Number of suppliers with sustainability certifications	Supplier	850
	Proportion of suppliers with sustainability certifications	%	40.36
	Amount of responsible (green) procurement	10,000 RMB	1,236,667.83
	The R&D investment amounted	10,000 RMB	80,141.22
	The R&D investment amounted to operating revenue	%	2.80
	Number of R&D personnel	Person	1,781
	The proportion of R&D team members to the total number of employees	%	16.90
	Number of Valid Patents	Patent	3,933
	Number of Invention Patents Applied to Core Business	Patent	981
	Number of Software Copyrights	Copyright	98
	Total Number of Employees	Person	14,655
	Number of Production Staff	Person	7,410
	Number of Sales Staff	Person	4,458
	Number of Technical Staff	Person	1,911
	Number of Financial Staff	Person	292
	Number of Administrative Staff	Person	584
	Number of Employees with High School Education or Below	Person	9,096
	Number of Employees with College Education	Person	2,282
	Number of Employees with Bachelor's Degrees	Person	3,054

	Indicator	Unit	2024 Data
Social performance	Number of Employees with Master's Degrees or Higher	Person	223
	Number of Female Employees	Person	6,835
	Proportion of Employees with Disabilities	%	0.50
	Proportion of Female Executives Among Total Executives	%	23.53
	Number of Female Senior Managers	Person	4
	Social Insurance Coverage Rate	%	100
	Total Investment in Employee Training	10,000 RMB	314.00
	Average Training Hours per Employee	Hour	24
	Employee Training Coverage Rate	%	100
	Investment in Employee Work Injury Insurance	10,000 RMB	390.00
	Employee Work Injury Insurance Coverage Rate	%	100
	Amount of Charitable Donations	10,000 RMB	192.00
	Number of Volunteer Activities	Session	7
	Employee Participation in Volunteer Activities	Person	969
	Total Hours of Volunteer Activities	Hour	2,404
Governance performance	Number of Directors	Person	9
	Number of Independent Directors	Person	3
	Proportion of Independent Directors	%	33.33
	Number of Female Directors	Person	2
	Proportion of Female Directors	%	22.20
	Number of Female Directors, Supervisors and Senior Executives	Person	4
	Proportion of Female Directors, Supervisors and Senior Executives	%	25.53
	Number of Shareholders' General Meetings	Time	4

	Indicator	Unit	2024 Data
Governance performance	Number of Items Discussed and Reviewed at Shareholders' General Meetings	Case	34
	Number of Meetings of the Board of Directors	Time	15
	Number of Items Discussed and Reviewed by the Board of Directors	Case	103
	Number of Meetings of the Board of Supervisors	Time	10
	Number of Topics Reviewed by the Board of Supervisors	Case	41
	Number of Times a Particular Topic was Not Approved at the Above Meetings	Time	0
	Amount of 2023 Annual Profit Distribution	10,000 RMB	3,097.71
	Proportion of Net Profit Attributable to Listed Company Shareholders	%	41.70
	IR Interactive Responses	Time	126
	Earnings Briefings	Time	1
	Investor Receptions	Time	54
	Investor Hotline Calls Received	Time	Approximately560
	Institutional Investor Receptions	Person	757
	Number of Audit Projects for the Year	Case	266
	Total Number of Governance and Compliance Training Sessions	Session	5
	Total Duration of Governance and Compliance Training	Hour	10
	Total Number of Participants in Governance and Compliance Training	Person	150
	Number of Anti-Corruption and Anti-Bribery Training Sessions	Session	34
	Total Duration of Anti-Commercial Bribery and Anti-Corruption Training	Hour	121
	Total Number of Employees Participating in Anti-Commercial Bribery and Anti-Corruption Training	Person	2,068
	Total Number of Directors Participating in Anti-Commercial Bribery and Anti-Corruption Training	Person	9
	Percentage of Directors Participating in Anti-Commercial Bribery and Anti-Corruption Training	%	100
	Total Number of Management Participating in Anti-Commercial Bribery and Anti-Corruption Training	Person	541
	Percentage of Management Participating in Anti-Commercial Bribery and Anti-Corruption Training	%	100

## Report Index

Contents	the Guidelines
Report Preparation Notes	T6
Chairman' s Message	\
About Changhong Meiling	\
Materiality Assessment	T5、 T11、 T52
Deepening ESG Governance Capabilities	T12、 T14、 T15、 T16、 T17
Environment	
Climate Change Response	T8、 T16、 T17、 T18、 T22、 T23、 T24、 T25、 T26、 T27、 T28
Environmental Compliance Management	T33
Strengthening Pollution Prevention and Control	T30、 T31
Strengthening Energy Management	T35
Water Resource Utilization	T36
Developing the Circular Economy	T37
Ecological and Biodiversity Conservation	T32
Advancing Green Manufacturing	T20
Social Responsibility	
Product and Service Safety and Quality	T47
Data Security and Customer Privacy Protection	T48
Win-Win Cooperation	T45、 T46
Innovation-Driven Development	T42、 T43
Employees	T50
Social Responsibility	T39、 T40
Governance	
Corporate Governance Mechanisms	T9、 T53
Business Ethics and Anti-Corruption	T55
Anti-Unfair Competition	T56
Appendix	
Performance Table	\
Report Index	T57