Hisense

Hisense

2023

Environmental, Social and Governance Report

Hisense Visual Technology Co.,Ltd.

Hisense Visual Technology,
For A Better Life

Hisense Visual Technology Co.,Ltd.

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About this Report

Background

This report is the first Environmental, Social and Governance ("ESG") Report issued by Hisense Visual Technology Co., Ltd. (hereafter referred to as "Hisense Visual Technology" or "the Company"), which presents environmental, social and governance practices and performance of Hisense Visual Technology. This report covers the period from 1 January 2023 to 31 December 2023, with some periods extended forward or backward as appropriate to enhance comparability and completeness of the report as the authoritative document. . In case of discrepancies between the Chinese and English reports, please refer to the Chinese version

Basis of Compilation

This report references the Global Sustainability Standards Board (GSSB) "Sustainability Reporting Standards" (GRI Standards), the International Sustainability Standards Board (ISSB) "Sustainability Accounting Standards" (SASB Standards) revised edition, "Standardized Operations - No. 1 Guideline on Self-Regulation of Listed Companies" issued by the Shanghai Stock Exchange, and the "Guidelines on Preparation of Corporate Social Responsibility Reports of Chinese Enterprises 5.0 (CASS-ESG 5.0) ". It is compiled based on the industry background, the Company's current situation, and actual sustainable development practices.

Reporting Scope

The policies and data provided in this report cover Hisense Visual Technology and its subsidiaries, with the reporting scope consistent with the Company's annual report. For information regarding the listed subsidiary, Xiamen Changelight Co., Ltd., refer to the "2023 Environmental, Social and Governance Report of Xiamen Changelight Co., Ltd." disclosed on the Shenzhen Stock Exchange website on March 26. The data and cases in this report primarily come from the Company's statistical reports and relevant documents. The Company's board of directors ensures that this report contains no false records, misleading statements, or significant omissions, and is responsible for the authenticity, accuracy, and completeness of its content.

Report Access and Response

The electronic form of this report is available on the Hisense Visual Technology website.

https://visual.hisense.com

To continuously improve the Company's ESG management and enhance the quality of ESG information disclosure, readers are welcome to contact us with any questions or suggestions regarding this report or sustainability related topics, advancing the Company's ESG efforts to a higher level:

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Message from the Chairman

Hisense Visual Technology adheres to a global business strategy and a differentiated development approach, enhancing overseas supply chain capabilities and the quality of international business development to strengthen risk resistance capability. Upholding the philosophy of "customer first, perpetual operation", the company further optimizes the "1 + (4 + N)" industrial layout and governance mechanism. As of the end of 2023, Hisense's global TV shipment firmly remains second worldwide and first in China, while Hisense laser TV shipment ranks first globally.

Hisense Visual Technology, with the vision of "Building a Century-old Hisense and Becoming the Most Reliable Global Brand" has established a top-down, highly efficient, and collaborative ESG governance structure. This structure encompasses three levels: governance, management, and execution, embedding the ESG development philosophy closely into the company's daily management and operation. The company continuously sets new ESG development goals, systematically conducts ESG trainings, and deeply integrates ESG into its daily business operation, thereby achieving efficient advancement of ESG initiatives. In the pursuit of industrial innovation and sustainable development, Hisense Visual Technology remains steadfast in contributing to society by focusing on the four dimensions of "creating a beautiful environment, creating user-friendly experience, valuing talents, and collaborating on ecological development".

Creating a sustainable environment with environmentally friendly business activities

We take "leading advanced manufacturing with intelligence at its core" as our mission, and actively explore new paths in carbon reduction. We widely utilize renewable energy, construct energy storage equipment and intelligent energy management platforms, and have created the first "zero-carbon factory" in China's television industry. Through our own "quantitative accumulation" we have achieved a "qualitative leap" in the industry's zero-carbon advancements. In the process of production and operation, we continuously upgrade technology and equipment, applying digital and intelligent technologies to improve resource utilization efficiency. This achieves dual benefits in both economic and environmental aspect. In 2023, we were honored with the title of "Leader in China's Industrial Carbon Peaking". This is not only an optimization of our current development model but also a profound planning for the future of the world.

Satisfying customers with user-centered products

We center on user needs, focusing on three major scenarios: home, commercial, and automotive. We have made comprehensive and in-depth presence in high-end LCD, laser, and LED display technologies. Our independently developed ULED X and laser display technology platforms are leading globally. We are committed to the development of display technologies with advantages such as green and low-carbon features, eye care, and audio-visual friendliness; we have established the laser TV category, propelling China to the forefront in the laser display field in terms of key technologies, patents, and industrial chain ecosystems. We have strengthened the integration of our products with artificial intelligence technology, releasing TV AI definitions and architectures, leading the industry to shift from parameter competition to continuous care for and satisfaction of user needs.

Cultivating talents with people-oriented concepts for development

Talent is the primary resource, and innovation is the primary driving force. The essence of technological innovation lies in people, and the essence of the driving force behind innovation lies in talent. We focus on providing global talents with a diverse, inclusive, and comfortable working environment, as well as a development platform with equal opportunities, and exploring personalized career development for employees. We highly care for the physical and mental health of our employees, always putting their health first. We build a comprehensive health management system, establish a three-tiered health management network to safeguard employee health. We are committed to creating a more comfortable and harmonious working and living environment, providing employees with green spaces for relaxation and diversified care. We firmly believe that only by truly respecting, caring for, and valuing talents can we attract more high-caliber persons to join our ranks, providing a solid talent guarantee for the long-term development of the enterprise.

Building a harmonious ecosystem with mutual trust and collaboration

To better respond to an ever-changing environment, we need to be closer to consumers than ever before, driving the transformation of the traditional supply chain into a value chain model centered around customers/users, which enhances product experiences and achieves sustainable business growth. By continuously collaborating with our partners, we will expand our green development scope and continuously optimize our green low-carbon standards system, which will encompass the entire process from design, supply chain, manufacturing, sales and after-sales, to recycling and comprehensive utilization. Together, we will create greener, more environmentally friendly, and high-quality display products, enhancing consumer life quality and building a green ecosystem. We are committed to community and social public welfare activities, jointly creating a harmonious society and a prosperous future.

Nowadays, sustainable development has become a global consensus. Hisense Visual Technology, standing at a new starting point, will shoulder a more significant mission by continually seeking solutions through technological innovation and creating environmental and social value in business practices. With consistent effort and continuous learning, no distance is too far and no challenge is too great. We will continue to adhere to long-termism, contributing to a better life and a sustainable world. Together with all stakeholders, we will embrace a brighter future!

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About Hisense Visual Technology

Company Introduction

Hisense Visual Technology Co., Ltd (hereinafter referred to as "Hisense Visual Technology" or "the Company") was listed on the Shanghai Stock Exchange in 1997 (stock code: 600060), formerly known as Qingdao Radio Factory No. 2, which was established in 1969 and headquartered in Qingdao, Shandong Province. The Company is mainly engaged in the research, development, production and sales of display and products of upstream and downstream industrial chain, and has set up research and development centers in Qingdao, Shenzhen, Wuhan, the United States, Germany and other places around the world. The Company is committed to becoming a world-class multi-scene system display solution provider with "ubiquitous displays, ubiquitous services, and ubiquitous connections".

German R&D Center

European Manufacturing Base

China

Japan R&D Center

Qingdao R&D Center/ Manufacturing Base

Xi'an R&D Center

Yangzhou R&D Center/ Manufacturing Base

Wuhan R&D Center

Guiyang Manufacturing Base

Shanghai R&D Center

Nanchang R&D Center/ Manufacturing Base

Jiangmen Manufacturing Base

Xiamen R&D Center/ Manufacturing Base

Shenzhen R&D Center

U.S. R&D Center

North America Manufacturing Base

South Africa Manufacturing Base

Large Industrial Parks/Manufacturing Bases: 9   R&D Centers: 11

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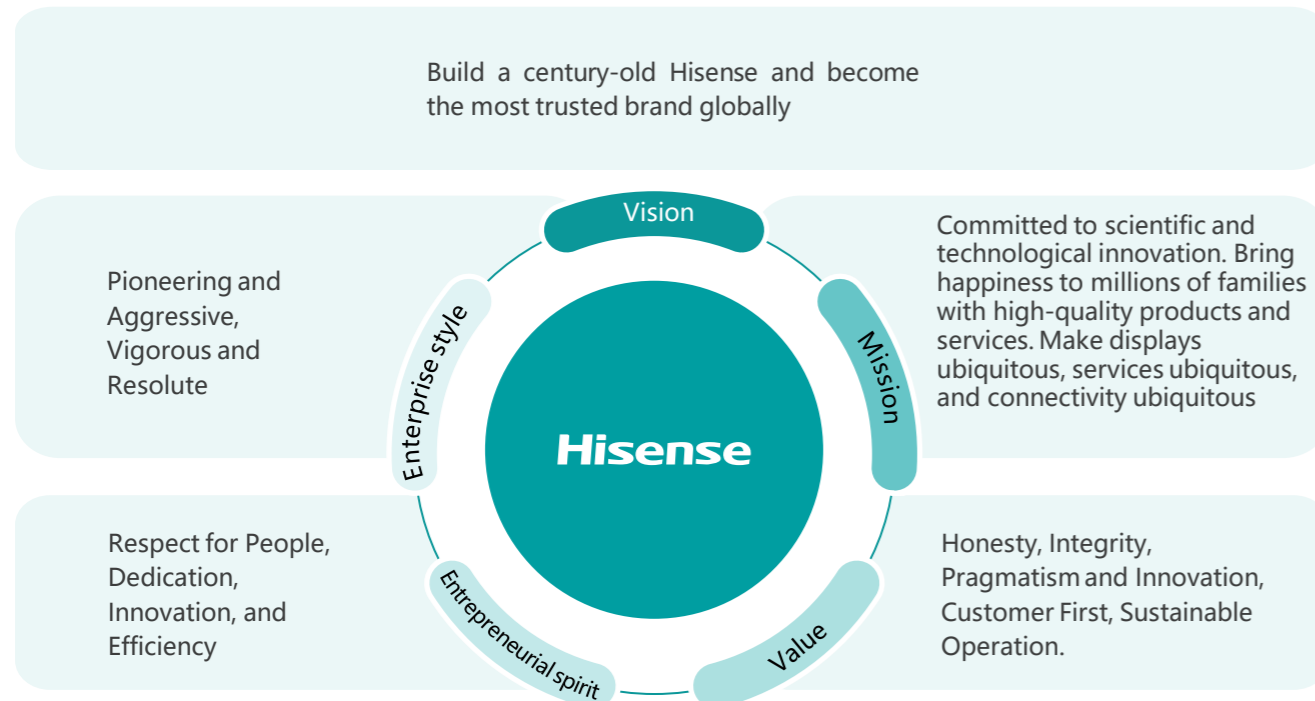Building a Harmonious
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Company Business

Hisense Visual Technology implements the matrix management of independent operation and synergistic coverage for each of its brands, and at the same time devotes itself to the dual-channel operation of "To B" and "To C". In 2023, the globalization of the brand system has further accelerated, and the shipment of intelligent display terminal has stabilized at the second place in the world in terms of market share, and the global leadership in the field of laser display has been continuously enhanced.

In recent years, the products of Hisense's brands have been broadly used overseas, the chip product category has been diversified and expanded, and the cloud service scene mode is rich and diverse.. The three brands, Hisense, Toshiba and Vidda, are positioned in the global market as the "Definer of High-quality Technological Life", the "Expert in Extreme Audio-Visual TVs" and the "Young Technological Trendsetter" to serve the individual needs of different user groups. Driven by technological innovation, the Company continues to extend the diversified application scenarios of "big display", providing first-class solutions for global multi-scene system display.

During the reporting period, the Company further enhanced the global market competitiveness of its display, chip, cloud service and artificial intelligence technologies, and continued to deepen and break through the "1+(4+N)" industrial layout which enables efficient synergy and independent development. Meanwhile, the Company consolidated its leading position in the display industry by holding Xiamen Changelight Co., Ltd., further strengthened its strategic layout in the display industry chain, and accelerated the research and development and product promotion of new technologies such as Mini LED and Micro LED, so as to establish resource advantages in the future market and supply chain.

Company Culture

Build a century-old Hisense and become the most trusted brand globally

Pioneering and Aggressive, Vigorous and Resolute

Enterprise style

Vision

Mission

Hisense

Entrepreneurial spirit

Value

Committed to scientific and technological innovation. Bring happiness to millions of families with high-quality products and services. Make displays ubiquitous, services ubiquitous, and connectivity ubiquitous

Respect for People, Dedication, Innovation, and Efficiency

Honesty, Integrity, Pragmatism and Innovation, Customer First, Sustainable Operation.

Company Honors

ESG-related Honors

Hisense Visual Technology was awarded the 2023 ESG Era Pioneer Listed Company Award.

Hisense Visual Technology was awarded the ESG Development Influencer of the Year 2023.

Hisense Visual Technology was selected as one of the "Top 100 in the First Guoxin Cup-ESG Golden Bull Award".

Company-related Honors

Hisense Visual Technology was awarded the 2023 Outstanding Value Listed Company.

Hisense Visual Technology was awarded the 17th Outstanding Enterprise in Digital Intelligence of Listed Companies in 2023.

Hisense Visual Technology was honored as one of the "2023 China's Top 50 VR Enterprises".

Hisense Visual Technology was recognized as "National Quality Benchmark ".

Hisense Laser Display Company was awarded the "20th People's Craftsmanship Award" of the 18th People's Corporate Social Responsibility Award.

Hisense Laser Display was awarded the "2023 Carbon Neutral Pioneer" Award.

Hisense Visual Technology was awarded the title of "Leading Enterprise" in China's Industrial Carbon Peaking 2023.

Hisense Visual Technology was selected as a "Green Supply Chain Management Enterprise" by China's Ministry of Industry and Information Technology.

Building Excellence in Governance

Sound corporate governance is the pillar of healthy enterprise development. Hisense Visual Technology is committed to continuously improving the level of governance, consolidating risk management, operating in compliance with the law, maintaining fair competition, and improving information security management, so as to strengthen corporate governance and consolidate the foundation of development through an efficient and sound governance system.

Sustainable Development Management

The Concept of Sustainable Development

With the vision of "building a century-old Hisense and becoming the most reliable brand globally", Hisense Visual Technology adheres to the ESG concept with long-termism in practice, and is guided by the four pillars of creating a sustainable environment, satisfying customers, developing talents, and building a harmonious ecosystem, in order to practice sustainable development and create value for all stakeholders such as shareholders, users, employees, and partners, and are committed to building a "better life" in the future together with all parties in society.

Creating a Sustainable Environment

Responding to the national dual-carbon goal, committing to reducing greenhouse gas emissions, developing green products, and doing our best to protect the green planet.

Satisfying Customers

Upholding the concept of user first, creating customer-centric technology, and bringing the premium experience to users across the scene with green, customer-centric and healthy technology and products.

Developing Talents

Providing equal development opportunities for employees, advocating a diversified and inclusive corporate culture, stimulating the creativity and potential of employees, and enabling every employee to find a sense of belonging and fulfillment in Hisense Visual Technology.
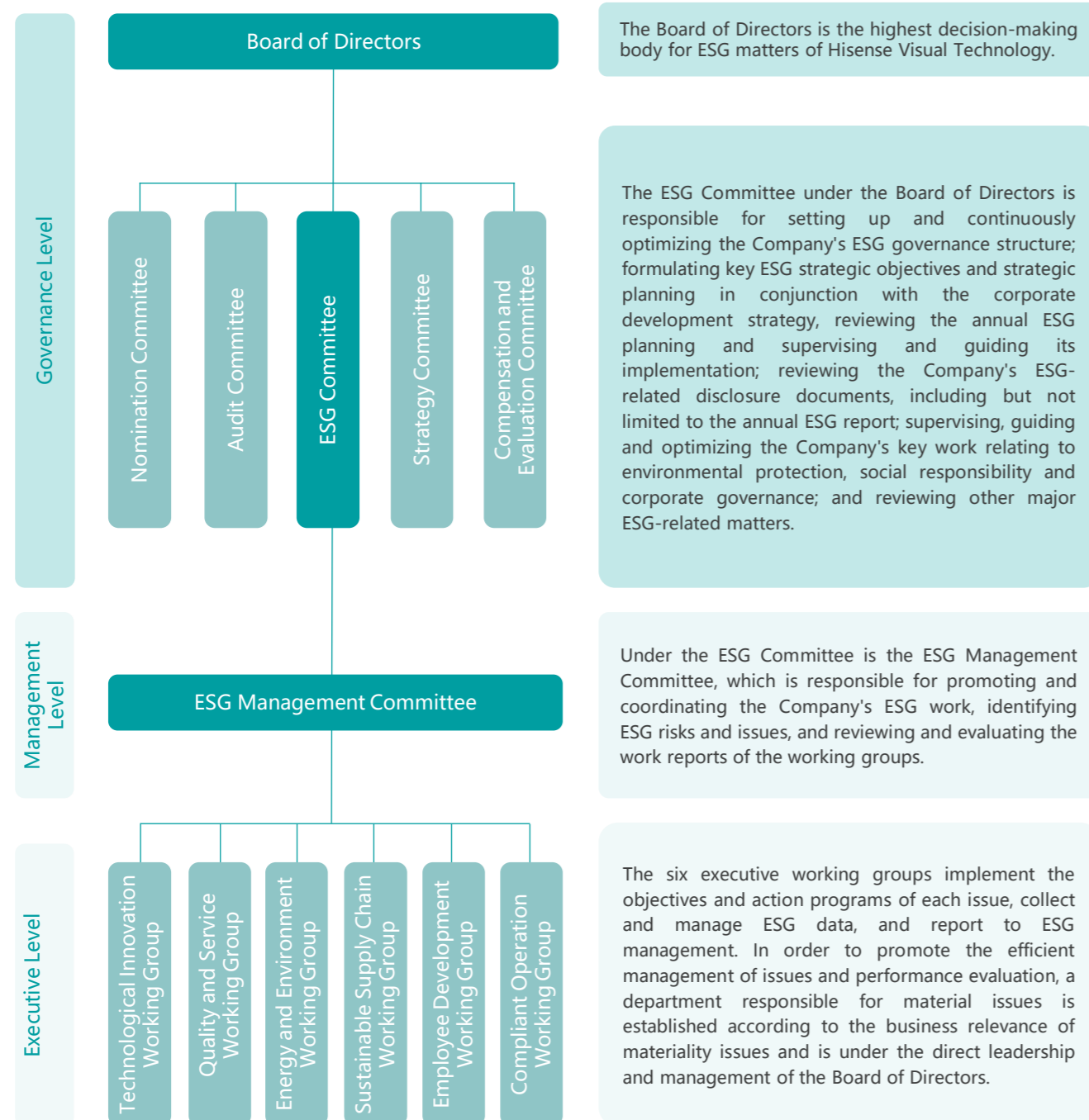
Building a Harmonious Ecosystem

Actively participating in industry exchanges, continuously empowering the value chain, serving the community, advocating the concept of sustainable development, and working together to create a better future.

ESG Governance Framework

Hisense Visual Technology attaches great importance to sustainable development and has constructed a top-down, highly efficient and synergistic ESG governance structure covering the governance, management and executive levels, closely integrating ESG development concepts into the Company's daily management and operations. In order to further optimize the construction of the ESG system, Hisense Visual Technology released the "Working Rules of the Environmental, Social and Corporate Governance (ESG) Committee of Hisense Visual Technology Co., Ltd". The Rules specify the composition, duties and responsibilities, and rules of procedure of the Environmental, Social and Governance Committee (hereinafter referred to as the "ESG Committee").

Governance Level

Board of Directors

The Board of Directors is the highest decision-making body for ESG matters of Hisense Visual Technology.

- Nomination Committee
- Audit Committee
- ESG Committee
- Strategy Committee
- Compensation and Evaluation Committee

The ESG Committee under the Board of Directors is responsible for setting up and continuously optimizing the Company's ESG governance structure; formulating key ESG strategic objectives and strategic planning in conjunction with the corporate development strategy, reviewing the annual ESG planning and supervising and guiding its implementation; reviewing the Company's ESG-related disclosure documents, including but not limited to the annual ESG report; supervising, guiding and optimizing the Company's key work relating to environmental protection, social responsibility and corporate governance; and reviewing other major ESG-related matters.

Management Level

ESG Management Committee

Under the ESG Committee is the ESG Management Committee, which is responsible for promoting and coordinating the Company's ESG work, identifying ESG risks and issues, and reviewing and evaluating the work reports of the working groups.

Executive Level

- Technological Innovation Working Group
- Quality and Service Working Group
- Energy and Environment Working Group
- Sustainable Supply Chain Working Group
- Employee Development Working Group
- Compliant Operation Working Group

The six executive working groups implement the objectives and action programs of each issue, collect and manage ESG data, and report to ESG management. In order to promote the efficient management of issues and performance evaluation, a department responsible for material issues is established according to the business relevance of materiality issues and is under the direct leadership and management of the Board of Directors.

The Board of Directors is the highest decision-making body for ESG matters of Hisense Visual Technology. The Board of Directors has established an ESG Committee, which oversees and guides ESG-related work on behalf of the Board of Directors, prudently evaluates ESG risks and opportunities as well as their potential impacts on the Company, reasonably deliberates on material ESG issues, and takes the lead in formulating an ESG strategic plan in line with the Company's business development. Under the ESG Committee, an ESG Management Committee is set up, with six corresponding executive working groups, to guarantee the implementation and fulfillment of the Company's ESG strategy.

The Company attaches importance to the significant impacts that ESG risks may have on the Company and has incorporated ESG management into the Company's overall risk assessment and management system. Based on the external socio-economic macro-environment and the Company's development strategy, the Company carries out regular assessment of material ESG issues and reports them to the Board of Directors for review. The Board discusses and identifies the Company's ESG risks and opportunities, managing and enhancing important issues as ESG priorities, and incorporates them into the Company's overall strategy. They oversee issue management and performance to ensure the Company operates smoothly and soundly with higher efficiency, reliability, and more comprehensive collaboration.

The Company has incorporated ESG-related indicators such as safety and quality in the performance appraisal and evaluation system for senior executives as firewalls. In the event of a major safety responsibility incident, the performance appraisal results and annual performance salary may be adjusted accordingly. In the future, the Company will continue to improve the performance appraisal mechanism for sustainable development and continuously optimize the setting of sustainable development indicators and appraisal mechanism in the remuneration evaluation, so as to fully support and strengthen the implementation of the Company's sustainable development strategy .

In order to strengthen the ESG capacity building of members at all levels of the sustainability management structure, Hisense Visual Technology organizes regular ESG training from time to time to interpret ESG development trends and excellent practices, implementing ESG into all relevant work positions. Hisense Visual Technology will continue to create a sustainable corporate culture and enhance ESG management capabilities through various means, including internal employee training, corporate culture construction and exchange of excellent practices in the industry.

Hisense has joined the World Economic Forum as a member. The WEF is an international organization that actively promotes public-private cooperation and is committed to demonstrating entrepreneurial spirit for the benefit of the global public, while upholding the highest standards of governance. The Forum's organizational culture is based on the "stakeholder" theory, whereby any organization is accountable to all facets of society.

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Responding to Stakeholders

Stakeholder Communication

Hisense Visual Technology attaches great importance to the expectations and feedbacks of stakeholders, considering their voices and expectations as the sails and anchors that drive the Company forward. Therefore, Hisense Visual Technology always keeps an open attitude and establishes diversified communication channels through various forms to collect and respond to the opinions and demands of all stakeholders in a timely manner.

The Company has conducted in-depth interviews and exchanges with shareholders, customers, suppliers and other stakeholders to understand their expectations and valuable suggestions for the future ESG development of Hisense Visual Technology. In striving for business development, the Company aims to achieve mutual growth with stakeholders promoting ESG practices together, and building a more just, open and sustainable future with all parties.

Stakeholders	ESG Issues of Concern	Main Communication Channels
Shareholders	Compliance and Anti-corruption Risk Management Intellectual Property Protection Product Quality Research and Innovation	Shareholders' Meeting Performance Briefing Roadshow On-site Research Email Online Communication
Customers/Users	Customer Service Product Quality Research and Innovation	Social Media Customer Visit Customer Conference Customer Satisfaction Survey Phone Communication

Stakeholders	ESG Issues of Concern	Main Communication Channels
Suppliers	Product Quality Supply Chain Management	Field Research Meeting with Specific Topics Routine Visits Technical Seminar Telephone/Email Communication
Employees	Employee Rights and Benefits Occupational Health and Safety Talent Training and Development	Face-to-face communication Interview Telephone/Email/Internal Communication Software Feedback Mailbox Employee Activities Employee Engagement Survey
Government and Regulatory Authorities	Energy Management Employee Rights and Benefits Research and Innovation Compliance and Anti-corruption	Symposium Policy Consultation On-site Research Disclosure of Information
Society and the Public	Climate Change Solid Waste Management Product Quality	Press Conference Social Media
Industry Association	Product Quality Research and Innovation	Industry Seminars Industry Exhibitions Collaborative Research
Community	Community Development	Public Welfare Activities

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Material Topics

To gain a deeper understanding of the opinions and expectations of various stakeholders, Hisense Visual Technology has referred to ESG-related laws and regulations, industry sustainability trends, and the current state of disclosures. Based on the process of "background analysis - identification of material issues - analysis of material issues - review and confirmation", we conducted a materiality assessment and created the Hisense Visual Technology 2023 ESG Materiality Matrix.

Background Analysis	Identification of Material Issues	Analysis of Material Issues	Review and Confirmation
Based on the Company's operations and future development direction, combined with the current situation of the industry, we analyzed the internal and external background of the Company's sustainable development.	Based on the background analysis, Hisense Visual Technology identified a total of 22 material ESG issues, including 9 environmental issues, 8 social issues and 5 governance issues.	Hisense Visual Technology analyses material issues through questionnaires, interviews and communications, and creates a materiality issue matrix chart based on the actual research results according to the two dimensions of [materiality to stakeholders] and [materiality to Hisense Visual Technology] to determine the order of importance of the Company's ESG issues.	The Board of Directors and the Management Team of the Company have reviewed the analysis results of material issues and confirmed their approval.

Materiality Issue Matrix Chart

Environmental

1. Greenhouse Gas Emission Management
2. Climate Change
3. Energy Management
4. Green product's full life cycle
5. Environmental Management System
6. Water Resource Management
7. Solid Waste Management
8. Electronic Waste Management
9. Exhaust Emissions Management

Social

10. Employee Rights and Benefits
11. Occupational Health and Safety
12. Talent Training Development
13. Product Quality
14. Customer Service
15. R&D Innovation
16. Supply Chain Management
17. Community Development

Governance

18. ESG Management
19. Compliance and Anti-corruption
20. Risk Management
21. Cyber Security and Information Protection
22. Intellectual Property Protection

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Responding to the United Nations Sustainable Development Goals

SDGs		MEASURES	LOCATION
	SDG3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages	• By launching a safety production information platform, Hisense Visual Technology has carried out training, education, and safety activities, strengthened emergency management, and achieved five annual occupational health and safety goals: zero fire accidents, zero occupational disease incidents, zero severe injury and fatality rates per thousand employees, 100% coverage of occupational health check-ups, and 100% coverage of safety production training.	Safeguarding Employee Health
	SDG4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Hisense Visual Technology collaborates with multiple universities through industry-academia partnerships, establishes scholarships, makes donations, provides summer internship opportunities, and strengthens joint education efforts between the Company and universities. • Hisense Visual Technology develops training programs based on the needs of different occupational sequences and levels, and conducts diversified training such as offline training, online learning, live broadcasts and replays, and community operations, achieving 100% training coverage for all employees.	Promoting Diversity and Inclusion Cultivating Craftsmanship-Oriented Skilled Talent
	SDG5 Gender Equality Achieve gender equality and empower all women and girls	• Adhere to gender equality, equal pay for equal work, and provide equal opportunity career development pathways for employees. • Focus on women's health and strictly provide sufficient maternity leave in accordance with national regulations. • Provide convenient facilities and considerate benefits for female employees, organize a variety of employee activities on women's holidays, and create a warm, comfortable, and equal working environment.	Promoting Diversity and Inclusion

SDGs		MEASURES	LOCATION
	SDG6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	• Hisense Visual Technology has formulated the "Water Conservation Management Measures" and cooperated with a series of water conservation measures and wastewater management measures to realize water recycling and reduce water consumption and water pollution.	Promoting Environmental Friendliness
	SDG7 Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	• Hisense Visual Technology actively develops green energy, installs distributed photovoltaic, and focuses on building green factories.	Practicing Green and Low-carbon
	SDG8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Hisense provides employees with promotion channels and development platforms according to different occupational sequences and levels, builds a dual-channel development mechanism of professional promotion channels and management promotion channels, and continuously carries out diversified training.	Focusing on Talent Development

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Responding to the United Nations Sustainable Development Goals

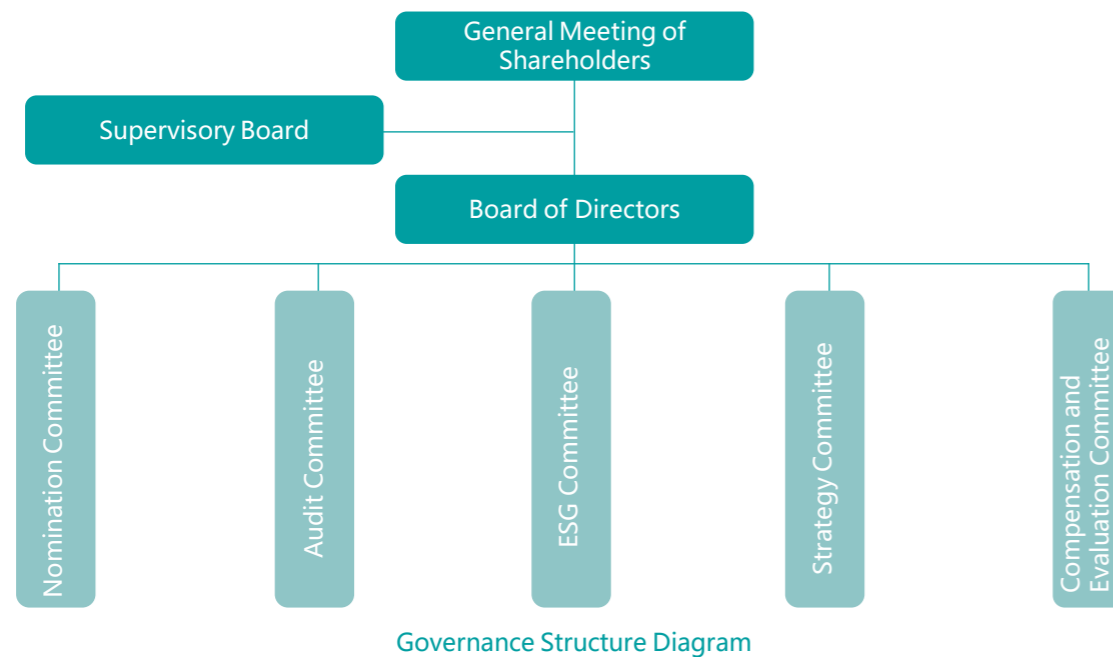| SDGs	MEASURES	LOCATION
SDG9 Industry, Innovation, and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• Under the strategy of "technology-based enterprise", Hisense Visual Technology continues to develop and innovate in the fields of laser display technology, perceptual image quality technology, chip technology, virtual reality technology, etc., deeply integrating the concepts of green, user-centric and healthy, and serving global users with its technology and products.	Leading Technological Innovation
SDG10 Reduced Inequalities Reduce inequality within and among countries	• Hisense is committed to creating a diverse, equal and inclusive work environment, treating employees of different races, genders, countries, ages, religious beliefs, etc. equally, resisting any form of discrimination and prejudice, and providing equal opportunities for development and promotion.	Promoting Diversity and Inclusion
SDG11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	• Hisense Visual Technology implements CSR management for suppliers, deepens responsible and sustainable purchasing, and builds a mutually beneficial ecosystem with the supply chain. • Hisense Visual Technology is actively involved in public welfare and charity, community participation, education and health care, and is committed to the sustainable development of cities and communities.	Building a Better Future Together Illuminating Social Responsibility

SDGs	MEASURES	LOCATION
SDG12 Responsible Consumption and Production Ensure sustainable consumption and production patterns	• Hisense Visual Technology is committed to green and low-carbon practices in the product life cycle, establishing green and low-carbon technologies from green design, green manufacturing, green shipping and green recycling, and promoting the realization of green and low-carbon transformation. • Hisense Visual Technology implements CSR management for suppliers and deepens responsible and sustainable sourcing.	Practicing Green and Low-carbon Building a Better Future Together
SDG13 Climate Action Take urgent action to combat climate change and its impacts	• Hisense Visual Technology focuses on building a green and low-carbon standard system, actively carries out carbon inventory, energy saving and carbon reduction, and builds zero-carbon factories.	Promoting Environmental Friendliness Practicing Green and Low-carbon
SDG16 Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	• Hisense Visual Technology has a governance structure with a clear division of powers and responsibilities, adheres to compliance and business ethics, and attaches great importance to ESG governance, forming an effective top-down ESG governance system to ensure the implementation of the Company's ESG strategy.	Regulating Corporate Governance

Regulating Corporate Governance

Hisense Visual Technology strictly complies with the "Company Law of the People's Republic of China" , the "Securities Law of the People's Republic of China", and other relevant laws and regulations. The Company continuously improves its institutional system, led by the "Articles of Association of Hisense Visual Technology Co., Ltd." (hereinafter referred to as the "Company Articles"), and consistently enhances its corporate governance mechanisms.

Governance Structure

Hisense Visual Technology has established a clear and well-defined corporate governance system with distinct divisions of responsibilities. The General Meeting of Shareholders is the highest authority of the Company, and the Board of Directors is accountable to the General Meeting of Shareholders. The Board of Directors has established the Nomination Committee, Audit Committee, Strategy Committee, and Compensation and Evaluation Committee. To more efficiently promote ESG initiatives, an ESG Committee has be added at the board level in 2024. The Supervisory Board is responsible for overseeing the actions of the Company's directors and management, as well as the Company's finances.

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         General Meeting of
            Shareholders
               |
Supervisory Board —— Board of Directors
               |
  ┌──────┬──────┼──────┬──────┐
Nomination  Audit   ESG   Strategy  Compensation and
Committee Committee Committee Committee Evaluation Committee
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Governance Structure Diagram

General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. It strictly complies with the requirements of the "Company Articles of Association" and the "Rules of Procedure for the General Meeting of Shareholders" to fulfill its obligations, conduct convening, deliberation, and voting activities, and fully ensure shareholders' rights to information, participation, and voting, as well as the Company's standardized and effective operations. In 2023, Hisense Visual Technology held a total of 3 General Meetings of Shareholders.
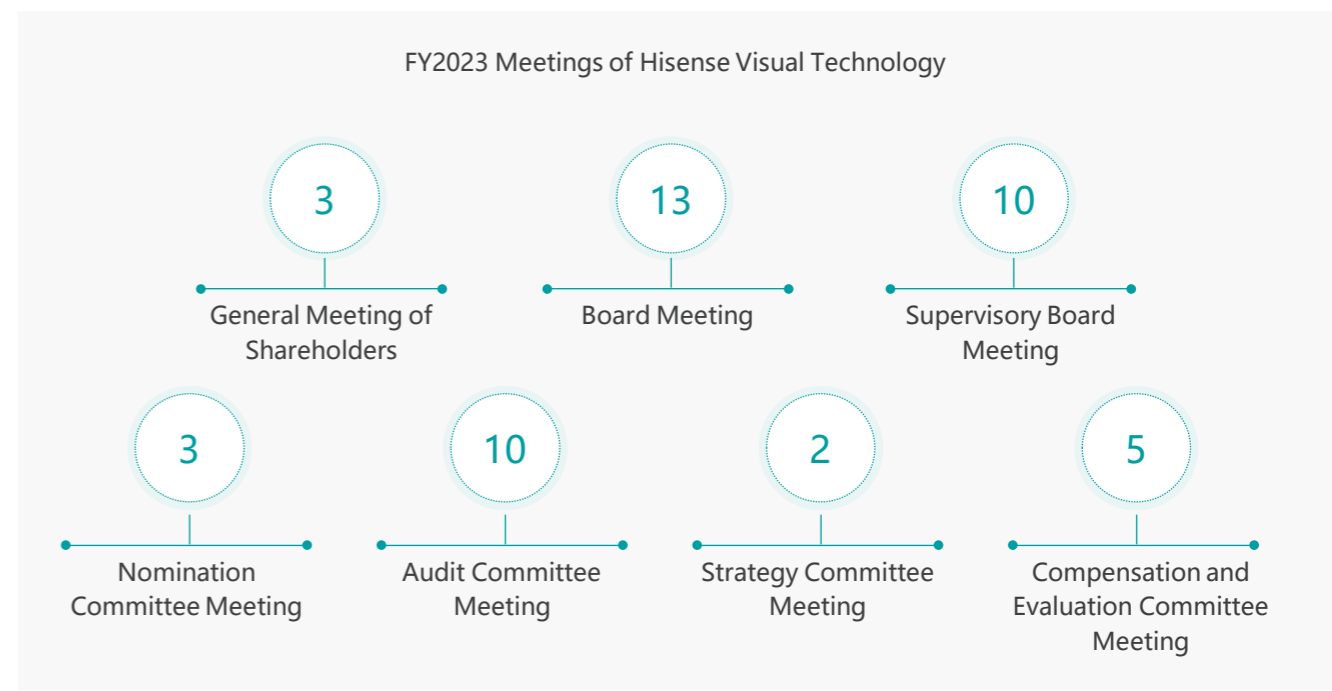
1 This diagram shows the governance structure at the date of this Report.

Board of Directors

The Board of Directors is accountable to the General Meeting of Shareholders and exercises the authority granted by laws, regulations, the Company Articles of Association, and the General Meeting of Shareholders. The various specialized committees under the Board of Directors leverage their respective expertise to study specialized matters and provide opinions and recommendations, playing a crucial role in the Board's scientific decision-making process. The Company's Board of Directors ensures the scientific nature of major decisions through repeated deliberations with the professional guidance and supervisory roles of the specialized committees. The Board of Directors conducts annual evaluations and implementations of the execution status of various resolutions. Additionally, the Supervisory Board fully exercises its supervisory role by overseeing the performance of the directors.

Supervisory Board

The Supervisory Board is the Company's permanent supervisory and inspection body. It is accountable to the General Meeting of Shareholders and exercises the authority granted by laws, regulations, the Company Articles of Association, and the General Meeting of Shareholders. The Supervisory Board oversees the Company's finances and ensures the legality and compliance of the performance of duties by the Company's directors, president, and other senior management personnel, safeguarding the legitimate rights and interests of the Company and its shareholders. The Supervisory Board also supervises the Company's internal control system to ensure the implementation of effective internal control measures. The Company's Supervisory Board consists of 3 supervisors, all of whom are women, including 1 employee supervisor elected by the Company's employee representative assembly.

FY2023 Meetings of Hisense Visual Technology

Meeting	Count
General Meeting of Shareholders	3
Board Meeting	13
Supervisory Board Meeting	10
Nomination Committee Meeting	3
Audit Committee Meeting	10
Strategy Committee Meeting	2
Compensation and Evaluation Committee Meeting	5

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Board Diversity and Independence

Hisense Visual Technology strictly follows the requirements of the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", and the "Code of Corporate Governance for Listed Companies" as well as other laws, regulations, and normative documents to form the Board of Directors. During the re-election or replacement of directors, the Company reviews the implementation of board diversity. Directors are selected based on diverse criteria such as industry experience, educational background, gender, age, and culture, continuously improving the governance level of the Board of Directors. The Company has clear requirements regarding the diversity of the Board of Directors. The Nomination Committee and the Securities Department are responsible for reviewing director nominations, including but not limited to qualifications for directorship, the diversity of the backgrounds of board members, and whether the diverse background composition of the board is conducive to major decision-making and strategic formulation for the Company. The Company's Board of Directors consists of 8 members, including 1 female director and 3 independent directors. There are 3 experts in the display industry, 2 accounting professionals, 1 legal and corporate governance professional, 1 national expert in the HR field, and 1 persons specializing in overseas market expansion.

During the reporting period, the Company's Board of Directors fully leveraged its core role in corporate governance, diligently and actively promoting various company activities. It strictly discussed and made decisions on relevant matters within the scope of authority stipulated by the Company Articles of Association. Average attendance rate of the Board of Directors was 100%.

Investors Rights

Hisense Visual Technology has formulated the "Investor Relations Management System" to regulate the Company's investor relations management, enhance effective communication between the Company and investors, promote the improvement of corporate governance, improve the quality of company operations, and effectively protect the legitimate rights and interests of investors, especially small and medium-sized investors. The "Investor Relations Management System" was formulated in accordance with relevant laws, regulations, and rules such as the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Opinions of the State Council on Further Improving the Quality of Listed Companies", the "Opinions on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in the Capital Market", and the "Opinions on Comprehensively Promoting the Construction of a Diversified Resolution Mechanism for Securities and Futures Disputes".

In its investor relations management, Hisense Visual Technology adheres to four basic principles: compliance, equality, proactiveness, and honesty and integrity. The Company encourages investors to enhance their awareness as shareholders, actively participate in the Company's investor relations management activities, exercise their shareholder rights according to the law, and rationally safeguard their legitimate rights and interests. The Company advocates for investors to adhere to the concepts of rational investment, value investment, and long-term investment, fostering a rational and mature investment culture. In accordance with laws, regulations, self-regulatory rules, and the Company articles of association, the Company timely and fairly fulfills its information disclosure obligations. The disclosed information is true, accurate, complete, concise, clear, and easy to understand.

The Company places great importance on the timeliness and effectiveness of communication with investors and has established multiple communication channels. These include the General Meeting of Shareholders, performance briefings, on-site investor research, SSE E-interaction, online collective investor reception days, roadshows, and online interactions. Through these various forms, the Company engages in thorough communication and exchanges with investors, explaining the Company's strategic policies and business performance, and actively listening to investors' expectations and suggestions.

2023 Hisense Visual Technology "Investor Open Day" Event

Internal Control, Risk and Compliance

Internal Control

During the reporting period, Hisense Visual Technology further improved the "Internal Control Manual" to meet the Company's management requirements and development needs. The Company continuously deepened the construction of a risk-oriented internal control system, improved internal control policies, standardized the execution of internal control procedures, optimized the internal control environment, and strengthened internal control supervision and inspection. These efforts effectively mitigated various risks and promoted the Company's sustainable, healthy, and stable development.

The Company conducts an annual self-evaluation of the design and operational effectiveness of its internal control system and engages third-party accountants to audit the effectiveness of internal controls over financial reporting. In 2023, the Company did not have any significant deficiencies in internal controls over financial reporting, nor did it have any significant deficiencies in non-financial reporting internal controls.

For details, please refer to the documents disclosed by the Company on March 30, 2024, on the official website of the Shanghai Stock Exchange[2]:

"Internal Control Evaluation Report 2023"

"Internal Control Audit Report 2023"

2 Results from Shanghai Stock Exchange: https://www.sse.com.cn/disclosure/listedinfo/announcement/

Risk Management

Hisense Visual Technology places great importance on risk management. During the reporting period, the Company issued the "Management Measures for Responding to Risks and Opportunities", establishing a risk management process that includes risk identification, risk assessment, risk control, and continuous improvement. This creates a closed-loop risk management system, integrating risk management into the Company's business processes. The Company takes appropriate measures when necessary to mitigate relevant risks, enhancing its risk resistance capabilities and ensuring the achievement of its risk management objectives. The Audit Committee of the Board of Directors and the ESG Committee of the Board of Directors each assess significant risk management matters within their respective scopes of responsibility. The Company's Audit Department and internal control personnel manage risk issues within their areas of responsibility.

Risk Identification	Organize the various risk-responsible departments to identify internal risks such as strategic decision risks, environmental risks, financial risks, management risks, and operational risks, as well as external risks such as policy risks, market demand risks, and business risks.
Risk Assessment	Establish risk evaluation criteria to assess the internal and external risks identified by each business unit and department. Classify risk points into high risk, moderate risk, and low risk. Additionally, categorize the severity of potential risks into five levels: very severe, severe, moderately severe, general, and minor. Develop criteria for evaluating the frequency of risk occurrence, defining the frequency of risks into five levels.
Risk Control	Require managers of each business unit and department to develop risk response measures for each risk event. They should adopt methods such as risk acceptance, risk reduction, or risk avoidance to mitigate or eliminate risks.
Continuous Improvement	Require each business unit and department to regularly monitor and improve upon risk events. The measures developed must be executable and implementable, thereby achieving closed-loop risk management.

Compliant Operation

On the path to sustainable, high-quality development, Hisense Visual Technology firmly believes that compliance is the cornerstone of all business activities and integrates the compliance philosophy into every aspect of its operations. The Company strictly adheres to compliance principles, operates with integrity, effectively prevents and controls compliance risks, and clearly delineates the primary responsibilities of business departments, the leading responsibilities of compliance departments, and the supervisory responsibilities of departments such as discipline inspection, audit, and supervision. This approach aims to establish a work framework of "three lines of defense" for compliance management. The formulated "Internal Audit Management System", encompasses "Internal Audit Business Standards" and "Guidelines for Various Specialized Audits". The Company regularly conducts self-assessments of compliance in various business areas and performs specialized audits in key areas such as procurement, sales, and asset security, as well as economic responsibility audits and anti-fraud audits. Furthermore, the Company actively promotes the informatization of compliance and risk management, exploring integrated and intelligent solutions for compliance review processes.

Responsible Taxation

Hisense Visual Technology has established a global tax management system to prevent and manage tax risks. The Company consistently adheres to legal and compliant tax practices, strictly follows the tax policies and regulations of various countries, and has developed a corresponding tax management system. This system is promptly adjusted and optimized in accordance with the latest tax laws and policies issued by those countries. The Business and Financial Management Department, managed by the Company's financial officer, is responsible for the construction of the tax management system and procedures. The department leads the formulation and maintenance of regulatory documents such as the "Tax Risk List", the "Tax Risk Impact Assessment Matrix" and the "RACI Chart for Tax Management Matters". The Company has established an effective tax risk assessment and control mechanism, dynamically tracking and researching newly issued tax policies in the countries where it operates, and identifying, assessing, and controlling potential tax risks. The Company conducts regular self-assessments of tax risks, promptly adjusting and optimizing tax-related business processes, and consults with professional advisory firms for compliant tax management. Each year, an independent professional third-party tax verification firm is hired to issue a tax verification report, thereby reducing tax risks. The Company actively discloses information related to legal and compliant tax practices in its annual audit report. The Company places great importance on the training of tax management personnel to improve their understanding and application of tax policies. Additionally, by continuously refining and optimizing the tax management system, the Company ensures the sustainability and effectiveness of its tax management practices.

Business Ethics

Hisense Visual Technology adheres to business ethics, upholding compliant operation with integrity, justice and fairness. The Company resists monopolistic practices, advocates for fair competition, and is committed to establishing and maintaining an excellent reputation. It firmly opposes any actions that violate business ethics, such as unfair competition, corruption, and bribery. Hisense Visual Technology provides corporate culture training for all employees (including temporary workers) upon joining the Company, covering values and ethical content such as integrity. Additionally, the Company conducts online and offline training on the employee code of ethics, achieving 100% employee coverage.

Integrity Management

Integrity is the core value and behavioral standard of Hisense Visual Technology , both internally and externally. It is the Company's foremost and fundamental value, manifesting in products, services, and relationships with employees, shareholders, business partners, and the government. This is encapsulated by the principle of "keeping promises and aligning words with actions". The Company has published a "Code of Integrity" and has listed "integrity" as the first criterion in leadership evaluations. Any leaders or employees who violate the principles of integrity are subject to appropriate penalties. To eliminate issues such as poor execution and low work quality, the Company has issued the "Positive Work Methods" guidelines and organized dissemination and training sessions. By using real-life cases, employees are taught to adhere to and consistently use correct work methods to effectively advance their tasks and improve work quality, with clear delineations of unacceptable practices. The President's Office conducts an annual employee survey on integrity management, and relevant departments perform self-assessments on integrity issues in investor relations, financial integrity, employee relations, product quality, supplier relations, and customer and user relations. This allows all employees to gain a deep understanding of the Company's integrity management practices, continuously expose issues of dishonesty, and clarify the requirements for integrity. In December 2023, the Company released the "Hisense Visual Technology 2023 Report on Integrity Management", summarizing the integrity efforts of the year and further promoting and implementing the work requirements.

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Fair Competition

Hisense Visual Technology strictly adheres to laws and regulations such as the "Anti-Monopoly Law of the People's Republic of China" and the "Anti-Unfair Competition Law of the People's Republic of China". Based on these, the President's Office has formulated the "Hisense Visual Technology Code of Business Conduct" among other policies. These policies require Hisense Visual Technology to uphold principles of equality, integrity, and fairness in commercial transactions, clearly defining norms for fair competition, conflict of interest management, anti-corruption, anti-money laundering, and insider trading. The Company firmly opposes any behavior that disrupts market competition order. Domestically and internationally, the Company practices integrity, complies with market rules, and engages in fair competition. In its business practices, the Company continually receives consultation and guidance from internal and external professionals, maintaining the effective construction and operation of its anti-monopoly and fair competition management systems and policies. The Company strengthens effective control over anti-monopoly and fair competition risks. In terms of risk identification, the Company continually monitors the latest compliance requirements from legislation, judicial interpretations, regulatory cases, and penalties, using case analysis to understand compliance requirements in new business models and situations, and identifying risks related to anti-monopoly and fair competition. In risk assessment, the Company establishes risk evaluation criteria to dynamically assess the compliance of its commercial activities and make effective behavioral adjustments. In risk control, the Company schedules training and learning sessions on anti-monopoly and anti-unfair competition, conducted by internal and external professionals, covering laws, policies, and penalty cases to enhance awareness of these risks. The Company has developed and continuously deepens a work mechanism involving pre-emptive prevention, mid-process supervision, and post-event inspection. When reviewing contracts, it rejects clauses that violate fair competition or support price monopolies, and assigns dedicated personnel to preemptively identify monopolistic and unfair competition behavior. After signing contracts, the Company conducts comprehensive inspections to promptly correct any contracts or behaviors that violate fair competition or contain monopolistic clauses.

The Company has established management guidelines such as the "Hisense Partner Business Conduct Code", the "Relatives Avoidance Management Measures for Supply Chain Personnel", and the "Holiday Ten Prohibitions Management Regulations". The Disciplinary Inspection Committee conducts integrity training for internal employees annually. Additionally, the Company publicly shares reporting phone numbers and email addresses with suppliers through cooperation agreements and the SRM system. These reporting channels are also made public through internal company bulletin boards, the internal website, and other channels.

The Company rejects obtaining business opportunities through unfair competition methods such as commercial bribery. It signs an "Anti-Commercial Bribery Commitment" with all business-related parties. New partners must participate in integrity training and assessments, and only upon passing these assessments can they start business cooperation with the Company. The company requires all external business departments to send an "Anti-Commercial Bribery Letter" to existing cooperating suppliers every quarter. In 2023, a total of 13,914 such reminders were sent to reinforce integrity. If a partner violates the commitment or engages in commercial bribery, the Company will consider it a breach of contract, and has the right to unilaterally terminate all signed transaction contracts and impose severe penalties, such as fines for breach of contract. Internal control personnel also conduct proactive periodic interviews with suppliers to inquire whether they have recently faced unfair treatment and report the interview results. If it is confirmed that a supplier has engaged in commercial bribery, that supplier will be added to the Company's blacklist.

Additionally, the Company has developed a "Supplier Selection Management" policy to ensure fair competition in procurement and promote transparency in the procurement process. The entire process of qualification review, tender evaluation, and bid opening is conducted online. All new component requirements are publicly announced on the platform to provide external

suppliers with an opportunity window into know about Hisense's resource planning. For new categories or components that are not publicly announced, dedicated personnel are assigned to analyze and confirm the rationale for not publicizing these categories, ensuring the transparency and openness of the procurement platform.

During the reporting period, Hisense Visual Technology did not experience any cases of violating anti-monopoly or unfair competition laws.

Anti-Corruption

Integrity is the Company's foremost value, and corruption and fraud are absolute red lines that must not be crossed. Hisense Visual Technology consistently adopts a "zero tolerance" approach to strictly punish corruption issues, maintaining a high-pressure stance against corruption. It strictly prohibits employees from soliciting or accepting any benefits or advantages from customers, suppliers, competitors, subordinate entities, colleagues, or other business partners in any form or under any pretext while performing their duties. The Company's Disciplinary Inspection Committee oversees the management of integrity and enforcement of standards. Through routine inspections and supervision, external audits, internal audits, and internal control departments gather effective information, making it clear that the heads of each department is the first person responsible for anti-corruption and integrity. During the reporting period, according to the annual plan, the Company conducted special audits in key business areas such as procurement, sales, production, and research and development, achieving a 100% issue rectification closure rate. The Company also organized 100 newly appointed or transferred cadres from various departments (units) to sign and study the "Cadre Anti-Corruption and Integrity Commitment with Dual Responsibilities", achieving a 100% signing rate. The President's Office is responsible for the construction and management of the anti-corruption system and policies. It leads the formulation and maintenance of 23 anti-corruption and integrity management systems, covering both internal management and external cooperation. These include the "Hisense Employee Code of Conduct", the "Hisense Partner Code of Conduct", and the "Management Measures for Investigating Violations and Disciplinary Cases". The Disciplinary Inspection Committee, composed of directors, the president, and senior executives, is responsible for overseeing their implementation. Hisense Visual Technology requires all employees to sign an "Integrity Commitment", thereby institutionally preventing corrupt behavior. The Company has also established a risk level assessment system for employee positions, setting up tiered supervision measures. Employees are explicitly required to act with integrity, abide by the law, and maintain professional honesty. The frequency of communication and interaction is increased for high-risk positions.

"Cadre Anti-Corruption and Integrity Commitment with Dual Responsibilities"

Hisense Seal Logo — A Symbol of Hisense's Contractual Spirit and Integrity Culture

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To ensure the implementation of the anti-corruption management system and reinforce the requirements for integrity and honest business practices, the Company conducts anti-corruption training. Integrity education courses are mandatory for new employees, newly promoted middle management, key positions, and students at Hisense Academy. The Company organizes comprehensive learning sessions using integrity education cases titled "With Trust: The Constant Alarm", and employees watch the integrity education film "Integrity and Corruption — The Game Between Him and Her". The training has achieved 100% employee coverage. In the 2023 disciplinary inspection work meeting, Hisense Visual Technology invited external experts to conduct specialized anti-corruption training for a total of 612 cadres, high-risk position holders, and key employees. The specialized training included in-depth learning of laws, regulations, and cases involving criminal offenses, highlighting the red-line behaviors commonly seen in corporate crimes such as embezzlement, misappropriation of funds, and non-governmental bribery. Additionally, over 800 cadres, and high-risk position holders from various departments (units) were organized in batches to visit the Qingdao Corporate Integrity Education Museum. These visits were part of a collective anti-corruption warning education activity, aimed at safeguarding the Company's development.

Case	Visit to the Qingdao Corporate Integrity Education Museum

In July 2023, to enhance disciplinary awareness, uphold anti-corruption red lines, and implement the annual anti-corruption work plan, the Disciplinary Inspection Committee of Hisense Visual Technology organized over 800 cadres, and high-risk position holders from various branches in batches to visit the Qingdao Corporate Integrity Education Museum. They conducted concentrated anti-corruption warning education activities, integrating corporate integrity culture with corporate culture, and employee culture. Focusing on disciplinary and legal education and warning education, these efforts aim to promote the construction of a clean and honest enterprise and safeguard its development.

Case	2023 Disciplinary Inspection Work Meeting

In March 2023, Hisense Visual Technology organized the 2023 Disciplinary Inspection Work Meeting to convey the annual work meeting spirit of the Group's Disciplinary Inspection Committee. The meeting summarized the Company's 2022 disciplinary inspection work and outlined the plans for 2023. An expert from the Qingdao Municipal School was invited to conduct specialized anti-corruption training, enhancing the awareness of integrity and self-discipline among all cadres and employees. The Disciplinary Inspection Committee of Hisense Visual Technology will further advance the "three non-corruption" approach, adhere to the principle of "prevention before illness", improve case-handling capabilities, and continuously uphold integrity and discipline. These efforts aim to further maintain a clean and upright organizational atmosphere, providing strong disciplinary guarantees for the Company's long-term and sustainable healthy development.

Reporting and Complaints

According to the "Comprehensive Supervision and Management Measures for Disciplinary Inspection", the Company's Disciplinary Inspection Committee has established smooth channels for complaints and reports to standardize the management of such matters. These channels include email, phone, and in-person visits. Adhering to the six principles of "unified acceptance, centralized management, collective assessment, classified handling, compliance with regulations and laws, and strict confidentiality", the Company encourages employees and stakeholders to proactively report any behavior that harms the interests of the Company or its employees. If there are any signs of disciplinary violations or misconduct, both employees and business contacts have the right to file complaints or reports to the Company's Disciplinary Inspection Committee. The Company is well aware of the potential risks and challenges faced by whistleblowers and will treat any whistleblower fairly and fully protect the whistleblower to ensure that they are not subjected to any adverse effects and harm. The whistleblower's name, working places, address, contact details and other relevant information, as well as the content of the report, are strictly confidential. It is strictly prohibited to forward the reporting materials to the person being reported.

Reporting Channels

▶ Reporting Email：jiweigf@hisense.com

▶ Reporting Phone Number：0532-80875851

▶ Address：Hisense Information Industrial Park, 218 Qianwan Port Road, West Coast New Area, Qingdao, Shandong Province, 266510

Responsible Marketing

Hisense Visual Technology, as a responsible enterprise, strictly abides by the "Advertising Law of the People's Republic of China" and other laws and regulations, and conducts responsible marketing by conveying product information in a truthful, accurate, and transparent manner, actively safeguarding users' legitimate rights and interests. During the reporting period, Hisense Visual Technology did not experience any major incidents of violations related to product and service information and labeling, or market promotion (including advertising, sales, and sponsorship)

Information Security Management

Hisense Visual Technology attaches great importance to information security and strictly abides by "Cybersecurity Law of the People's Republic of China", "Data Security Law of the People's Republic of China", "Personal Information Protection Law of the People's Republic of China", the "European Union's General Data Protection Regulation" (GDPR), and other applicable information security-related laws, regulations, and policies worldwide. The Company has established relevant standards and classification methods for data classification management, set up emergency plans and response mechanisms for scenarios such as data breaches, and issued user information protection management guidelines to strictly protect users' personal data. Before using the Company's applications and mobile application services, users can understand the types and purposes of personal information collected by the application, as well as the permissions that require user authorization through the privacy agreement. After users authorize and agree to the privacy agreement, the Company's application collects personal information and permissions as agreed in the privacy agreement to provide services to users. Collected personal information is protected according to its sensitivity level with measures such as encryption and desensitized display. Additionally, the Company regularly conducts special information security training and employee security awareness training to strengthen internal information security construction from multiple dimensions.

During the reporting period, Hisense Visual Technology did not experience any cybersecurity cases or data breaches.

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Creating a Sustainable Environment with Environmentally Friendly Business Activities

Hisense Visual Technology has always adhered to the concept of green development and firmly believed that green and low-carbon transformation is the key to the sustainable development of enterprises. In order to achieve its own green transformation and better promote green development, Hisense Visual Technology has continuously increased its investment in environmental protection, organized carbon inventory and carbon reduction actions, actively explored green practices in the product life cycle, strengthened pollution prevention and resource management, and contributed to the sustainable development of the industry.

Promoting Environmental Friendliness

- Major domestic factories3 obtained ISO 14001 environmental management system certification.

- In 2023, the total waste gas emissions of major domestic factories decreased by 6% year-on-year compared with 2022.

- In 2023, the total wastewater discharge of major domestic factories decreased by 16% year-on-year compared with 2022.

- In 2023, compliant solid waste disposal rate of major domestic factories reached 100%.

Practicing Green and Low-carbon

- Major domestic factories have obtained national green factory certification, among which the Jiangmen factory is the first "zero-carbon factory" in China TV industry.

- Major domestic factories continue to carry out key energy-saving and consumption-reduction projects, achieving a total emission reduction of 8,396.32 tons of CO_2 equivalent.

- In 2023, Hisense Visual Technology's renewable electricity usage rate reached 29.39%.

- Led or participated in drafting 29 standards related to carbon reduction/low carbon item.

- In 2023, awarded with the title of China's Leading Enterprise in Industrial Carbon Peaking.

- In 2023, obtained the country's first corporate carbon label certificate.

- Hisense Laser TV Series was awarded with Full Life Cycle Carbon Footprint Certificate

3 The main domestic factories are in Qingdao, Jiangmen and Guiyang

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Promoting Environmental Friendliness

In the process of promoting sustainable development of enterprises, environmentally friendly practices are not only related to the long-term interests of enterprises, but also a manifestation of ecological responsibility. Hisense Visual Technology Technology continues to improve its environmental management system, optimize the management of three wastes, strengthen the efficient use of water resources, strictly control chemical safety, and practice the concept of green development.

Environmental Management System

Hisense Visual Technology strictly abides by the "Environmental Protection Law of the People's Republic of China", "Environmental Impact Assessment Law of the People's Republic of China" and other relevant laws and regulations, and has formulated a series of regulations such as "Provisions for Environmental Factor Identification and Evaluation" and " Provisions for Environmental Operation Monitoring and Protection" internally to strictly regulate environmental management.

ISO 14001 standard, the company continuously improves the environmental management system. It has established an Environmental Health and Safety Committee with the company's president as the director, including 78 people including the company's management, heads of subsidiaries, senior management and key employees in various business areas. It clearly defines management responsibilities and authorities, sets environmental management goals and indicators, establishes a four-level document management system of manuals, provisions, operating procedures, and records, creates a management model of planning, implementation, inspection, and improvement, standardizes the orderly advancement of environmental management work, continuously improves and strengthens environmental governance capabilities, and is committed to building an environmentally friendly enterprise.

As of the end of the reporting period, Hisense Visual Technology's major domestic factories have obtained ISO 14001 environmental management system certification, and no violations of environmental laws and regulations have occurred.

Pollution Prevention

Hisense Visual Technology strictly abides by the "Law of the People's Republic of China on the Prevention and Control of Air Pollution" , "Law of the People's Republic of China on the Prevention and Control of Water Pollution" , "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and other laws and regulations, and reduces the negative impact of emissions on the environment by controlling the compliant discharge of "three wastes" and monitoring pollutant emissions.

Exhaust Gas Management

Hisense Visual Technology uses UV photolysis + activated carbon adsorption treatment process for volatile organic compounds (VOCs) , so that the concentration of gas pollutants meets the emission standards after collection and treatment. During the reporting period, the company continues to upgrade waste gas treatment facilities, strengthens facility operation management, ensures the efficient operation of pollution prevention and control facilities, and commissions professional institutions to supervise and test waste gas every year, with a waste gas emission compliance rate of 100% .

Wastewater Management

Hisense Visual Technology strictly implements relevant standards or regulations for wastewater discharge, and installs wastewater treatment and monitoring facilities in the factory area, and regularly inspects and maintains them to ensure their normal operation. All wastewater in the factory area is first treated in the sewage treatment facilities, and can only be discharged into the municipal pipe network after meeting the standards. During the reporting period, all pollutant emissions of the company were 100% in compliance with national and local environmental standards.

Solid Waste Management

In response to solid waste, the company has formulated the "Provisions for Waste Material Recycling", which controls the entire process from waste generation, storage, disposal and other steps, and manages the transfer and disposal of waste through the "Smart Park - Waste Material Management System", realizing paperless office and data management throughout the entire process.

Non-hazardous Solid Waste

Through multi-department collaboration, the company distinguishes categories for targeted disposal, reuses reusable packaging materials to increase the recycling rate of waste; other non-hazardous waste is handed over to qualified recyclers for compliant disposal. To ensure compliance with disposal, waste must be monitored on-site, and the recycler is required to handle it strictly in accordance with classification standards to achieve the recycling value of waste. In 2023, the compliant disposal rate of non-hazardous solid waste reached 100%.

Hazardous Solid Waste

The company has established a detailed management account for hazardous waste, and manages the entire process of storage, transportation and disposal of hazardous waste; hazardous waste that cannot be recycled and reused will be handed over to a highly reputable hazardous waste disposal company with professional qualifications for compliant disposal. In 2023, the compliant disposal rate of hazardous solid waste reached 100%.

The Emissions From Company's Production and Operation Process in 2023[4] are as Following

The total amount of waste gas emissions from Hisense Visual Technology's major domestic factories decreased year-on-year compared to 2022	The total amount of wastewater discharged by Hisense Visual Technology's major domestic factories decreased year-on-year compared with 2022	Compliant disposal rate of solid waste at Hisense Visual Technology's major domestic factories
6%	16%	100%

4 The emission data is collected from three manufacturing bases in Qingdao, Jiangmen and Guiyang.

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Electronic Waste

Hisense Visual Technology attaches great importance to the disposal of electronic waste, actively promotes the recycling of electronic waste, and stipulates that the disposal of hazardous electronic waste should strictly comply with "Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal" and "Provisions on the Management of the Transfer of Hazardous Wastes", and avoid exporting electronic waste to non-OECD member countries.

For the complete machines returned from the market, the company will dismantle them according to the process. The materials obtained after dismantling will be applied in a gradient manner according to the evaluation results. For example, the main board and power board will be recycled and retained by Hisense Group's internal company, and the scrapped components and materials will be recycled and reused by external recyclers. The remaining scrapped and expired components and materials will be handed over to qualified recyclers for compliant disposal.

Hisense Visual Technology has effectively reduced the impact of electronic waste on the environment through relevant measures, increased the recycling rate of resources, and made positive contributions to the circular economy.

For more details on the recycling of used household appliances and the "trade-in" program, please see the "Green and Low-Carbon Practices in the Product Life Cycle - Green Recycling" section.

Chemical Management

To ensure the safety of chemical management, under the leadership of the Environmental Health and Safety Committee, Hisense Visual Technology strictly abides by the "Regulations of the People's Republic of China on the Safety Management of Hazardous Chemicals", China's "Provisions for Restriction of the Use of Hazardous Substances in Electrical and Electronic Products", the EU "Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment" (RoHS Directive) and other domestic and international laws, regulations and standards. It implements the "Chemical Hazard Provisions" and "Restricted Substance Provisions" and other provisions internally, identifies and evaluates all chemicals involved in materials and production processes, establishes a "Chemical List", verifies and controls against standards, and ensures that all raw materials used comply with environmental protection regulations. The pass rate of third-party chemical substance testing for raw materials reached 100% in 2023.

During the introduction and use stages, the company implements full-process control in accordance with management regulations, and strictly controls everything from introduction review, use management to waste disposal to reduce the impact of chemical use on employees, consumers and the environment. During the storage and distribution stages, the company strictly distinguishes the properties of chemicals, takes safety measures such as sun protection, rain protection, and fire prevention, and assigns special vehicles for delivery and personnel to escort the vehicles to ensure a safe storage and distribution environment and minimize related risks.

Hisense Visual Technology actively studies the environmental impact reports of international and domestic chemical substances and the progress of related laws and regulations, conducts regular training to improve awareness of chemical substances, and develops environmentally friendly alternative substances. The company has established the "Chemical Substance Restriction Requirements", which defines chemical substances that have a significant impact on the environment and biology as Class A prohibited substances, and sets limit requirements based on the impact, including but not limited to the requirements of laws and regulations; defines chemical substances that have a greater risk of impact on the environment and biology as Class B substances that are planned to be reduced and replaced, and sets limit requirements based on research and development.
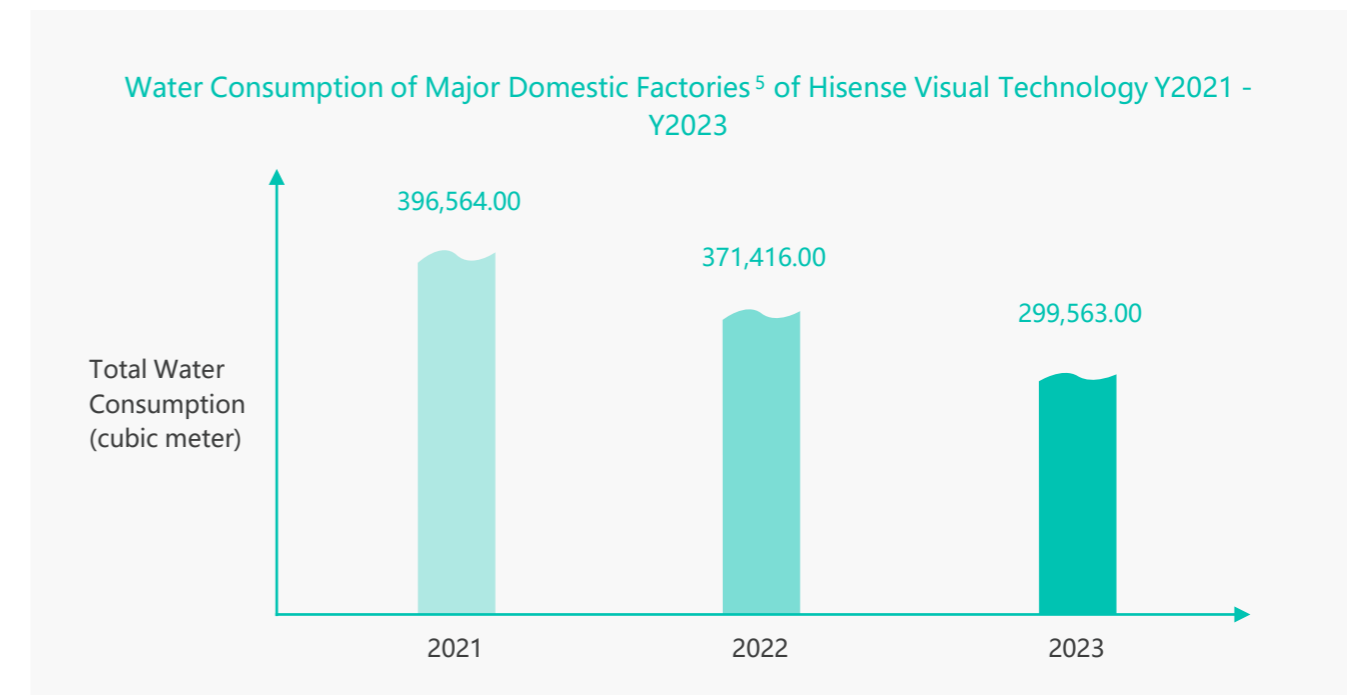
The company updates its impact level based on the research progress; defines chemical substances that may have an impact risk on the environment and organisms as Class C observation substances, and strengthens the research and evaluation of their environmental and biological impacts. By the end of 2023 , Hisense Visual Technology has carried out the replacement of three major categories of chemical substances.

In addition, the company also provides consumers with more transparent disclosure of chemical ingredients. For example, the content of lead and its compounds, mercury and its compounds, cadmium and its compounds, hexavalent chromium compounds, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) and other chemical substances are disclosed in the instructions of Chinese products. The content of styrene and BPA is disclosed in the instructions of US products. If users want to know more information, they can check at https://www.p65warnings.ca.gov/.

During the reporting period, Hisense Visual Technology had no chemical safety accidents.

Water Management

Hisense Visual Technology cherishes the precious value of water resources and is well aware of the importance of water resource management to environmental sustainability. Therefore, it has formulated "Water Conservation Provisions" within the company, and has adopted a series of water resource recycling measures such as recycling steam condensate, transforming toilet water devices, installing energy-saving faucets, conducting air-conditioning water treatment, and establishing an energy management system, etc., and is committed to achieving recycled water use and reducing water resource consumption.

Water Consumption of Major Domestic Factories [5] of Hisense Visual Technology Y2021 - Y2023

Total Water Consumption (cubic meter)

2021	2022	2023
396,564.00	371,416.00	299,563.00

The total water consumption has dropped significantly for three consecutive years, which is due to Hisense Vision's unremitting efforts in water resource management. In 2023, the company carried out a series of water-saving projects. Through the in-depth promotion of each project, three factories in Qingdao, Jiangmen and Guiyang saved 70,000 m³ of water .

5 The statistical scope of water usage data includes: three manufacturing bases in Qingdao, Jiangmen and Guiyang

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Water Saving Projects

Steam Condensate Recovery

Boiler steam condensate was originally discharged directly, but now it is collected by adding pipes and recycled to the cooling tower, reducing the amount of cooling water replenishment in the tower.

Infrared Sensor Faucet And Flushing Device in Toilet

The faucets and flushing devices in the toilets were replaced with human infrared sensors, and a water volume regulating valve was added to wash hands and flush with a reasonable amount of water, thus achieving water-saving effects.

Energy-saving Faucet Installation

Energy-saving faucets use induction to dispense water in a controlled manner, effectively saving water resources.

Heating and Humidification Transformation of Combined Air Conditioning Units

Solar water heaters and high-pressure mist humidification devices are used to replace the original steam heating and humidification to achieve automatic control of workshop humidity and reduce boiler water consumption.

Air Conditioning Water Treatment

By adding chemicals to reduce the amount of sewage discharged from cooling water and chilled water, and save water.
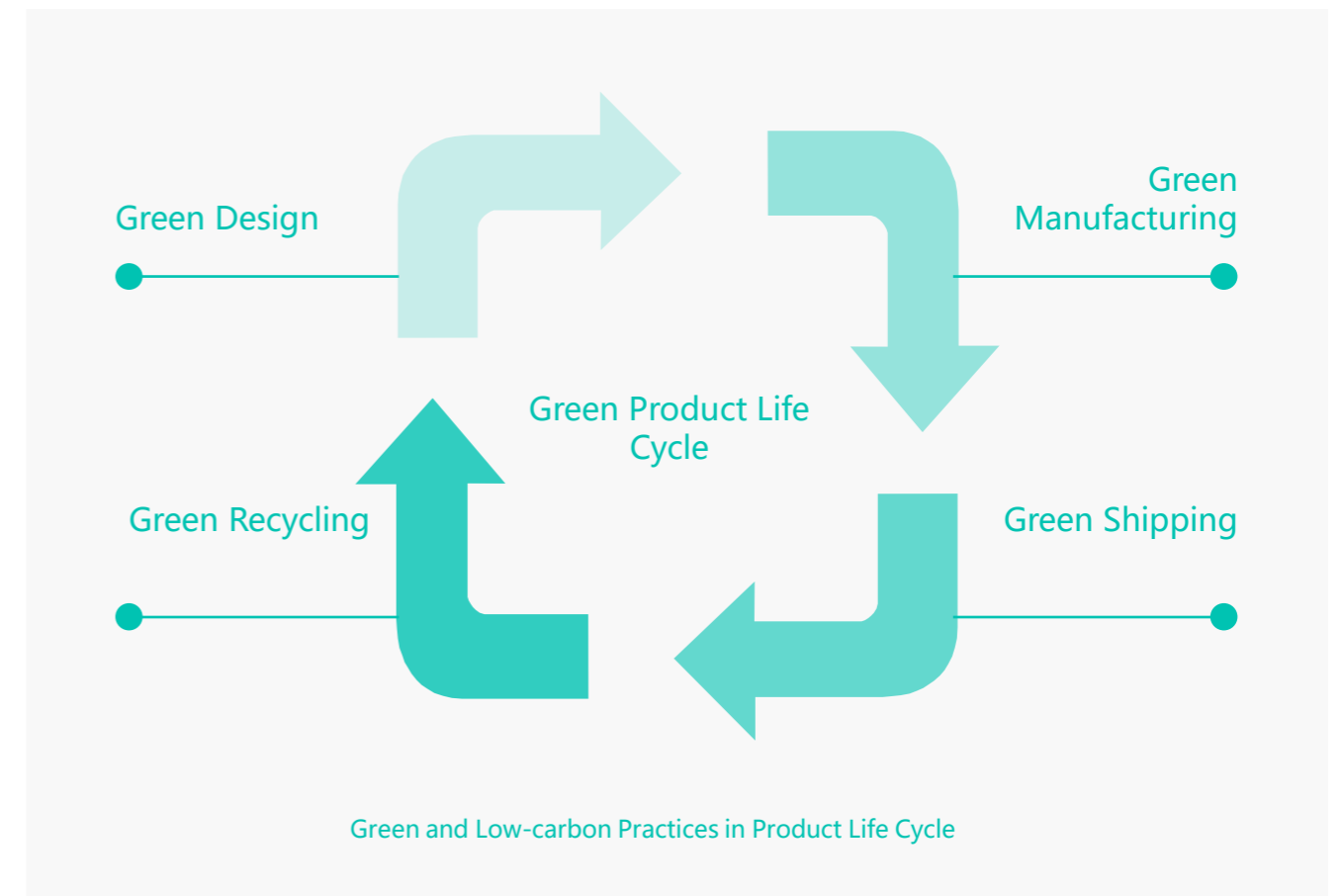
Energy Management System

Install lower-level meters in different areas to monitor water use anomalies and leaks in real time

Practicing Green and Low-carbon

Hisense Visual Technology actively responds to the country's dual carbon strategy, adheres to the concept of green and low-carbon development, and actively carries out carbon emission management actions. From green design, green manufacturing, to green shipping and green recycling, it conducts green and low-carbon practices throughout the product life cycle.

Green and Low-carbon Practices in Product Life Cycle

Hisense Visual Technology takes a holistic approach and actively carries out a series of green and low-carbon practices around the four core steps of the product life cycle - green design, green manufacturing, green shipping, and green recycling, to promote green and low-carbon transformation.

Green Design

Green Manufacturing

Green Product Life Cycle

Green Recycling

Green Shipping

Green and Low-carbon Practices in Product Life Cycle

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Green Design

The company gives priority to using safe-to-touch materials, and recyclable and renewable materials, continuously optimizes the green design of products, implements the low-carbon concept from the source, and ensures green and low-carbon throughout the entire process.

Eco-friendly - Safe To Touch Materials

Actively track environmental impact reports of chemical substances and explore environmentally friendly materials. At present, Hisense Visual Technology have gradually replaced brominated flame retardants that may pollute the environment in exterior casings of its products and reduced the chemical content in products. At the same time, through the research of glue bonding technology, the solvent-free ultra-low VOC glue currently used has greatly reduced the use of adhesive materials by more than 60% and reduced the volatilization of harmful substances.

Begin With the End in Mind – Recyclable and Renewable Materials

Environmentally friendly renewable and recyclable raw materials are on the top of the list for product, and are designed with the same materials for the same scene and marked with internationally accepted material symbols to promote the recycling of materials after product disposal. For example, discarded electrical appliance casings are strictly screened and processed and recycled into TV casing materials.

Environmental Protection And Saving —— Green And Lightweight Design

Through the design of high-rigidity and high-heat-resistant materials, structural form and layout optimization, and standardized interface design, the TV products help the A5 series products to be lightweight and the super-large-size products to be universal . In 2023 , 1,133.07 tons of plastic and 100 tons of steel can be saved compared to 2022. In addition, a number of technologies are applied to improve the efficiency of product resource utilization, such as: lightweight and thin product racks, intensive assembly components, miniaturized optical engine dispensing, packaging topology optimization, and screen folding technology. Among them, the screen folding technology changes the screen structure to a fully folding solution, and the screen packaging volume of the laser TV 100L5K is reduced by 27% compared to the non-folding screen packaging volume , and the material is reduced by 17% .

For more information on the application of green and low-carbon technologies and products, please see the "Creating the Beauty of Products - Leading Technological Innovation" section.

Green Manufacturing

Hisense Vision focuses on energy conservation and carbon reduction in the production process, carefully builds a green manufacturing system, continuously optimizes the energy structure, improves resource utilization efficiency, and strives to accurately reduce carbon emissions in the product manufacturing process. At present, Hisense Visual Technology's three domestic factories6 have been awarded with the national green factory certification. In 2023, Hisense Visual Technology further built the first "zero-carbon factory" in the TV industry - Jiangmen Factory, demonstrating the company's unremitting efforts in the field of green manufacturing.

● Energy Management

Hisense Vision strictly abides by "Energy Conservation Law of the People's Republic of China" and "Industrial Energy Conservation Provisions" and other laws and regulations, and has formulated a series gf regulatiosn such as the "Energy Management System Manual" and "Provisions for Energy Conservation Target Responsibility Assessment " to clarify responsibilities, comprehensively evaluate, manage in a refined way and monitor energy risks in real time, and strictly regulate energy management. Equipment and Instrument Department is responsible for the management of the company's energy management system and system, and is directly under the leadership of the Environmental Health and Safety Committee headed by Board Director and President. In accordance with GB/T23331-2020&ISO50001:2018 "Energy Management System Requirements and Guidelines", RB/T 101-2013 "Energy Management System Electronic Information Enterprise Certification Requirements" and relevant laws and regulations, it carries out energy review and other work, establishes energy management system and energy performance goals, incorporates energy management into the company's daily management, optimizes energy use structure, and achieves energy conservation, efficiency improvement and consumption reduction. The company adheres to the energy policy of "energy conservation and emission reduction, clean energy and efficient energy management, full participation, and harmonious ecology", conducts energy conservation awareness training for all employees every quarter, formulates energy conservation management systems covering all places and processes, and promotes green and low-carbon construction.
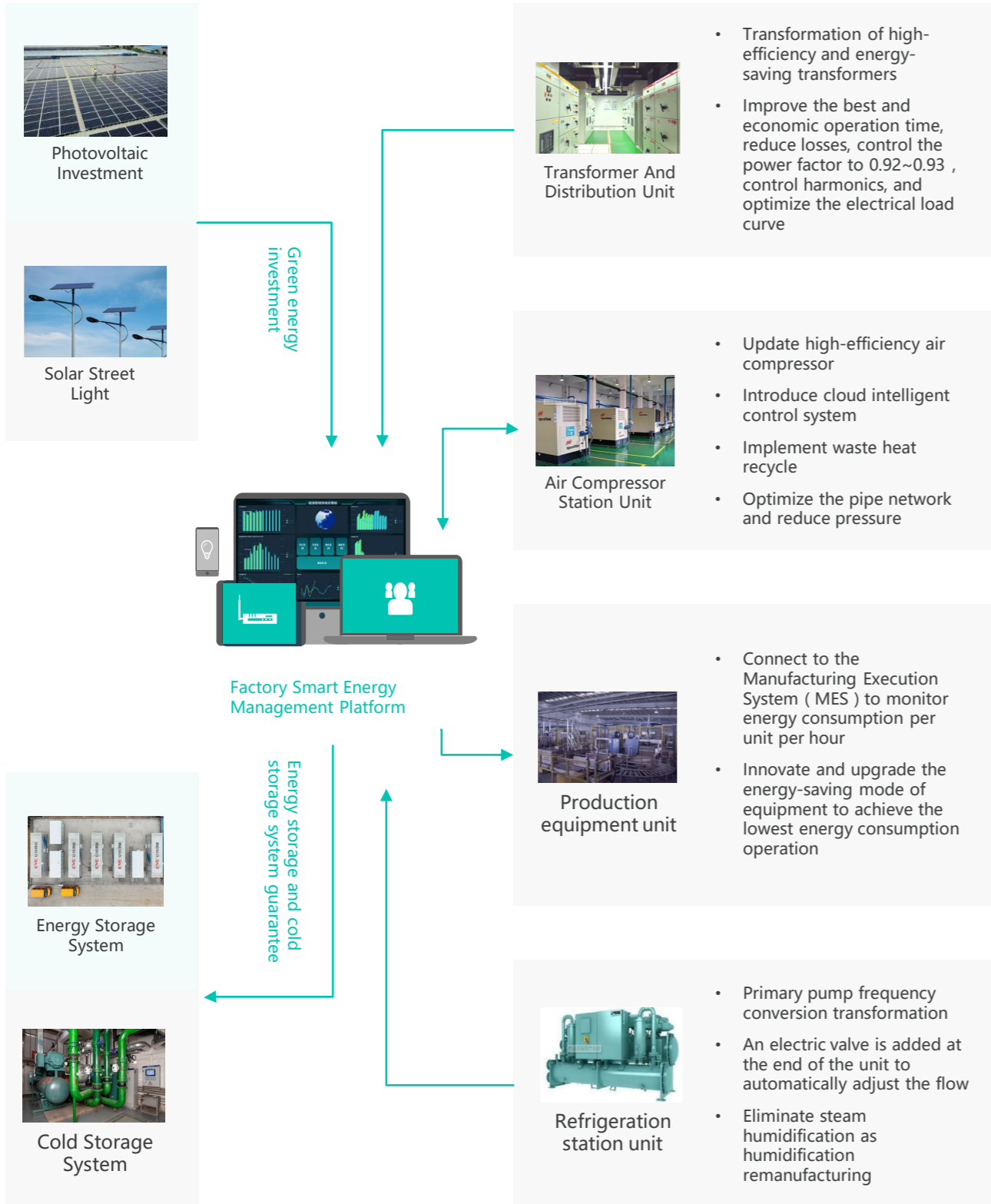
The company's Equipment and Instrumentation Department takes the lead in organizing and revising the three-year energy management plan every year. The key energy consumption indicators of the three domestic factories in the 2023-2025 annual plan are: comprehensive energy consumption per unit of output value reduced by 18%, carbon emission per unit of output value reduced by 35% , and comprehensive energy saving rate improved by 21%. In 2023, based on a number of energy-saving and carbon reductoin measures such as research on new energy-saving technologies and the introduction of AI technology/high-efficiency equipment, comprehensive energy consumption per unit of output value has actually improved by 6.5%, carbon emissions per unit of output value has actually improved by 15.7%, and comprehensive energy-saving rate has actually improved by 11.03%. In total, approximately 8,396.32 tons of carbon dioxide equivalent was saved, which is a remarkable achievement.

Hisense Visual Technolgoy uses advanced intelligent technology to establish a smart energy management platform (EMS) in three domestic factories. Through the collection of energy data in various regions and the use of big data analysis, the company implements centralized and flat dynamic monitoring and digital management of the production, transmission, distribution and use of energy media such as "electricity, water, gas and heat". It conducts comprehensive statistics collection, monitoring and energy analysis management on energy consumption, fluctuations and predictions, provides management departments with accurate, real-time and clear energy analysis, and improves energy consumption management efficiency. After the EMS was put into use, Qingdao, Jiangmen and Guiyang factories have achieved electricity savings of 1.5478 million kWh.

6 The three domestic manufacturing bases are in Qingdao, Jiangmen and Guiyang

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Increase the Proportion of Green Energy

Photovoltaic
Investment

Green energy investment

Solar Street
Light

Factory Smart Energy
Management Platform

Energy storage and cold storage system guarantee

Energy Storage
System

Cold Storage
System

Energy Saving, Efficiency Improvement and Carbon Emission Reduction

Transformer And
Distribution Unit

- Transformation of high-efficiency and energy-saving transformers
- Improve the best and economic operation time, reduce losses, control the power factor to 0.92~0.93, control harmonics, and optimize the electrical load curve

Air Compressor
Station Unit

- Update high-efficiency air compressor
- Introduce cloud intelligent control system
- Implement waste heat recycle
- Optimize the pipe network and reduce pressure

Production
equipment unit

- Connect to the Manufacturing Execution System (MES) to monitor energy consumption per unit per hour
- Innovate and upgrade the energy-saving mode of equipment to achieve the lowest energy consumption operation

Refrigeration
station unit

- Primary pump frequency conversion transformation
- An electric valve is added at the end of the unit to automatically adjust the flow
- Eliminate steam humidification as humidification remanufacturing

Optimizing Energy Structure with Photovoltaics Power

Hisense Visual Technology carried out in-depth cooperation with China Southern Power Grid in the EMC mode, making full use of the rooftops of offices and supporting factory buildings to install distributed photovoltaic power generation equipment. The total installed capacity of the Jiangmen factory has exceeded 11MW, and the annual photovoltaic power generation exceeds 12 million kWh. At present, the Jiangmen factory has achieved 100% use of clean energy electricity .

Lighting up the Factory Roads with Solar Power

Hisense Visual Technology completely replaced the traditional street lights in three domestic TV manufacturing bases with solar LED street lights. The street lights can fully utilize solar panels to generate electricity and store the power in batteries during the day, and automatically discharge at night to provide bright and long-lasting lighting for the manufacturing bases. Through the transformation, Hisense Visual Technology not only improved the efficiency of street lights, but also achieved an annual electricity saving of more than 27,000 kWh and a reduction of about 15.03 tCO_2e(tonnes of carbon equivalent).

Using Clean Light Energy to Replace Gas

In 2023, Hisense Visual Technology manufacturing bases launched a clean energy replacement plan for natural gas, upgraded and renovated the heating and humidification links of the combined air-conditioning units in the manufacturing process, added high-pressure micro-mist humidification equipment and solar water heaters, replaced the original gas boilers with solar thermal energy, and converted heat energy in a greener and lower-carbon way. Hisense Visual Technology has achieved a emission reduction of approximately 372.96 tCO_2e(tonnes of carbon equivalent), and has replaced 100% of natural gas with clean energy in June 2023.

Promoting Energy Saving and Consumption Reduction of Refrigeration System Through Technological Transformation

Hisense Visual Technology actively implements technological transformation, makes full use of ambient temperature, combines AI intelligent control technology, explores non-electric energy alternatives, and comprehensively plans energy conservation in the refrigeration system. Hisense Visual Technology has achieved emission reduction of approximately 714.17 tCO_2e(tonnes of carbon equivalent) in 2023.

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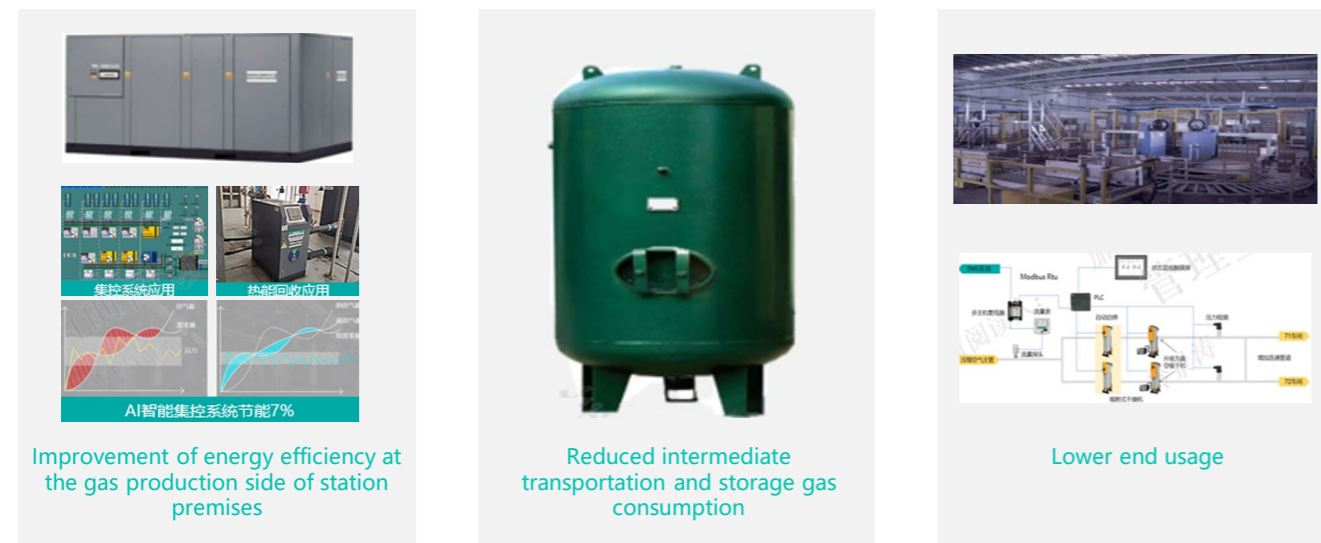Building a Harmonious
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Improving All-round Efficiency of Intelligent Air Compressor Station with Process Optimization

Comprehensive energy-saving improvements have been made to the entire energy system, from energy input to final consumption.

At the gas production end, company introduced high-efficiency air compressors and AI intelligent control system, and implemented air compressor waste heat recovery technology to maximize energy utilization efficiency. In the intermediate transportation and storage process, company optimized gas storage equipment and compressed air pipelines to significantly increase gas storage capacity and reduce gas losses. In the end-use stage, company upgraded the dryers and equipped the dryers with intelligent control. Hisense Visual Technology has reduced the overall compressed air demand by 19.9%, improved the energy efficiency of the air compressor station by 21% , and achieved emission reduction of approximately 470.4 tCO2e(tonnes of carbon equivalent).

Improvement of energy efficiency at the gas production side of station premises

Reduced intermediate transportation and storage gas consumption

Lower end usage

● Hisense Visual Technology Energy Usage in 2023

Hisense Visual Technology attaches great importance to energy management and has incorporated it into the key links of the company's daily management. By implementing a series of effective energy management measures, company has made effective progress in overall energy consumption control, including comprehensive energy consumption, natural gas usage, and total renewable electricity, etc.

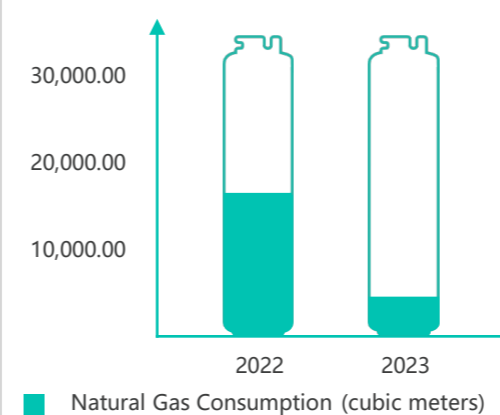| Indicator name 7	unit	2023	2022
Natural gas usage	cubic meter	4,033.10	16,098.47
Total electricity consumption	MWh	38,605.62	35,684.04
Total renewable electricity	MWh	11,345.12	2,253.58
Comprehensive energy consumption	Ton of standard coal	5,238.57	6,179.16
Total energy consumption per million yuan of revenue	Ton of standard coal / million yuan	0.108	0.151

7 Energy management data statistics include 3 manufacturing bases in Qingdao, Jiangmen and Guiyang

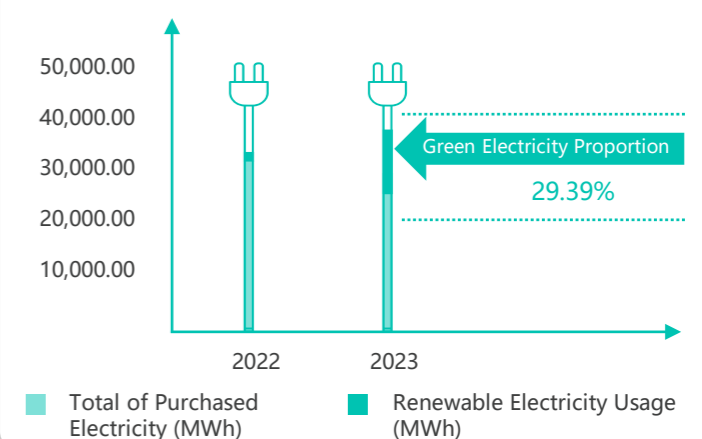### Jiangmen Manufacuring Base, the First "Zero-carbon Factory" in China's TV Industry

As a leading company in the display industry, Hisense Visual Technology has actively practiced the concept of green and low-carbon development. On the basis of building a national green factory, through continuous technological innovation, upgrading and transition, Jiangmen manufacturing base has actively promoted new energy-saving and low-carbon technologies and equipments, carried out measures such as implementing air-conditioning systems and office building LED energy-saving transformation, replaced boiler steam humidification with high-pressure micro-mist humidification, etc., and built 11MW of distributed photovoltaic system in existing buildings, generating more than 12 million kWh of electricity annually. Jiangmen maufacturing base has achieved full coverage of green electricity, and achieved carbon neutrality as defined by the PAS2060: 2014 international standard for carbon emissions in scope 1 and scope 2 at the organizational level, and passed the TÜV SÜD's carbon footprints verification, becoming the first self-operated "zero-carbon factory" in China's TV industry, wich marks Hisense Visual Technology's innovation and transition in multiple aspects such as energy utilization, production and manufacturing, and logistics and transportation, and effectively promoting the company to move towards net zero emissions.

Natural Gas Consumption Y2022-Y2023

30,000.00
20,000.00
10,000.00

2022   2023

■ Natural Gas Consumption (cubic meters)

Total Electricity Consumption Y2022-Y2023

50,000.00
40,000.00
30,000.00
20,000.00
10,000.00

Green Electricity Proportion
29.39%

2022   2023

■ Total of Purchased Electricity (MWh)   ■ Renewable Electricity Usage (MWh)

Hisense Visual Technology constantly expands the range of renewable electricity use, achieving a continuous increase in the proportion of renewable electricity. In 2023, the proportion of renewable energy in Hisense Visual Technology reached 29.39%, demonstratings the firm pace and relentless efforts of Hisense Visual Technology in the use of green energy.

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Green Shipping

● **Green Packaging**

Hisense Visual Technology actively pursues the concept of green packaging, and its packaging materials strictly comply with the requirements of EU REACH Directive, Packaging and Packaging Waste Directive (94/62/EC) and other laws and regulations. For regular cardboard boxes, the company optimizes the packaging layout design by removing unnecessary information and reducing the use of printing inks; for colored boxes, the company gradually promotes mineral oil-free ink printing solutions based on printing quality requirements. While ensuring the protective performance of the packaging, the company gradually expands the use of recycled paper, which uses recycled waste paper as main raw materials, such as light coated paper, boxboard, corrugated cardboard and bobbin paper in product packaging. Using waste paper instead of virgin pulp to produce paper can save water and reduce the emission of suspended solids, solid waste, and greenhouse gases.

● **Green Logistics and Transportation**

Hisense Visual Technology has long been committed to optimizing transport and logistics to reduce greenhouse gas emissions, and has continued to reduce the environment impact of warehousing and logistics activities through measures such as constructing digital logistics system and paperless office system for warehousing.

01 Building A Digital Logistics System

By introducing a warehouse network optimization model and using big data analysis and optimization algorithms, we have optimized transportation routes and replenishment methods, reduced deployments between warehouses, shortened transportation distances and time, and reduced energy consumption.

02 Paperless Office and Clean Energy Applications in Warehousing

We have promoted the electronic signature of inventory forms and the electronic signature of merchant self-pickup authorization letters, saving about 212,390 sheets of paper annually. We have also upgraded storage equipments, reduced the use of fuel equipments and promoted electric loading tools to help green and low-carbon logistics. We have gradually promoted clean energy in the distribution link from the center's RDC to merchants and users and applied electric vehicles for transportation in Beijing, Chengdu and Chongqing warehouse centers.

03 Visual dashboard of carbon emission management

CO2 Emissions in logistics process Dashboard

We have launched the logistics carbon emission management dashboard to analyze logistics order shipping data and calculate carbon emission value in the transportation process based on different dimensions such as product type and production base. The dashboard can also be used for Carbon Footprint Verification and optimization in the logistics link, empowering the smart manufacturing dual carbon project.

Green Recycling

The company's existing service network can cover all operating areas in mainland China, and product collection and recycling processes are unified. In the mainland China market, all Hisense sub-brands products can be recycled, including OEM products. Relying on Hisense Group's "Internet plus Recycling" platform for used home appliances, combined with Hisense specialty stores, JD Mall, Tmall and other used home appliance recycling outlets, company can provide domestic consumers with full-process services from product demand acquisition, user interaction, used machine valuation and reverse recycling, to new machine purchase and installation, etc. To avoid environmental pollution of electronic waste, company would hand over all domestic recycled home appliances to third-party electronic waste processors with professional qualifications, who will dismantle the electronic waste according to the environmentally friendly disassembly process and realize the recycling of raw materials through chemical and physical treatments. The procurement department of company would review and confirm the qualifications of third-party electronic waste processors annually.

In order to advocate users to start green and low-carbon lifestyle, Hisense Visual Technology has been conducting "Trade-in" activity since 2020 to convey the concept of green consumption to users. In November 2023, the company participated in the "Green Planet Renewal Plan" hosted by Hisense Group. The event invited industry experts and environmental scholars to discuss better ways to promote green and low-carbon lifestyle, and practice green consumption concepts together with users, contributing to protect environment, save resources, and reduce carbon emissions. In order to encourage consumers to participate in low-carbon life, the activity also provided trade-in subsidy funded by Hisense Group. The subsidy amount was related to the product model, in 2023, the maximum subsidy amount for a single machine could reach 1,000 yuan, and the annual subsidy amount reached 1.6103 million yuan. In 2023, 8,042 TVs and 145.66 tons of plastics were recycled. In 2024, company will continue to implement trade-in activities in Hisense specialty, with a maximum subsidy amount of up to 2,000 yuan per machine. Currently, all 30 marketing centers of company have reached cooperation with recyclers (after-sales) to undertake the recycling of used home appliances in the region, supporting door-to-door exchange of new machines or other delivery methods.

Carbon Footprint Certification of Products

Hisense Visual Technology continues to focus on green and low-carbon practices throughout its product lifecycle and actively promotes green and low-carbon development at all product stages. The laser TV products won the full lifecycle carbon footprint certification in 2023 .

Hisense Laser TV was awarded with the full lifecycle carbon footprint certification

Hisense Visual Technology and a third-party professional testing and certification organization have formulated the carbon footprint accounting boundary of Hisense Laser TV in accordance with the international standard ISO 14067:2018, covering the stages of raw material acquisition and pretreatment, manufacturING, distribution, use, and waste recycling of product. The final data shows that Hisense Laser TV excels in the average scores of three data quality standards: technical representativeness, time representativeness, and geographical representativeness. The total recyclable reuse rate of Hisense Laser TV component materials reaches as high as 92%, and the product was awarded with the full lifecycle carbon footprint certification.

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Respond to Climate Change

Carbon Emissions Accounting

In response to climate change, Hisense Visual Technology has formulated relevant system documents such as the "Provisions for Green and Low-carbon Management System" and cooperated with professional institutions to carry out Carbon Footprint Stocktaking, laying a solid foundation for carbon management. The Quality Management Department and the Equipment and Instrumentation Department, directly led by the ESG Committee of the Board of Directors, are jointly responsible for managing the company's climate change management system. In 2023 , Hisense Visual Technology carried out carbon emission accounting work, referring to the " Greenhouse Gas Accounting System: Corporate Accounting and Reporting Standards " jointly issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development. The emission factors are all derived from the "2006 IPCC National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, the "Guidelines for Greenhouse Gas Emissions Accounting Methods and Reporting for Electronic Equipment Manufacturing Enterprises (Trial)" issued by the National Development and Reform Commission, and the "2021 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment, as well as other authoritative references.

Indicator name [8]	unit	2023
Total greenhouse gas emissions	Tons of CO2 equivalent	24,783.42
Total greenhouse gas emissions reduction	Tons of CO2 equivalent	8,396.32
Scope 1 Greenhouse Gases	Tons of CO2 equivalent	1,746.84
Scope 2 Greenhouse Gases	Tons of CO2 equivalent	23,036.58
Greenhouse gas emissions per unit of revenue (scope 1 + scope 2)	Tons of carbon dioxide equivalent / million yuan	0.513

Currently, all three domestic TV manufacturing bases of Hisense Visual Technology have passed the ISO 14064-1 greenhouse gas third-party verification and obtained verification certificates.

In the future, Hisense Visual Technology will continue to promote greenhouse gas emissions management, improve carbon accounting scope, formulate the company's dual carbon strategy, plan a stable and efficient carbon reduction path, formulate the company's dual carbon goals that are in line with the country's 30·60 dual carbon strategic goals, and promote company's net zero transition.

Climate Risk Management

Climate change now is a major challenge of the world. Hisense Visual Technology is deeply aware of the profound impact of climate-related risks on business and industrial chain. Referring to the disclosure recommendations and frameworks of the Task Force on Climate-Related Financial Disclosures (TCFD), Hisense Visual Technology proactively identifies climate risks that may affect the company, conducts climate risk management analysis, and actively take countermeasures. In the future, company will conduct quantitative scenario analysis of climate risks to enhance risk resistance and cope with the impact of climate change.

8 The statistical scope of carbon emission data includes: Scope 1 and Scope 2 greenhouse gas emissions from the three manufacturing bases in Qingdao, Jiangmen and Guiyang (including canteens and living areas)

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Climate Change Related Risks		Countermeasures
Transition Risks	Policy And Legal Risks • Faced with the huge challenges brought by climate change, the government's supervision of environmental emissions and environmental information disclosure will become increasingly strict. This may increase company's compliance costs to meet regulatory requirements.	• Actively participate in the policies and regulations formulation and implementation program planning of the government or industry associations, and timely adjust company's operating strategies. • Strengthen internal management to ensure compliance operations. • Strengthen communication and cooperation with government departments.
	Technical Risks • Technologies change rapidly. If the R&D of low-carbon technology fails or lags behind peers, company may face certain operational and financial losses or other adverse effects.	• Continuously strengthen R&D innovation and improve the R&D management system, and establish a competitive technology innovation system.
	Market Risk • Consumers' demand for green and low-carbon products is increasing, and it is necessary to grasp market trends. Failing to meet consumers' related needs may affect market share and revenue of company. • The supply and demand of main raw materials and energy have uncertain risks, which may affect costs.	• Deepen the management of the entire life cycle of green products, deploy green and low-carbon technologies in all links, and practice an economic model of low-carbon products, energy-saving in the use process, and resource recycling. • Continuously analyze the production capacity and price trends of main raw materials and key components, and actively strengthen cooperation with relevant suppliers.

Climate change related risks		Responses
Transition Risks	Reputation Risk • Stakeholders are paying more attention to climate change risk management measures and related public information disclosure. If company fails to respond to stakeholders' expectations timely or has a low quality of information disclosure, it may lead to brand reputation damage and financing channels reduction, etc.	• Strengthen communication with stakeholders through regular and diversified communication mechanisms, positively respond to the stakeholders' expectations for the company's development, and improve the quality and transparency of information disclosure.
Physical Risks	Acute Risks • Production and operation disruptions or production safety accidents caused by extreme weather or natural disasters (such as typhoons, rainstorms, floods, etc.)	• Formulate and improve emergency response plans for sudden environmental incidents, deploy emergency supplies, conduct equipment safety inspections and emergency drills to enhance emergency response capabilities.
	Chronic Risks • Resource and energy shortages caused by climate change (global warming, sea level rise, etc.)	• Continuously promote intelligent manufacturing to reduce the impact of natural and human factors on production efficiency and ensure production stability. • Adhere to green development, improve energy structure, and increase the proportion of green electricity use.

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Low Carbon Honor

In the past decade, Hisense Visual Technology has consistently adhered to the concept of green and low-carbon development. Taking technological innovation as the cornerstone, it has steadily promoted the company's green, low-carbon and high-quality development and achieved solid results.

2023

- Hisense Laser Display won the 18th People's Corporate Social Responsibility Award and the 20th People's Craftsmanship Award
- Hisense Laser Display Company won the " 2023 Carbon Neutrality Pioneer Enterprise" award
- Hisense Visual Technology were honored with the title of "Leading Enterprise in China's Industrial Carbon Peaking" in 2023
- Hisense Visual Technology was selected into the list of "Green Supply Chain Management Enterprises" by the Ministry of Industry and Information Technology of China

2022

- Won the "Qingdao Mayor Quality Award" issued by the Qingdao Municipal People's Government
- Won the title of "Shandong Province Specialized, Refined, Unique and Innovative Small and Medium Enterprises" issued by the Shandong Provincial Department of Industry and Information Technology
- Won the title of "Shandong High-end Brand Cultivation Enterprise of the year ", awarded by Shandong Provincial Market Supervision Administration

2021

- Won the title of Excellent Intelligent Manufacturing Scene of the Ministry of Industry and Information Technology of China and the title of Intelligent Manufacturing Digital Workshop of Shandong Province
- Won the title of Manufacturing Industry Champion of Shandong Province (Model Enterprise)

2020

- Be selected as a demonstration enterprise for green design of industrial products
- Released a number of group standards including " Green Factory Evaluation Guidelines for LCD TV Manufacturing Industry ", " Green Factory Evaluation for TV Manufacturing Industry ", and " Green Factory Evaluation for Projector Manufacturing Industry "

2019

- LCD TV green key processes were included in the typical case collection of the Ministry of Industry and Information Technology's green manufacturing system integration project
- Qingdao's first batch of near-zero carbon emission zone demonstration project pilot parks and passed ISO14001 environmental system certification
- The power system energy conservation won the "Golden Idea" Award for Rationalized Proposals on Energy Conservation and Emission Reduction from Qingdao Federation of Trade Unions

2017

- The green manufacturing system integration project was announced publicly by the Ministry of Industry and Information Technology
- Be selected into the first batch of green factories by the Ministry of Industry and Information Technology

2016

- Won the first prize of "Enterprise Contribution Award" for Energy Conservation and Emission Reduction from China Energy Conservation Association

2015

- The energy management system passed the expert review of Qingdao
- The first batch of enterprises that have obtained special pilot demonstrations for comprehensive standardization of intelligent manufacturing

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Technical Standard

2023, Hisense Visual Technology won multiple green and low-carbon awards, fully demonstrating its excellence in the path of green development. In addition, the company actively participated in the formulation and revision of technical standards, led the green transformation of the industry, contributed wisdom and strength to the construction of a green and low-carbon society, and demonstrated corporate responsibility and commitment.

○ Qingdao Hisense Laser Display Co., Ltd. obtained the country's first corporate carbon label certificate in 2023

○ Hisense Visual Technology Co., Ltd. was awarded the title of Leading Enterprise in China's Industrial Carbon Peaking in 2023

As a green design demonstration enterprise in the LCD TV industry, Hisense Visual Technology has obtained a number of patented technologies in adaptive backlight control and energy saving, new material application and plastic reduction, environmental recycling, and green design throughout the full life cycle. It has actively participated in the formulation and revision of green and low-carbon related standards, and have appointed technical experts to become members of the Hazardous Substance Detection Methods Sub-Technical Committee of National Environmental Standardization Technical Committee for Electrical and Electronic Products and Systems (SAC/TC297/SC3) and members of the Electrical Products Pollution Prevention and Control Standards Working Group, and actively participated in the formulation and revision of green and low-carbon related standards. By the end of December 2023, Hisense Visual Technology has participated in 8 national standards , 4 industry standards, and 17 group standards related to green and low-carbon .

List of some standards related to carbon reduction/low carbon that have been led / participated in drafting by 2023

Standard Number	Standard Name
GB/T 39560.2-2020	Measure of Certain Substances in Electronic and Electrical Products Part 2: Disassembly, disassembly and mechanical sample preparation
GB/T 37876-2019	General Rules for Conformity Assessment of Restriction of Hazardous Substances in Electrical and Electronic Products
GB/T 39560.8-2021	Measure of Certain Substances in Electronic and Electrical Products Part 8 : Determination of phthalates in polymers by gas chromatography - mass spectrometry (GC-MS) and gas chromatography - mass spectrometry with pyrolysis/thermal desorption (Py/TD-GC-MS)
GB/T 32355.2-2015	Evaluation Value of the Recycling Rate of Electrical and Electronic Products Part 2: Washing machines, televisions and microcomputers
GB/T 41505-2022	Green Supply Chain Management Standards for Electronic Information Manufacturing Industry
GB 24850-2020	Energy Efficiency Limits and Energy Efficiency Grades for Flat Panel TVs and Set-top Boxes
SJ/T 11771 - 2020	Green Design Product Evaluation Technical Specifications - TV Set
SJ/T 11919-2023	Electrical and Electronic Products Guidelines for limiting the types and thresholds of volatile organic compounds emitted
SJ/T 11923-2023	Green Design Product Evaluation Technical Specifications - Projection display products
SJ/T 11876-2022	Electrical and Electronic Products Guidelines for the Management and Implementation of Hazardous Substances Evaluation
T/CESA 1074-2020	Green Supply Chain Management Evaluation Standards - Flat panel TV manufacturing
T/CAB 0294-2023	Guide to Risk Assessment of Electrical and Electronic Equipment - Flat Panel Televisions
T/CESA 1090-2020	Green Factory Evaluation Requirements for TV Manufacturing Industry
T/CESA 1110-2020	Green Design Product Evaluation Technical Specifications - Liquid crystal display devices
T/CVIA 103-2022	Green (Low Carbon) Product Evaluation Requirements - Electronic video products
T/CVIA 79-2020	Laser TV energy efficiency measurement method
T/CESA 1033-2019	Green Design Product Evaluation Technical Specifications - Projector
T/CESA 1093-2020	Green Factory Evaluation Requirements for Projector Manufacturing

02

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Satisfying Customers with User-centered Products

Based on technological innovation, Hisense Visual Technology adheres to its development strategy of "ubiquitous displays, ubiquitous services, and ubiquitous connections" and aims to become a world-class provider of multi-scenario display system solutions. We are committed to bringing happiness to hundreds of millions of families with high-quality products and services and providing users with pioneering solutions.

Leading Technological Innovation

- 11 R&D Centers Established Globally

- Set up more than 10 joint laboratories with suppliers, carrying out more than 40 joint innovation projects

- Participate in more than 30 domestic and foreign industry associations and technical organizations

Providing Excellent Service

- Won the first place in the TV Industry User Satisfaction Monitoring of China Quality Association for 9 consecutive years

- In 2023 , the intelligent customer service system had served customers for more than 4 million times

- Completed 100% of the Review of on-the-job service engineers in 2023

- Organized training for service engineers with a total amount of 79,900 people

Creating the Excellent Quality

- Product " 0 " recalled

- All factories in the domestic operation area have obtained the Certification of ISO9001 Quality Management System

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Leading Technological Innovation

Under the strategy of "establishing an enterprise based on technology", Hisense Visual Technology has built an open R&D innovation platform that focuses on high-level independent innovation and combines industry, academic and research. We have built 11 R&D centers around the world to achieve integrated collaboration of global R&D resources. The R&D centers are responsible for the R&D and training of technical talents in the fields of basic cutting-edge technology, public technology and product technology, actively promote various external cooperation and exchanges, participate in the formulation and revision of Chinese and international standards, promote industrial technology upgrades and industry progress, and play a model role as a leading enterprise in the industry.

R&D System

Led by the company's chairman, the R&D center, as the main responsible department, has established a three-level technology R&D innovation system of "basic technology pre-research platform - public technology development platform - professional product development platform". R&D platforms at all levels are responsible for the research and development of basic cutting-edge technology, public technology and product technology, and establish technology research processes, technology development processes and product development processes for efficient management. Through basic cutting-edge technology research, we provide society with more innovative sources of scientific and technological achievements; through public technology research, we continuously incubate and mature new technologies to solve user pain points and meet social needs; through product development, we provide consumers with better products and services.

The company's technical committee and decision-making committee are composed of technical experts, scientists and senior management personnel, who are responsible for formulating the company's 3-5 years medium and long term technology development strategic plan and 1-3- years rolling development plan, and locking them with product planning and financial budgets to support the company's medium and long term strategic planning and annual business plans. The technology research and development of the core directions in 2023 was implemented in accordance with the plan. Through continuous organizational innovation and mechanism innovation, the company will build an open R&D innovation platform that focuses on independent innovation and combines industry, academic and research to achieve core technology leadership of the industry. In 2023 , Hisense Visual Technology's total R&D investment accounted for 4.47% of its revenue.

The company has established an R&D incentive mechanism to guide technological R&D innovation: rewards those who have made contributions in patent applications and other works according to the "Intellectual Property Achievement Reward Standards" ; according to the R&D Center's "Innovation Proposal Regulations", "Innovation Activity Regulations" and "Foreign Technical Cooperation Regulations" and other institutional documents, it carries out R&D and innovation activities, and rewards outstanding proposals; in addition, it has set up a variety of evaluation methods such as science and technology innovation awards, science and technology model to reward R&D personnel who have made scientific research contributions. The maximum reward amount for a single project innovation team in 2023 was 500,000 yuan.

The company has set up a promotion channel for R&D experts and formulated a fair R&D evaluation and assessment mechanism. Combined with the incentive mechanism, it provides competitive salary packages for R&D personnel. At the same time, the company's salary adjustment resources are appropriately tilted towards key employees with outstanding R&D performance.

The company vigorously advocates engineer culture, user culture, and process culture to create an atmosphere of R&D and technological innovation: In 2023 , 36 outstanding practitioners of engineer culture were selected to set an example. A total of 468 winning projects were selected throughout the year, and 994 people were commended and encouraged.

In all R&D and innovation activities, the company strictly complies with the requirements of laws, regulations and relevant provisions such as the " Science and Technology Progress Law of the People's Republic of China " and the " Opinions on Strengthening the Governance of Science and Technology Ethics " , strictly implements the company's " Code of Integrity " and " Hisense Visual Technology Business Conduct Code " and other management regulations, and adheres to the "keeping promises and being consistent in words and deeds", and follows the ethical, moral and legal standards of the countries where the company's business is located, strengthens the prevention and control of science and technology ethics risks, and achieves responsible innovation.

Engineering Culture

Carry forward the engineers' spirit of advocating technology and seeking to get to the bottom of things, encourage self-confidence with high-end excellence and scientific authority, and pursue the truth of technology without distraction; have continuous self-drive, be willing to share, collaborate efficiently, dare to try and fail, and explore constantly, be user-centric, embody value in achieving goals and technological breakthroughs, seek truth, be realistic, and strive for excellence, become a leader in the professional field, a leader in advanced technology, and a developer of excellent products.

Creativity

Intellectual Property and Patents

A fully developed intellectual property management system is a driving force for innovation and R&D, and is an important driving force for enterprises to maintain their competitive advantages and enhance their brand value. Hisense Visual Technology strictly abides by the intellectual property laws and regulations of the place where it operates, including the " Patent Law of the People's Republic of China " , the " Trademark Law of the People's Republic of China " , the " Copyright Law of the People's Republic of China " and other relevant laws and regulations, and has formulated the " Hisense Visual Technology Intellectual Property Management Regulations " in accordance with the " Enterprise Intellectual Property Management Standards " (GB/T 29490-2013) . Hisense Visual Technology is well aware that "protecting intellectual property is protecting innovation" and has established an intellectual property management system that complies with relevant national standards, including patent navigation, risk warning, layout application, patent litigation, patent licensing, patent operation, trademark management, copyright management, etc. It also establishes a patent virtual working group initiated by the director and president and led by the R&D center to be responsible for routine patent management, clarifying the business responsibilities of each department, effectively protecting its own intellectual property rights, the intellectual property rights of partners, and respecting the intellectual property rights of third parties. The company's intellectual property management system has passed the GB/T 29490-2013 intellectual property management system certification, and was identified as a national intellectual property competitive enterprise by the National Intellectual Property Office in 2022 .

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Protecting own intellectual property rights: We attach great importance to protecting our own intellectual property rights. Through the intellectual property management system and the R&D management system, we closely link intellectual property rights with R&D projects. At the same time, we establish an infringement identification system and add intellectual property protection clauses to project contracts to protect the company's own intellectual property rights.

Respect for the intellectual property rights of others: We highly respect the intellectual property rights of others, and our R&D work strictly follows the principles of legality and compliance. At the same time, we add intellectual property risk warning nodes to the R&D management system and strictly control intellectual property management throughout the entire R&D process to ensure respect for the intellectual property rights of others.

By the end of April 2024

Total number of patent applications by Hisense Visual Technology

17,893 items

The number of authorized patents

10,636 items

Technical Cooperation and Communication

01   University Cooperation

2023, Hisense Visual Technoloy carried out technical cooperation with Tsinghua University, Shandong University, Shandong University of Science and Technology, Chengdu University of Information Technology and other universities and research institutes in multiple fields. Besides, introduced new technologies, carried out industrial expansion, and maintained technological leadership.

02   Joint Laboratory Innovation Project

Hisense Visual Technoloy established 10 joint laboratories with multiple suppliers. Through R&D frontloading, it has carried out more than 40 joint innovation projects, explored cutting-edge technologies, and made breakthroughs in key technologies. The company has formulated management methods and mechanisms for joint laboratories to ensure orderly investment, smooth cooperation, and transformation of results.

03   Industrial Technical Communication

Hisense Visual Technology actively participates in industry technology associations and has participated in more than 30 domestic and foreign industry associations and technical organizations, such as the CSA Alliance, IEC TC110 , MPEG Working Group, World Ultra High Definition Video Industry Alliance UWA, etc., and regularly participates in technical meetings held by those associations and organizations.

04   Expert Lectures

Hisense Visual Technology invites external experts to hold technical lectures every year to obtain the latest developments in industry technology. In 2023 , more than 10 expert technical lectures were held .

Human-oriented Technology

Hisense Visual Technology is committed to making display ubiquitous, service ubiquitous, and connection ubiquitous. With the continuous changes in living standards and lifestyles, user groups have evolved more diversified and personalized display needs in different spaces and scenarios. Making products user-focused to meet people's display needs in multiple scenarios such as audio and video, games, art, learning, and fitness is the origin of Hisense Visual Technology's commitment to "full-scene display". Hisense Visual Technology insists on being people-oriented, following the principle of technology for good, respecting personal dignity and personal privacy, and complying with ethical and moral norms, laws and regulations. It educates and trains engineers to strengthen their understanding and awareness of technological ethics, always pays attention to human welfare in the process of innovative design, sets up internal review mechanisms to prevent potential risks that may be brought about by new technologies, grasps the correct direction of innovation activities, and ensures that Hisense Visual Technology' s products are fully integrated into "human-oriented technology" in different life scenarios. The company plans its technology development route with the concepts of green, humanization, and health, and implements its development concept with user-driven product planning, so that more consumers around the world can capture and enjoy every moment of happy life.

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Green Technology

Green and low-carbon technological innovation has become the core of promoting sustainable development. While ensuring product quality and improving user experience, Hisense Visual Technology actively responds to the trend of green consumption and takes low-carbon and environmental protection as the key direction of product research and development and innovation.

Laser Display Series Technology

The raw materials and production process of Laser TVs are environmentally friendly, and the total recyclable rate of its components is as high as 92% .

The standard Fresnel screen provides users with higher brightness and anti-ambient light picture quality experience, while the power consumption is reduced by about 50% compared with LCD products of the same size .

The electro-optical efficiency of the laser chip can be as high as over 40% , with more powerful energy-saving characteristics; the DMD chip has less working loss when processing natural light, achieving lower power consumption at the same visual brightness.

The screen uses glue bonding technology instead of oily tape bonding, and the amount of adhesive material used is reduced by more than 60% compared with using oily tape bonding.

Backlight Adaptive Adjustment Technology

The backlight uses AM drive to support regional dimming technology, which can more effectively control the backlight brightness according to the image content, significantly reducing the backlight brightness in dark scenes, while supporting improved image quality and energy consumption.

Dynamic Energy-saving Dimming Technology

Based on image content and user usage scenarios, a dynamic energy-saving dimming solution that is compatible with energy efficiency and subjective effects is implemented without affecting the user's subjective effects.

Recyclable and Renewable Materials

Starting from the end in mind, discarded electrical housings are strictly classified, cleaned, crushed, granulated and evaluated for performance, and then recycled into TV housings to achieve resource recycling. The same material design is used in the same scene, and internationally accepted material symbols are used for identification to promote the recycling of materials after product disposal.
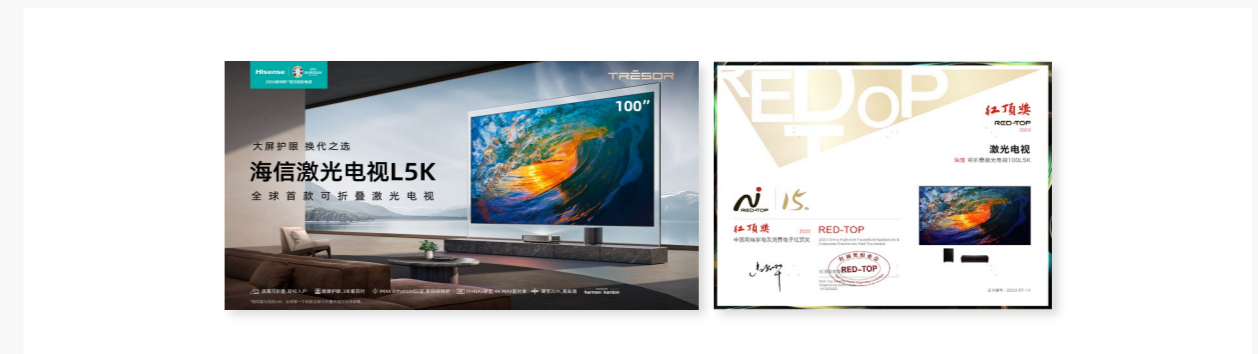
Green products

Mini LED-LCD TV

Hisense TV UX products use recycled materials for the outer shell to achieve resource recycling; through technological innovation, the ULEDX high-efficiency technology platform is created, and the backlight adaptive adjustment technology and dynamic energy-saving dimming technology are used to improve the picture quality. The product series has a 70% increase in light control accuracy, a 20% increase in backlight efficiency , 1.5% ultra- low reflectivity, and a 144Hz ultra-high refresh rate. Compared with products that do not use digital-analog hybrid dimming, the energy consumption is reduced by 20% , providing users with reference-level images for home scenes in a more energy-efficient and comfortable way. 110UX won the CES2024 Innovation Award.
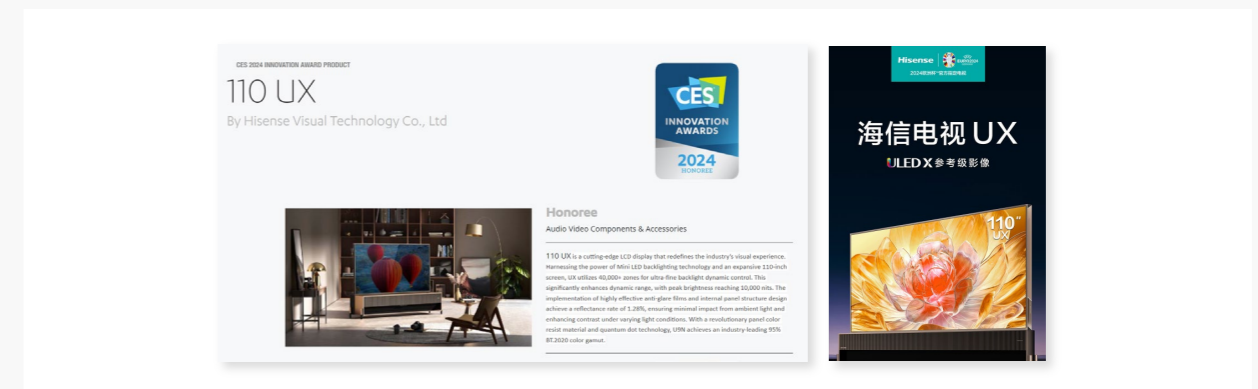
Laser TV

Laser TV L5K is the world's first foldable Laser TV. It implements the " Go Green" concept, makes efforts in all aspects of the product life cycle, and creates a green living room in the big-screen era through technological innovation. While L5K has the environmental protection and energy-saving advantages of the Laser TV series products, it further changes the screen structure to a fully foldable solution. The product screen packaging volume is reduced by 27% compared to the non-folding screen packaging volume , and the material is reduced by 17% .

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Humanized Technology

Hisense Visual Technology adheres to the principle of user-first, responds to consumers' increasing emphasis on user experience and personalization, and is committed to bringing users convenient and high-quality product experience and continuously improving product accessibility. In 2023 , through the use and upgrade of humanized technology in products, more than 43.8 million users have enjoyed an improved experience.

01 Improved Device Experience

Image Quality

We have created the ULED X full-scenario AI computing image quality platform. Through AI full-dimensional perception, AI super-resolution technology, AI motion enhancement and other technologies, we have implemented functions such as adaptive matching of image quality in the U7 and other series, improving user viewing clarity and comfort.

Sound Quality

The U8 and other series create scene sound quality and realize scene sound technology based on users, content, and environment, bringing users the most suitable auditory experience.

Example: Scene Sound Effects Based on Different Users

- Children's Mode: Keep the sound smooth and soft to protect children's hearing.
- Elderly Mode: Improves speech clarity and compensates for the elderly's lack of sensitivity to high-frequency sounds.
- Professional mixer: For professional and general users, it has a flexible frequency response and sound effect adjustment interface, allowing users to make customized adjustments based on the environment and preferences.

02 User Interaction Convenience

The U8 series and other series develop technologies such as voice wake-up, recognition, natural language understanding and processing based on deep learning and large language models to create an intelligent voice assistant that allows users to easily control the device through natural language.

- Understand users' natural expressions: Understand incomplete sentences or daily spoken language when users speak, so that users do not need to deliberately express themselves formally.
- Automatically correct incorrect expressions: Automatically identify and correct incorrect or habitual expressions made by users when they mention nouns such as movies, actors, and singers. This is especially friendly to children and the elderly with non-standard pronunciation, and improves the correct understanding rate of user expressions.
- Flexible voice wake-up: The success rate of voice wake-up is improved for children, the elderly, and users with heavy accents. Customized wake-up words and technologies that can be activated without specific wake-up words are developed to make use more convenient and personalized.
- Intelligent speech recognition: seamless recognition of Mandarin mixed with Sichuanese or Cantonese dialogues. It is especially optimized for children, the elderly and people with heavy accents, and can more accurately recognize proper nouns in TV and home environments.

03 Diversity Care Design

Disability-friendly Design

The U7 and other series have designed Care+ color compensation mode for specific user groups. This mode can adjust the red, green and blue levels to meet the needs of users with color vision impairment, ensuring that they can also easily distinguish the colors on the screen. In addition, for the hearing-impaired, the ASHA Bluetooth hearing aid function has been launched, which can turn hearing aids into Bluetooth headphones in seconds to provide a better hearing experience.

Age-friendly Design

Hisense TV has a special simple mode. The U7 and other series are optimized for the operating habits of the elderly, simplifying the menus and operating steps so that the elderly can use the TV more quickly and intuitively. With the voice recognition function, the elderly can use the TV through voice commands, greatly reducing complex manual operations. With the remote control function, family members or caregivers can remotely help the elderly adjust the TV settings, providing convenience for the elderly who have difficulty in moving.

Special Environment Heat Dissipation Design

Hisense smart projection products adopt a special environment heat dissipation design based on advanced thermodynamic detection and control technology to reduce the impact of special high-altitude environments such as thin oxygen, low air pressure, and large temperature differences, ensure the continuous and stable operation of the product, enhance product accessibility, and bring a reliable and convenient user experience to users in high-altitude areas.

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Humanized products

Mini LED-LCD TV

The Mini LED-LCD TV U8N Pro fully integrates various humanized technologies such as scene sound quality, voice interaction, disability-friendly, and aging-friendly design, and adopts picture quality platform, convenient screen projection and other technologies to bring users the greatest humanized experience. This product won the German iF Design Award.

Laser projection

Due to the decrease in air pressure in high altitude areas, the temperature of the projector rises rapidly when it is working, which affects the image quality and may even shut down automatically due to temperature protection function enabled, affecting the normal use of users in high altitude areas. Through research on the use environment in high altitude areas, we have developed a high altitude mode and adjusted the heat dissipation algorithm, so that users in high altitude areas can use smart projectors normally and enjoy the mobile large-screen viewing experience.

Health Technology

With the changes in lifestyles and the improvement of health awareness, users are paying more and more attention to the health impacts of products. Hisense Visual Technology responds to user needs in a timely manner, develops technologies and functions from the aspects of visual health and physical and mental health, and protects the health and well-being of users.

Visual health design

Laser TV eye protection technology

Through reflective imaging, Laser TV makes the viewing experience as natural as natural scenery reflected into the human eye under the sun, avoiding obvious changes in vision and eye discomfort, and bringing better visual comfort to users.

Smart Mini Projector Anti-shooting Eyes

The Smart Mini Projector can detect the movement of people during projection. If it is found that the projection is on the face of the person instead of the projection wall, the harmful light will be turned off in time to effectively prevent the laser projection from directly shining on the eyes and protect eyesight from damage.

Viewing distance detection technology

It uses radar technology to detect the user's distance and provides eye protection prompts when it recognizes that the viewing distance is too close. When it recognizes different situations such as when there is no one there or when there is someone there, it dynamically adjusts the backlight brightness and switch status to provide users with an eye-protection viewing experience and green energy-saving functions.

Low Blue Light eye protection

Design Low Blue Light eye protection solutions for different scenarios, suppress blue light in a differentiated manner, and improve the subjective experience while taking eye protection into account.

Health and Wellness Services

Smart fitness exercise recognition engine

The engine uses self-developed human body detection and human skeleton detection algorithms to accurately identify the 19 most important bone points of the human body. It continuously tracks human movements in multiple scenarios, accurately identifies human postures, corrects movement errors in real time, and analyzes fitness data in detail, thereby helping users to correctly complete fitness movements and easily achieve fitness goals.

Voice interaction and emotional companionship

Develop empathy response technology to make voice responses emotional, making communication with users more resonant and caring. Develop emotional speech synthesis and emotional virtual human driving technology, which can not only express various emotions through voice intonation, but also enhance emotional expression through facial expressions in videos, so that users can feel the emotional transmission in communication.

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Healthy products

Mobile Smart Screen

Hisense Mobile Smart Screen has functional features such as mobility, rotation, touchability, rechargeable and long-lasting battery life. It is not restricted by space and can meet users' needs in multiple scenarios such as fitness, learning, and watching movies, and meet users' ever-increasing demands for healthy living.

It is tailor-made for home fitness and equipped with a large number of professional fitness courses for users to choose from to meet diverse fitness needs. It provides users with one-on-one exclusive AI virtual coaching services, from fitness plan formulation to real-time calorie calculation, from follow-up movement guidance to fitness Q&A, and real-time response to fitness questions to serve users' physical and mental health.

It combines education with entertainment, making children love learning and sports. It is equipped with a smart whiteboard and drawing board, with built-in Tang and Song poetry copying and coloring cards, supports various pen shapes, and is compatible with various educational apps , allowing kids to learn while playing, and learn while playing, enjoying the fun of creation and learning, and promoting children's physical and mental health. The product has obtained Rhine Eye Protection Certification to further protect children's eye health.

Laser TV

Hisense Laser TV L8K series focuses on bringing the best viewing experience to families. Laser TV provides a comfortable experience of watching a 100-inch screen at a viewing distance of 3 meters, eliminating users' "vision concerns". The Fresnel passive anti-glare screen is used to bring users a low-glare and low-reflection visual experience. Hisense Laser TV further uses 10 major healthy eye protection technologies such as reflective imaging, no harmful blue light, and zero screen radiation , from light source to screen, to provide users with all-round vision care.

Reflection imaging

No harmful blue light

Zero Screen radiation

Low reflectivity

Anti-Glare

Big screen does not strain the eyes

Comfortable brightness

Eye protection

Smart Child Detection

Ultra short focus projection

- Laser TV uses reflective imaging, and the light is reflected through the screen into the eyes. The image is soft and natural, and the visual comfort is good, which can greatly reduce the user's visual fatigue when watching TV.

- The blue wave wavelength red shift technology of the light source red shifts the blue laser wave used in laser TV to above 460nm , which can effectively avoid the damage of low-wavelength blue light and protect the user's eyesight.

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Technical Honors

Participate in the Formulation of Industry Standards

As a standing director unit of organizations such as the "China Film and Television Technology Society" and the "New Display Industry Technology Innovation Strategic Alliance", the company is committed to promoting the joint research, formulation and improvement of industry technology standards, and promoting the sharing of R&D innovation resources and intellectual property rights. At the same time, TVS , a subsidiary of Hisense Visual Technology, as a standing director unit of organizations such as the Japan Wireless Industry and Trade Federation and the Japan Broadcasting System Committee, has led the formulation of a number of relevant standards for the Japanese broadcasting and television industry. In 2023 , the standards formulated by Hisense Visual Technology involve new display, green product design, audio and video, etc. Some of the lists are as follows:

	Standard	Scope
1	SJ/T 11459.2.3.1-2023 Liquid crystal display devices Part 2-3-1 : Detailed specification for color display matrix stacked screen liquid crystal display modules for television sets	China
2	SJ/T 11899-2023 Ultra-high-definition electronic whiteboard technical specifications	China
3	SJ/T 11460.6.4-2023 Display light source components Part 6-4 : Test methods for photoelectric parameters of LED light panels	China
4	SJ/T 11923-2023 Green Design Product Evaluation Technical Specification Projection Display Products	China
5	SJ/T 11459.2.3.2-2023 Liquid crystal display devices Part 2-3-2 : Detailed specification for color display matrix stacked screen liquid crystal display modules for displays	China
6	SJ/T 11903.1-2023 High Dynamic Range (HDR) Video Image Quality Part 1 : Subjective Evaluation	China
7	SJ/T 11900.1-2023 Ultra-high definition video image quality Part 1 : Subjective evaluation	China
8	ARIB TR-B14 Digital TV Terrestrial Broadcasting Operation Regulations	Japan
9	ARIB TR-B15 Digital TV BS/CS broadcasting regulations	Japan
10	ARIB TR-B39 Digital TV BS4K Broadcasting Operation Regulations	Japan
11	Broadcasting System Committee terrestrial digital signal high-definition operation	Japan

Related Honors

February 2023		Hisense Visual Technology participated in the research and development of the "4K/8K Ultra-High Definition TV Production and Presentation System and Industrial Application" project won the "First Prize of Science and Technology Progress" of the Chinese Society of Electronics.
May 2023		Hisense Visual Technology's 'ULED X Technology Platform and Application for Comfortable and Healthy Viewing in Real User Scenarios' was awarded the 'Innovation Technology Award of Display Terminal Visual Health ' in the 2023 'Display Terminal Visual Health Innovation Case Collection' event.
September 2023		Hisense Visual Technology has won two awards from the Shandong Electronics Society for Technological Advancement: the "Breakthrough and Application of Image Presentation Quality Technology for LCD TVs Based on Real User Application Scenarios" project won the first prize, and the "Research and Application of Key Technologies for the Software Platform of Display Products for Multiple Home Scenarios" project won the second prize.
September 2023		JUHAOKAN was awarded the honorary title of " 2023 Excellent Virtual Digtial Human Enterprise in China" .

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Other Honors List

Award-winning Projects / Products	Award Name	Awarding organization
ULED X Reference grade picture quality TV 98U8H	AWE2023 Aplan Gold Award	AWE Organizing Committee
TV U8	2023 China Electronic Video Industry Association Technology Innovation Product Award	China Electronic Video Industry Association
Hisense foldable laser TV L5K	2023 China Electronic Video Industry Association Technology Innovation Product Award	China Electronic Video Industry Association
Hisense Laser TV LX	"The 11th China Electronic Information Expo" Innovation Award	China Electronic Information Expo Group Committee
Hisense's new laser TV L8K	China International Consumer Electronics Expo " Leader Product Innovation Award"	China International Consumer Electronics Expo Organizing Committee
Patent for "Light source output control method, system and laser projection device"	China Patent Excellence Award	State Intellectual Property Office
"Ultra-High Definition Full-Color Laser TV" Achievements	Top Ten Science and Technology Innovation Achievements Award of Shandong Province in 2023	Shandong Provincial Department of Science and Technology
"Key Technology Research and Application of Artificial Intelligence Voice Platform for Smart Home Appliances" Project	Second Prize of Qingdao Science and Technology Progress Award	Qingdao Municipal People's Government

In terms of the construction of the Green Research Center: On December 7 , 2023 , Hisense's "Ultra-High Definition Green and Low-Carbon Laser TV Engineering Research Center" was recognized by the Qingdao Development and Reform Commission as the "Qingdao Ultra-High Definition Green and Low-Carbon Laser TV Engineering Research Center".

Providing Excellent Service

Hisense Visual Technology Technology always adheres to the service commitment of "One day commitment, a century of credibility", strengthens the "user first" business philosophy in the service process, put the user as the center, creates an excellent user service operation system, and conducts a comprehensive digital transformation from "traditional demand response" to "proactive service around the user journey". Through digitalization, Hisense provides comprehensive, high-standard, personalized, and high-quality services to achieve a thoughtful service experience and continuously improve user satisfaction. In 2023 , the China Quality Association organized the 12th TV industry user satisfaction monitoring. Hisense Visual Technology Technology's user satisfaction was 85 points, ranking first in the industry for 9 consecutive years[9].

Customer Service System

The company is customer-centric and takes digital transformation as the path to build an excellent user service operation system to create a "warm and trustworthy" service experience for users.

Intelligent Customer Service System

To improve the user experience in maintenance and installation services, we have introduced advanced intelligent customer service systems in the industry, continuously enriched the service acceptance channels, and responded to user needs in a timely manner. Users can access services anytime and anywhere according to their preferences, achieving multi-format interactions such as voice, text, and video. By adopting advanced large voice model technology to further optimize intelligent interaction capabilities and establish active care scenarios, users can get a more convenient, efficient, and humanized experience. In 2023 , Hisense's video service response rate was 98.1% , with a cumulative customer service of over 4 million times.

Full-link Information Interconnection

Improve the pre-sales, in sales and after-sales customer interaction in service system, open up all consumer touchpoints, achieve full-chain collaborative interaction, and ensure that users can achieve smooth two-way communication and interaction in every stage from purchasing, use of products to subsequent services, and obtain the best service perception.

The Entire Scene Process is Visible

Through process integration and optimization, system function reconstruction and integration, we have built a full-brand, full-product, nationwide unified service digital platform - the Xinlianxin Service System, which promotes a comprehensive digital transformation from "traditional demand response" to "proactive service around the user journey". We focus on users, explore service scenarios and touchpoints, and visualize 21 service scenarios through the Xinlianxin Service System, allowing users to simultaneously understand the progress of entire service process, including estimated arrival time, returns and logistics, completion and evaluation, and gain a reassuring service experience.
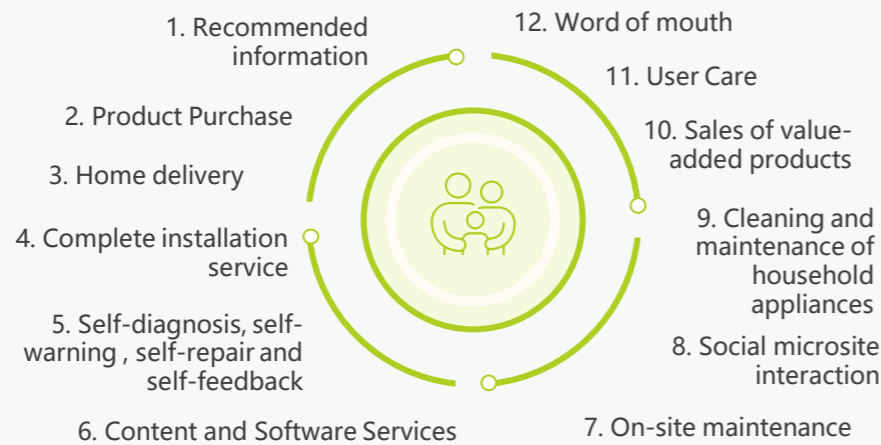
9 The source of the results is from the official website of the China Association for Quality.
https://www.caq.org.cn/html/zyfw/xwzx/21090.html

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A small closed loop of services centered on work order flow

1 Service Acceptance
2 Dispatch
3 Reserve
4 Home
5 Spare parts
6 Return visit

A closed loop of experience centered on the user's entire life cycle

1. Recommended information
2. Product Purchase
3. Home delivery
4. Complete installation service
5. Self-diagnosis, self-warning , self-repair and self-feedback
6. Content and Software Services
7. On-site maintenance
8. Social microsite interaction
9. Cleaning and maintenance of household appliances
10. Sales of value-added products
11. User Care
12. Word of mouth

User Care

Through the digital service platform, based on user insights, we further provide users with proactive services for installation, use, and cleaning and other scenarios, push valuable information and caring content, effectively help users improve product usage efficiency, solve practical problems encountered during use, unlock new functional applications, and continuously improve user satisfaction with the product.

User Voice Closed-loop Management

We are committed to listening to and responding quickly to the voices of users. We collect user feedback through multiple channels including hotlines, online chats, online media, and government direct trains. We have established a user voice processing platform to classify and manage user feedback, and formulate processing procedures and standards to ensure that we rapid respond to user feedback within 2 hours. By deeply analyzing user feedback data and constructing data portraits of products, users, and behaviors, we gain a deeply understand user needs and integrate insights into big data systems to promote the continuous improvement of product, quality, market, and service levels to better meet user expectations.

User Culture

We are customer-centric, and provide products and services that exceed user expectations through innovation and design, focusing on the needs and pain points that users understand. We manage and continuously improve all aspects of user interaction, so that the experience of each touchpoint can impress users. We create value for users, meet user needs, and achieve mutual growth with users.

Internal Management Measures

In order to support the customer service system more efficiently, Hisense Visual Technology has strengthened the management of service engineers in three main directions: qualification management, authorization and technical support, and management standards.

Strengthening the qualification management of service engineers

Hisense Visual Technology Technology organizes qualification review of all service engineers, conducted 37 training courses on service specifications, installation/debugging operation skills, maintenance cases, troubleshooting, spare parts management, etc. , and conducts examinations and acceptance . By 2023 , 100% of in-service engineers will be completed .

Strengthening the empowerment and technical support of service engineers

- Continue to carry out training. In 2023 , the company developed more than 200 micro-courses in nine categories of technical training , which were open to merchants, service providers, and engineers for free, with the total number of learners throughout the year was 79900.

- We filmed micro-videos on product usage knowledge to guide users/service providers in resolving debugging-related malfunctions. As of the end of the reporting period, we had filmed nearly 100 micro-videos with over 700,000 views .

Strengthening management standards for service engineers

- The company designed a service specification signboard in accordance with the " Door-to-Door Service Standards " and organized more than 3,000 service providers to post it on the wall to guide service engineers in daily management and improve service quality.

- Key control points of service specifications are set based on each product category and service type, and users can supervise and evaluate the compliance of service engineers through "Hisense Home".

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Case | Customer Perception Journey

In July 2023 , Hisense Visual Technology Technology launched an activity called "Customer Perception Journey". Team members visited Xi'an, Chengdu, Hangzhou, Beijing, Qingdao and other places to delve into the living environment of users, directly face and solve practical problems, and jointly explore solutions. This action enables team members to step out of the limitations of daily work, experience the on-site life of users in person, and obtain valuable information that cannot be reached in the office. Through direct dialogue, we listened to the needs and feelings of users, which not only prompted us to reflect on the shortcomings of business processes and organizational culture, but also revealed many possibilities for improvement and innovation.

For example, during a visit to users in a city, we discovered a unique challenge. The users there lived in multi-storey self-built houses in an urban village. The interiors were designed with high ceilings and mostly marble walls, and the whole village was built in this style. Such wall texture and house structure caused serious sound reflection, thus reducing the user's sound experience. This inspired us to think deeply: How to design an exclusive sound mode for this specific living environment? Further considerations pointed to a core question: Why did our product design fail to fully cover the actual user usage scenarios?

In response to this discovery, we quickly made it a priority and developed an innovative solution through team collaboration: we designed a " big house" mode to adjust the sound quality according to the impact of different decoration styles and materials on sound, to meet the special needs of this type of residence. We re-evaluated how to gain insight into users' actual usage scenarios, enriched our understanding of user experience, and more comprehensively planned the various functions of the product to ensure that we met users' real needs and improved their usage experience.

The real implementation of user culture is to awaken the practical application of "user thinking" of every employee. The customer perception journey is an all-round perceptual experience that allows us to be closer to users, so as to serve users more effectively and bring users the most excellent experience. It is also a concrete demonstration of Hisense Visual Technology Technology's implementation of user concepts.
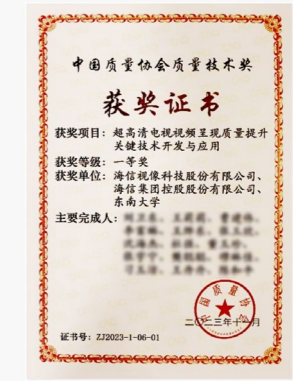
Creating the Ultimate Quality

Product quality is the life and cornerstone of a company's sustainable development and the key driving force for customer trust and loyalty. Hisense Visual Technology attaches great importance to product quality. In an increasingly competitive business environment, it always puts product quality at the core, strictly controls and continuously improves product quality. The company responds to the market with personal actions, actively practices the concept of sustainable operation and social responsibility, and has won titles such as " 2023 National Quality Benchmark" and "First Prize for Quality Technology".

China Quality Association " 2023 National Quality Benchmark"   China Quality Association "First Prize for Quality Technology"

Quality Management Methods

Hisense Visual Technology Technology strictly abides by laws and regulations such as the Product Quality Law of the People's Republic of China and the Consumer Protection Law of the People's Republic of China . It strictly controls chemical substances in products in accordance with the Management Measures for the Restriction of Hazardous Substances in Electrical and Electronic Products , the EU REACH Directive, RoHS and other international standards to ensure the safety and health of product materials. All products are designed in strict accordance with the national standard GB4943.1 and IEC/EN/UL62368-1 issued by the International Electrotechnical Commission (IEC), and have obtained domestic and foreign product safety certifications such as CCC/CB/CE/UL . In addition, all factories in the company's domestic operating areas have passed the ISO 9001 quality management system certification, of which the Qingdao and Jiangmen factories have passed the IATF16949 quality management system certification.

In line with the quality policy of "establishing quality authority, strengthening the awareness of all employees, improving quality capabilities, adhering to the bottom line of quality, pursuing excellent management, and creating perfect products", the Quality Management Department, which is directly managed by the Director and President, takes the lead in the company's product quality management system and system work, formulates and maintains the " Quality Management Manual " and other rules and regulations, and clearly stipulates the quality responsibilities of each department, each position, and each level of employees to ensure the effective implementation and continuous management of quality management work. Plan 2-3 internal audits of key processes per month, and plan more than one full-factor quality management system audit per year. The heads of each department, internal auditors, and key employees form an audit team to conduct cross-audits of various links in the quality management system to ensure the effectiveness and compliance of the system.

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Before and after the product is launched, a thorough review of product safety hazards will be conducted, and the "Market Product Recall, Return and Rework Operation Procedure" will be established internally, which is divided into seven major aspects: information reception, technical analysis, disposal plan release, recall or return plan release, report approval, recall or return implementation, product reception and disposal. After the problem occurs, the technical department will conduct a recall or return assessment on the product, form a recall plan and report, and after approval by the company's director and president, the product recall or return information will be sent to the destination market within 2 working days, the product recall or return will be operated, and feedback of the progress of the recall or return will be regularly given. The factory is responsible for the reception and disposal of the product. The company conducts simulated recall drills more than once a year, covering seven major aspects, so that when problems occur, they can respond quickly and orderly, and solve user and customer problems in a timely manner.

The company appoints a quality and safety director to implement laws, regulations and normative documents on product quality and safety management, and promptly tracks the revision and update of relevant laws, regulations and standards, and is responsible for product recall actions and safety disposal to ensure the standardized operation of the company's product quality and safety management. The company has formulated regulations such as the "Market Quality Problem Handling Control Procedure" , and internally standardized a special market quality problem solving process and market quality information collection and indicator management mechanism to quickly and efficiently respond to and handle market problems and improve user satisfaction.

In 2023 , the national and provincial sampling pass rates of Hisense Visual Technology complete product products were both 100% , and there were "0" product recalls .

Quality Management Measures

During the reporting period, under the quality strategy of "using process methods to promote the effectiveness of the quality management system and build operational capabilities to achieve outstanding performance", the company continued to promote the quality improvement of four deliveries - R&D delivery, material delivery, manufacturing delivery, and market delivery to ensure continuous improvement in the company's delivery quality.

R&D Delivery	Improve design maturity and provide the most basic technical support for manufacturing delivery.
Material Delivery	Accelerate the time to reach mass production levels, reduce quality risks, and provide component support for manufacturing delivery.
Manufacturing Delivery	Focusing on the six elements of 5M1E quality management, we will strengthen capacity building to ensure stable and controllable overall manufacturing output quality.
Market Delivery	Reduce losses due to protection failure by strengthening warehousing and transportation monitoring.

💡 **Process Culture**

Process culture is customer-value oriented, focusing on building and improving a top-down excellent business process system, and aiming at continuously improving organizational performance.

Quality Capacity Building

Promoting quality capability building is an important measure for enterprises to continuously focus on quality and pursue excellence. During the reporting period, the company carried out quality management training, QC group activities and other modules to improve the professional quality of employees, build a good atmosphere of valuing quality culture, and enhance the core competitiveness of the company.

Quality Management Training

During the reporting period, the company conducted more than 10 quality management trainings. Through multiple professional and efficient trainings, it promoted core backbones to extract new management ideas and working methods from quality system theory and practice, thereby improving the team's corresponding skills and quality management capabilities.

QC (Quality Control) Group Activities

QC group is an effective organizational form for mass quality management activities in enterprises. The QC group activities are aimed at continuously improving product quality and improving quality management processes. During the reporting period, the company formulated the "2023 QC Group Management Plan " , set goals for each department, and added the role of QC group counselor, who is responsible for the application of tools in the QC project improvement process, guidance on improvement directions, guidance on QC project completion reports, quality tool training, etc., and built an internal platform for QC reporting and system control.

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Quality Culture Activities

Quality culture activities are continuously carried out, including quality competitions, issuing quality warning cards, collecting quality slogans, improving quality test education, and publishing quality case internal journals. Quality culture activities have improved the basic quality management of each department, promoted the successful application of quality management methods in the enterprise, required full participation and improvement of everyone, truly implemented quality awareness in actual work, and built a soft environment for enterprises to carry out quality improvement.

Screensaver

Banner

Warning Sign

Poster

03

Developing Talents with People-oriented Concepts

Adhering to the concept of "people-oriented", Hisense Visual Technology attaches great importance to the growth and development of employees and provides employees with a variety of promotion channels and a broad development platform. Hisense Visual Technology is committed to creating equality, tolerance, diversity, health and safety of the workplace environment, and strive to achieve the unity of the Company's development and the self-worth of employees.

Promoting Diversity and Inclusion

- 0 cases of discrimination, forced labor, and child labor incidents
- 100% signing rate of the collective contract
- 97 employees been assisted by the Employee Care Fund
- 42.03% of employees are female

Focusing on Talent Development

- 100% training coverage rate for all employees

Safeguarding Employee Health

- 0 work-related fatalities
- 0 fire accidents, 0 occupational disease incidents, 0 incidence rate of severe injury and mortality per thousand workers
- 3 factories passed ISO 45001 certificatio7n
- 100% coverage of occupational health checkups, 100% coverage of work safety training
- 210 emergency drills of various types , with a total of more than 20,000 people participating in
- more than 30 large-scale safety activities

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Promoting Diversity and Inclusion

Talent resource is an important strategic resource for Hisense Visual Technology. Employees are not only the driving force of the Company's development, but also the inheritors of the corporate culture. Hisense Visual Technology is committed to protecting the rights and interests of employees, providing a fair and competitive salary system, and creating a diversified, equal and inclusive working environment to attract, motivate and retain talents.

Talent Attraction

Knowing that attracting and retaining talents is the key to maintaining the Company's competitiveness, Hisense Visual Technology has always adhered open and inclusive concept of attracting and deploying talents, and has continuously recruited talents and improve the talent structure through diversified recruitment channels.

Campus Recruitment

Hisense Visual Technology is constantly deepening campus recruitment, attracting outstanding graduates and selecting future management innovators, marketing revolutionaries and technology leaders through internship programs, enterprise open days and co-building Hisense Class, etc. Hisense Visual Technology has also crafted a high-end campus recruitment program called "XinDongLi", which recruits talents with management potential from universities around the world to inject fresh blood and innovative thinking into the Company's long-term development. Hisense Visual Technology Co., Ltd. was honored as the most popular Qingdao West Coast New Area enterprise brand among rising stars in the workplace for the year 2023.

● School-Enterprise Cooperation

In 2023, Hisense Visual Technology realized the "normalization of mutual visits between schools and enterprises", visited 15 independent cooperative institutions, receive 7 companies for enterprise job expansion, opened Yuntian & Hisense training base for intelligent manufacturing talents, and established industrial colleges with many colleges. Hisense Visual Technology establish a long-term mechanism for the "integration of production and education, cooperation between schools and enterprises", to fully integrate and share resources and information.

Hisense Intelligent Manufacturing Industry Institute Opening Ceremony

"SUST-Hisense Class" Joint Education between School and Enterprise

CSU's Excellence Class Going Into Production
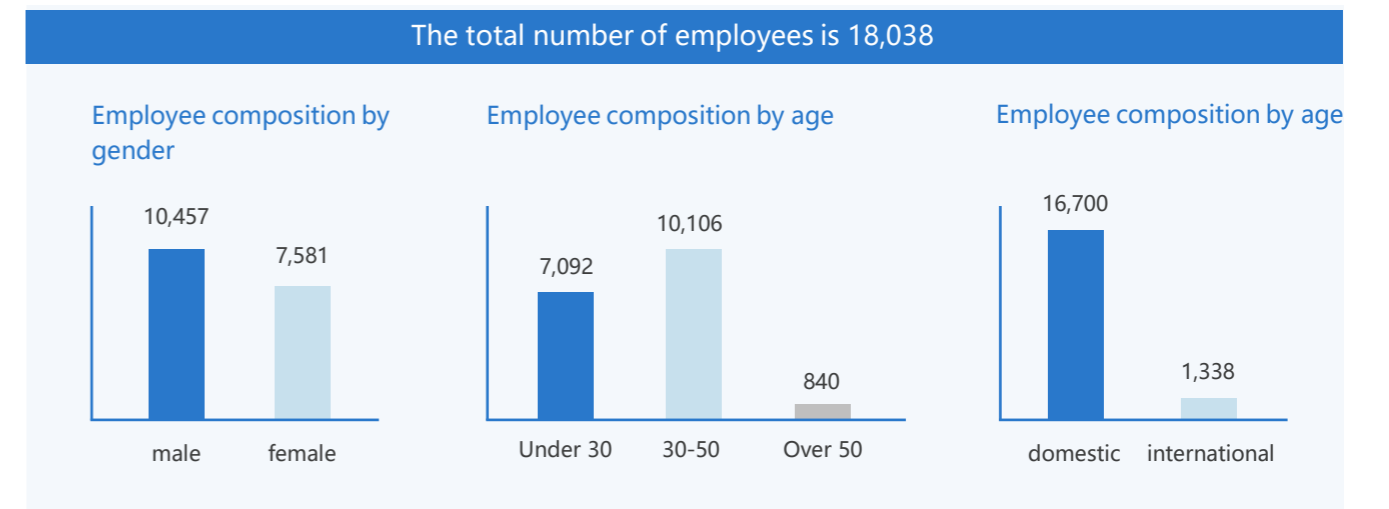
Social Recruitment

Hisense Visual Technology attaches importance to the introduction of high-end talents from both domestic and international sources and builds a resource pool of excellent domestic and international headhunting suppliers to introduce high-end talents. Hisense Visual Technology formulates a talent integration policy, configures expert apartments for high-end talents, perfects the welfare system and equips with personal mentors to counsel talents, provides targeted solutions to the key issues of talent integration, and assists high-end talents in quickly adapting to the enterprise and giving full play to their values.

Internal Recruitment

Hisense Visual Technology establishes an internal talent flow market and builds an online "living water platform", where employees can submit their resumes according to their personal career development, to realize "internal competition for posting" and provide horizontal and vertical development opportunities for employees.

Protecting Employee Rights and Interests

Employment Management

The total number of employees is 18,038		
Employee composition by gender	Employee composition by age	Employee composition by age

Employee composition by gender: male 10,457; female 7,581

Employee composition by age: Under 30 7,092; 30-50 10,106; Over 50 840

Employee composition by age: domestic 16,700; international 1,338

In strict accordance with the International Labor Standards, the Labor Law of the People's Republic of China, the Minor Protection Law of the People's Republic of China and other employment-related laws and regulations applicable in the place of operation and the requirements of international practice, Hisense Visual Technology has improved its personnel-related systems, signed legal and compliant labor contracts with its employees. The Human Resources Department under the leadership of Director and CEO has formulated the Management Measures for the Protection of Underage Workers, the Management Measures for the Recruitment of Frontline Employees, the Management Measures for Social Recruitment and the Management Measures for Campus Recruitment, to ensure that Hisense Visual Technology recruits and employs employees in a legal and lawful manner, and resolutely opposes the recruitment of child labor and forced labor. During recruitment and onboarding, Hisense Visual Technology strictly reviews the candidates' identity information to ensure they meet the legal working age requirements. Hisense Visual Technology is committed to creating a diverse, equal and inclusive work environment, and provides equal opportunities for the development and promotion of talents of different ethnicities, genders, countries, ages and religious beliefs.

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Meanwhile, Hisense Visual Technology attaches great importance to employees' right to rest, and always follows the relevant national laws and regulations as well as the Company's management rules and regulations to ensure that employees strike a balance between work and rest. In accordance with the Labor Law of the People's Republic of China and related regulations, Hisense Visual Technology has formulated a detailed Management Measures for Asking for and Taking Leaves to ensure that employees are entitled to various types of leave such as statutory holidays, paid annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, parental leave, elderly care leave, sick leave and personal leave, etc. Hisense Visual Technology also continues to improve and optimize the leave system to continuously create a more favorable working environment and conditions for employees.

During the reporting period, the signing rate of the collective contract of Hisense Visual Technology Co., Ltd. was 100%, and the collective contract was signed by the labor union on behalf of all the employees with the Company, agreeing on the terms and conditions in the areas of labor management, labor remuneration, working hours, rest and vacation, insurance and welfare, work safety and health, etc., so as to ensure the labor rights and interests of the employees. During the reporting period, there were no incidents of discrimination, forced labor or child labor, and Hisense Visual Technology passed the international SMETA social responsibility audit.

Remuneration Incentives

The Human Resources Department, led by the Director and CEO, is responsible for the Company's employee compensation and benefit management system and system construction, strictly abides by the Labor Contract Law of the People's Republic of China and other laws and regulations, formulates internal policies and systems such as the "Compensation Management Measures", and establishes a complete compensation and benefit system to provide employees with fair and competitive compensation and benefits and protection.

Based on the job value and professional ability, Hisense Visual Technology determines the corresponding salary standard and incentive mechanism for different levels and categories of employees, and builds a salary structure consisting of fixed and variable salary for all employees, including middle and senior managers, junior managers, staff and production personnel, etc. The variable salary is linked to the Company's efficiency, personal performance and other factors, so as to promote the employees to fully realize their self-worth.

Based on the internal system "Management for Employee Performance Appraisal Control Procedure", Hisense Visual Technology organizes managers to evaluate the performance of the employees and help them to improve their performance level through performance counselling and feedback quarterly and annual. At the same time, to standardize the performance management process and ensure that employees' claims can be effectively responded to and resolved in a timely manner, the Human Resources Department establishes the employee performance complaint process and normalizes its operation. So that if an employee has any objections to the evaluation results, he/she can lodge a complaint with the Human Resources Department via email, and the email address is disclosed in the Employee's Individual Appraisal Form, so as to ensure that every employee is aware of the channels for performance complaints. The Human Resources Department confirms the complaint with the complainant within 2 working days after receiving it and organizes a 360-degree investigation within 7 working days and returns the results to the complainant.

In addition, Hisense Visual Technology continues to implement and optimize employee incentive system, and established a diversified incentive system oriented to business success, value contribution and long-termism in accordance with the relevant management requirements such as the "Management Personnel Performance Appraisal and Control Procedures", "Frontline Employee Performance Appraisal and Control Procedures" and the "Incentive Management Measures", to attract, motivate and retain core talents.

In 2021, Hisense Visual Technology launched the Restricted Stock Incentive Plan, regarding core employees serving in the Company (including subsidiaries) whom the directors, senior managers and the board considers should be incentivized as targets during 2021-2023. The restricted shares will be released from sale in three batches after meeting the assessment conditions, and a voluntary extension of the lock-up period of 24 months has been added on top of each of the three restricted sale periods. As of June 2024, this incentive program is still in the process of implementation and has not exceeded the lock-up period. (For details, please refer to "Hisense Visual Technology Co., Ltd. 2021 Restricted Stock Incentive Plan (Draft Revision)".) In March 2024, Hisense Visual Technology issued the "Hisense Visual Technology Co., Ltd. 2024 Employee Stock Ownership Plan (Draft)".

Democratic Communication

Hisense Visual Technology attaches importance to communication with employees, and has established a variety of communication and feedback channels in order to continuously build a warm, fair, healthy and harmonious employee environment. New employee orientation training set out the views of communication, feedback channels, with the "New Employee Orientation" materials sent to employees, for employees to answer questions, and through the convening of democratic forums, "Employee Voices" opinion box, QR code, hotline, e-mail, grassroots investigation, interviews with employees and other channels, to collect employees' opinions and demands. Hisense Visual Technology collects employees' opinions and demands, and solve the key and difficult problems that employees are concerned about. At the same time, Hisense Visual Technology has a labor union, regularly convenes staff congresses, fully solicits the opinions and suggestions of employees, to ensure that the legitimate rights and interests of employees are protected, and to become a warm home and strong backing for employees.

In order to fully listen to the voices of employees, Hisense Visual Technology carries out employee dedication research for all employees every year. After the research, the Human Resources Department uniformly organizes the management to discuss and analyze the research results, formulates specific improvement measures for the problems found in the research, promotes employees' recognition of and participation in the Company and corporate culture through a series of cultural themed activities such as the Division Age Culture Day, the "Yuanqi Kaimai - Culture I'll Talk About!"Talk show, and XinDongLi Roundtable Exchange, etc., and continuously improves the organizational atmosphere. In 2023, the employee dedication degree of Hisense Visual Technology increased by 3.1% year-on-year.

In addition, Hisense Visual Technology organizes annual employee satisfaction surveys based on the status of business operations. The factories collects employee issues through channels such as telephone communication, QR code feedback, discussion meetings, and dormitory visits. It has established a Happiness Guardians Alliance, a one-stop service center within the factory, and employee care officers. A total of 256 employee suggestions were addressed annually, such as installing fatigue mats, pregnancy stools, and rest areas in various production workshops, which has improved employee satisfaction, promoted physical and mental health among employees, and enhanced team cohesion with a 100% suggestion closure rate. At the same time, to increase team vitality, various departments regularly organize knowledge-sharing sessions, group reading activities, and employee birthday parties to further close the distance between team members, enliven the team atmosphere, and share professional knowledge. In 2023, Hisense Visual Technology Co., Ltd. scored 4.9 out of 5 in employee satisfaction surveys for daily business handling services provided to employees.

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Welfare Care

Every employee of Hisense Visual Technology fully and equally enjoys the various employee benefits stipulated by the Company, such as pension and retirement. Hisense Visual Technology has issued the Welfare Management Measures for all employees, and in addition to the statutory holidays and benefits, Hisense Visual Technology additionally organizes honorary retirement ceremonies for retired employees, and sets up the escort leave for students' parents for their children's advancement in college entrance exams and secondary school exams with the length of exams plus one day, which is enjoyed by 124 employees in 2023. Moreover, meal allowance, transportation subsidy, Mid-Autumn Festival/Chinese New Year benefits, reimbursement of childcare expenses, 1-2 free medical checkups and other benefits are set up to provide employees with a variety of benefits and care at different stages.

☆ Subsidized condolences

- Payment of meal allowance, high temperature allowance, temperature allowance, heating allowance, transportation allowance, housing allowance, two holidays benefits, childcare reimbursement for eligible employees.

- Holiday care: New Year's desk calendars, Women's Day gifts, "start back to work" packet, Chinese New Year and Mid-Autumn Festival gift packs.

- Onboarding care: onboarding Gift Packages, company anniversary cultural day, and company anniversary lighthouse (mentorship program).

- Retirement care: honorary retirement medals, certificates, honorary retirement souvenirs.

🌴 Vacation Care

- Statutory public holidays, paid annual leave, marriage leave, bereavement leave, sick leave, elder care leave.

- In the event that an employee's child goes to higher education, or an employee is sent on an assignment, the Company will establish a leave for the child's education and a family visit leave.

- Annual leave for skilled personnel incentives.

- Maternity leave, paternity leave, prenatal checkup leave, parental leave.

♡ Health Management

- Employee health checkups, employee checkup abnormality follow-ups.

- Regularly organizing health lectures and health clinics, and conducting various kinds of health knowledge training on a daily basis.

- Helping sick employees make appointments with specialists.

- A gym, stress reduction room, physical therapy room, and regularly conducts lectures related to emotional regulation and mental health.

🐖 Hardship Mutual Aid Program

- Hisense Visual Technology established the Employee Care Fund to provide relief for special hardship workers, retired labor models, and retired sick old employees, and to help employees hospitalized due to illness or suffering from serious illnesses to tide over their difficulties.

- In 2023, Hisense Visual Technology Employee Care Fund helped 97 employees, and provided 124 employees who had the need for accompanying their children in the middle/high school exams with additional accompanying leave.

☀ Caring for Employees' Families

- Hisense Visual Technology organizes summer camps and custodial classes for employees' children during the summer vacation, and offers courses such as intelligent workshop visits, fun games, handicrafts, and art.

- Eligible employees can bring their family members for a free medical checkup once a year.

🎉 Culture and Sports Activities

- Athletic events, holiday events, birthday party events, veteran employee events, etc.

- Book club, basketball game, sunshine runners, dance club, table tennis club, etc.

Birthday Party for Employees

Basketball Game

🚗 Convenient Living

- gym, shuttle bus, mom's hut, etc.

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Case   Free Clinic

In 2023, Hisense Visual Technology brought renowned experts from gynecology, endocrinology, gastroenterology, orthopedics and traumatology, cardiology and traditional Chinese medicine departments of Qingdao University Affiliated Hospital to carry out free medical activities in Qingdao Industrial Park, with the participation of more than 120 employees and their families on the spot, which effectively enhanced the health awareness of the employees, and allowed them to enjoy high level of medical services without leaving home, which was widely praised by the employees and their families.

Case   Cultural and Sports Activities

In June 2023, "Love in Hisense Navigating the Vision World" Hisense Visual Technology Sixth Fun Sports Day was held in Qingdao Industrial Park Stadium, while Jiangmen and Guiyang factories were synchronized as sub-fields, with nearly 4,000 cadres, employees and family members participating, and more than 17,000 people watched the live broadcast online.

Fun Sports Day

Music Festival Events

Case   Hardship Mutual Aid Program - Distribution of Relief Money for Families of Employees Affected by Disasters

In August 2023, heavy rainfall has occurred in many parts of the country, and some areas have been severely affected. Hisense Visual Technology actively practiced Hisense's culture of respecting people, counting the damage to employees' families at the first time, distributing relief money, providing help and support needed for post-disaster reconstruction, and video-linking with the families of the affected employees to encourage them to carry out post-disaster reconstruction, and sending the Company's warmth at the first time.

Case   Support Activities for Single Parent Family

TVS, a subsidiary of Hisense Visual Technology, organizes its employees to participate in the Food Bank Yokohama's Single Parent Family Support Campaign, which provides free food, daily necessities, and other items to single-parent or needy families, helps to tidy up the meeting place, and provides assistance and support for their daily lives.

Case   Creating a Happy Harbor for Employee - "Vidda's Garden"

In 2023, adhering to the core concept of "letting employees work happily and enjoy a happy life", Hisense Visual Technology built a comprehensive ecological park integrating leisure, entertainment and sightseeing in the living area of Qingdao Industrial Park - "Vidda Garden".

This 5,800-square-meter park is divided into seven major functional scenic spots, including a fitness trail, a window on film and television, and a youth theater, providing employees with diverse, high-quality spaces for leisure activities. While the natural scenery of the garden provides employees with physical and mental pleasure, the various facilities and activities also provide employees with the opportunity to find space for relaxation and recreation after work. In addition, the park is open to the families of Hisense employees during weekends and statutory holidays, so that the majority of employees' families can also share the natural tranquility of the park and feel the Company's humanistic care.

The completion of the "Vidda Garden" not only provides a green space for employees to relax physically and mentally, but also becomes an important carrier to enhance employee satisfaction and happiness, which is a practical manifestation of Hisense Visual Technology's commitment to creating a more comfortable and harmonious working environment for employees.

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Diversity, Equity, and Inclusion

Hisense Visual Technology has established the "Anti-Discrimination and Anti-Harassment Management Measures", respecting the differences and uniqueness of all employees. It opposes any form of discrimination and prejudice, eliminates harassment, bullying, and intimidation, ensuring that every employee can excel in a diverse, equitable, and inclusive working environment.

Female Employees

Hisense Visual Technology fully recognizes that female employees are an indispensable and important force in the Company's development. Their wisdom and dedication bring infinite vitality and innovation to the Company. The Company always respects and cares for its female employees, not only out of respect for gender equality but also from acknowledging the unique talents and contributions of each female employee. In 2023, the proportion of female employees at Hisense Visual Technology accounted for 42.03%.

The Company has established a pay equity policy, offering them equal promotion opportunities and a broad scope for development. It strictly adheres to the "Law of the People's Republic of China on the Protection of Women's Rights and Interests" and internal regulations, implementing leave policies such as marriage leave, maternity leave, child-rearing leave, Women's Day leave, and accompanying leave for children's enrollment. During maternity leave, there are institutional guarantees for wages and maternity insurance, ensuring that female employees can enjoy their legally entitled benefits.

In addition, the Company provides a series of considerate benefits and care for female employees, such as nursing care rooms, caring seats, and prenatal nutrition meals, ensuring that female employees have a warm and comfortable working environment within the Company. It also holds regular events such as Mother's Day activities, specialized women's health check-ups, women's health training lectures, and beauty knowledge lectures, offering comprehensive support and care for female employees. This allows the "power of she" to flourish to its fullest.

Women's Day

| Case | "Beautiful Life, Beginning with Health" Specialized Health Check-up Program |

Hisense Visual Technology places great importance on the health and well-being of its female employees, organizing specialized health check-up events for them. The Company tailors detailed health check-up plans, including the check-up process, schedule, and packages. It provides full-process guidance services, doctor's consultation services, and a nutritious breakfast service. Through meticulous care and health management, it ensures the health of female employees is safeguarded.

Employees with Disabilities

Hisense Visual Technology has always adhered to the philosophy of social responsibility and humanitarian care in recruiting people with disabilities, ensuring they enjoy equal employment opportunities and treatment. In terms of job allocation, the Company deeply understands the skills, strengths, and physical conditions of each employee with a disability, and arranges suitable positions in respect of their personal preferences, ensuring they can fully utilize their advantages. In terms of rest and leave, the Company communicates fully with employees with disabilities, understands their actual needs and difficulties, and flexibly adjusts relevant arrangements to create a healthy, comfortable, and convenient working environment for them.

Overseas Employees

Hisense Visual Technology values the development and integration of its overseas employees. It has established a mechanism for exchange and learning between domestic and overseas employees, regularly organized training and exchange programs for overseas factory employees to return to the Chinese headquarters, shared experiences with Chinese employees and promoted the common growth of employees. In addition, to better facilitate the understanding and integration of overseas employees into the Hisense culture, the Company carefully organizes a series of themed activities, such as celebrating the Spring Festival together, outdoor activities, and cultural integration workshops, breaking down cultural barriers, enhancing understanding and respect between different cultural backgrounds, and strengthening the sense of belonging and cohesion among overseas employees.

Hisense Visual Technology continues to carry out international talent development programs and overseas talent cultivation projects, selecting willing and capable employees for expatriate reserve cultivation, and inviting overseas colleagues for two-way business and cultural exchange and sharing. The Company invites foreign employees from key business segments to the headquarters for exchange on an annual basis and implements a one-on-one pairing system between Chinese and foreign employees in daily business operations.

In 2023, the Company organized a two-week professional enhancement and cultural integration program for the core employees of overseas factories, further promoting the in-depth integration of different cultures and the efficient collaboration of business operations.

Focusing on Talent Development

Hisense Visual Technology dedicates itself to long-term talent development planning, offering different promotion channels and broad development platforms for employees according to different sequences and levels. The Company has established a dual-channel development mechanism for both professional and managerial promotions, and drives the maturation of the talent development system through targeted training programs for different groups and capabilities.

Employee Training System

Hisense Visual Technology has long been focused on building a systematically professional talent supply chain system, creating a sustainable talent pool and a learning organization. The Company has formulated management methods such as the "Employee Training Management Control Procedure", "Control Procedure for the Training and Development of Frontline Skilled Workers" and "Internal Trainer Management Measures". These programs are tailored to the needs of different sequences and levels, and include diverse training activities such as on-site training, online learning, live streaming and replay, and social group operations to promote diverse talent development.

The Company continuously constructs and develops course resources and trainer resources. As of the end of the reporting period, the Company has accumulated approximately 4,000 training materials and learning resources, with over 500 company-level trainers. It has organized more than 5,000 training sessions covering corporate culture, office management, professional skills, management skills, and more, achieving a 100% training coverage rate for all employees. This helps employees enhance their professional literacy, professional capabilities, and leadership skills, realizing their personal value.

Leadership and Professional Talent Pipeline Development

In line with strategy and talent inventory, the Company implements leadership development programs for middle and lower-level managers and reserve talents, continuously shaping a group of successors and leadership teams with high maturity. Based on a global layout, the Company carries out international talent development programs and global talent rotations to cultivate high-maturity talents with a global perspective. In accordance with business strategy, it also conducts professional talent development programs in hardware, display, procurement, and other areas to ensure the alignment of talent with business objectives, jointly driving the rapid development of the Company's business.

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Cultivate Craftsman-Like Skilled Talents

The Company emphasizes the construction of frontline talent teams, establishing a Skilled Talent Development Committee led personally by the management team, covering all production bases domestically and abroad, and promoting and passing down the "craftsmanship spirit." The Company has developed a "Craft Master Competency Model" used for the selection, training, and talent inventory of the Craft Master reserve talent pool. Middle-level department heads are appointed as key professional skill leaders and Craft Master mentors, and through a one-on-one mentorship program, they effectively help the reserve Craft Masters enhance their abilities. In addition, the Company has set up a comprehensive career advancement channel for skilled talents, with competency levels at all tiers performance-oriented and gradually improving. In 2023, the skill development channel was expanded to eight levels, adding the Hisense Group Chief Technician skill rank, further extending the space for employee promotion and development.

Assisting New Employees in Rapid Growth

The Company relies on a new employee integration and development program, utilizing various methods such as mentor-apprentice pairings, self-governance committees for new employees, corporate culture training, job rotation development, and workplace transition training camps to accelerate new employees' integration into the Company and their growth. Through a blend of online and offline training, scenario simulations, and real-world professional scenario case analyses, the Company assists newly hired employees in achieving a successful transition into their careers.

Case Hisense Academy

The Company continues to explore effective training models, utilizing Hisense Academy to establish programs such as the Hisense-Trust Plan, Performance Management Scenario Training, New Manager Transition, and Experience Extraction. Through Hisense Academy, it conducts online training, coaching, examinations, and popularization of knowledge, fostering a learning culture and atmosphere. This provides global employees with a convenient and efficient platform for learning and communication, offering support and cultivation at key stages of their development.

Talent Development and Promotion

The Company has established a comprehensive career development system, offering a dual-track development path of professional and management channels, providing all employees with a variety of growth options.

Professional Track Channel

The professional track channel is set with six levels, with the future development direction aimed at becoming a professional technical expert. To better guide the advancement of professional capabilities, the Company has built nearly a hundred sub-categories of professional sequence job qualifications, which are clearly defined by levels in terms of professional knowledge, skills, and key abilities. These are updated and iterated annually in line with the Company's strategy. The Company also provides learning maps and resources for employees developing through the professional development channel, truly helping them enhance their professional capabilities and achieve self-development.

Management Track Channel

The management track channel is set with six levels, progressing from individual contributors to the Chief Executive Officer. To assist employees in accelerating their transition from managing themselves to managing others to managing teams, the Company has established a reserve talent pipeline development project centered around the talent supply chain, covering the existing management levels of the Company. This project deeply cultivates leadership and management skills, broadens business perspectives, and helps managers improve their readiness and hit rate for promotion.

At the same time, the Company uses an annual organizational rank promotion mechanism, providing corresponding promotions and salary adjustments based on employees' abilities and contributions, to help employees achieve self-fulfillment through every small but quick paces.

Company Honors

Hisense Visual Technology was awarded the "Outstanding Enterprise Contributing to Employment Promotion for 2023" by the Working Committee and Management Committee of Qingdao West Coast New Area.

Hisense Visual Technology received the "Most Welcome Enterprise Brand for Workplace New Stars in Qingdao West Coast New Area for 2023" award from the Qingdao West Coast New Area Bureau of Human Resources and Social Security.

Hisense Visual Technology was honored with the "Best Employer of 2022" award by the Qingdao West Coast New Area Public Employment Service Association.

Safeguarding Employee Health

Employees are the core of enterprise development. Hisense Visual Technology attaches great importance to the occupational health and safety of employees, and continuously invests resources and adopts innovative initiatives to protect employees and create a safe and healthy working environment. During the reporting period, the number of work-related fatalities at Hisense Visual Technology was 0.

Safety Management System

Hisense Visual Technology always complies with the requirements of various laws and regulations on safety, firefighting and occupational diseases, such as "the Law of the People's Republic of China on Work Safety", "Fire Protection Law of the People's Republic of China" and "Occupational Disease Prevention and Control Law of the People's Republic of China". Hisense Visual Technology also establishes and implements internally "the Management Measures for Safe Production Responsibility", "the Management Measures for Fire Safety" and "the Measures for Prevention and Control of Occupational Diseases", and other related management system systems. Hisense Visual Technology's Qingdao, Jiangmen and Guiyang factories have all passed ISO 45001 certification.

The Environment, Health and Safety Committee set up by the Company is responsible for the safety, environmental protection and occupational health affairs of Hisense Visual Technology globally. Based on the ISO 45001 standard, the Company adheres to the policy of "people-oriented, compliance with regulations; risk classification, key control; energy conservation and emission reduction, clean and high efficiency; participation of all employees, harmony and ecology" to ensure the smooth operation of all work processes. The Company strictly controls all the processes and makes detailed requirements and descriptions for all kinds of work processes with a 4-level document structure of manuals, management methods, operation procedures and records to ensure the smooth operation of safety, environmental protection and occupational health.

In 2023, Hisense Visual Technology achieved the five annual OHS targets of zero fire accidents, zero occupational disease incidents, zero incidence rate of severe injury and mortality per thousand workers, 100% coverage of occupational health checkups, and 100% coverage of work safety training.

Prevention and Control of Security Risks

Production Safety IT Platform

Hisense Visual Technology has constructed and launch the production safety IT platform, which integrates several functions, including dynamic monitoring of danger sources, risk grading and control, hidden danger investigation and management, emergency management, and hazardous operation management, etc. It realizes the transfer of safety management from offline to online and carries out all-around monitoring and management of production safety, which effectively improves the Company's safety management level and risk prevention ability.

Case   AI Smart Security Monitoring

Safety production IT platform can realize the dynamic monitoring and management of hazardous sources, through AI smart monitoring to realize the area invasion, helmet wearing, vehicle speeding, pyrotechnic monitoring and other events capture, early warning push, closed-loop feedback. In robotics area, if there is any intrusion of personnel, the equipment will automatically stop; if there is any detection of personnel who do not bring helmets or seat belts, vehicle speeding, carrying pyrotechnics and so on, the alarm will be triggered. After the monitoring platform obtaining the signal input, the monitoring platform will push the early warning information to the relevant responsible person, and send the hidden danger rectification to form a closed-loop management.

Training and Education

- Carrying out various safety, firefighting and occupational health training, realizing online training and one-person-one-file through learning platforms such as Hisense Academy, and ensuring that 100% of new employees complete pre-employment training before they start work.

- Carrying out pre-shift and post-shift daily training, quarterly training, special training and so on, to ensure 100% full coverage of safety training; setting up the appropriate training and examination for person in charge of safety, safety management personnel, special operators, etc., so that they can be licensed to work after passing.

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Emergency Management

Hisense Visual Technology has built a three-tier emergency plan management system consisting of comprehensive emergency plan, specialized emergency plan and on-site disposal plan to effectively respond to various emergencies. During the reporting period, Hisense Visual Technology carried out 210 emergency drills of various types, with a total of more than 20,000 people participating in the emergency drills. Through various drills, the Company's emergency rescue capability was further tested and improved, thus truly realizing the objective of "production must be safe, safety promotes production".

Full-staff Emergency First Aid Drill

Firefighting Drill

Case   Automated External Defibrillator (AED) Training

In 2023, Hisense Visual Technology placed a total of 16 AED machines in Chinese office buildings and factories and organized about 3,000 people to learn how to use them.

Security Activities

Hisense Visual Technology continuously carries out a range of safety activities. In 2023, it carried out more than 30 large-scale safety activities, such as safety woodpecker action, safety oath and signature, safety knowledge contest, safety speech contest, etc., which effectively improved the safety awareness of the employees and formed a favorable atmosphere of attaching importance to safety.

Stakeholder Safety Management

Hisense Visual Technology joined hands with stakeholders to jointly protect the personal safety and health of their employees and sign a "Safety Management Agreement" with stakeholders to clarify the safety responsibilities of both parties. When the employees of the relevant parties carry out the construction business, the relevant parties are required to provide all kinds of safety and emergency programs, qualification certificates and insurance certificates, and adhere to the principle of "training and informing, then checking and confirming, and then carrying out the business", to ensure that the risks of the stakeholders' operations can be managed and controlled.

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11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Building a Harmonious Ecosystem with Mutual Trust and Collaboration

Hisense Visual Technology firmly believes that sustainable development can only be truly promoted through mutual progress with partners. The Company is committed to establishing collaborative and mutually beneficial relationships to foster harmonious coexistence between business and society.

Building a Bright Future Together[10]

- Proportion of Suppliers Localization[11] 89.5%
- Supplier assessment coverage rate 100%
- Supplier assessment pass rate 99.99%
- Supplier coverage of CSR agreement 94.19%

Illuminating Social Responsibility

Active participation in a variety of social welfare activities, including charity initiatives, community engagement, supporting education, and safeguarding health

Deepening Industry Exchanges

- Participation in multiple major industry exhibitions and conferences

10 The quantitative data of the suppliers involved in the section of Building a Bright Future are all Hisense Visual Technology TV product suppliers

11 "Supplier Localization" refers to suppliers located in mainland China

Building a Bright Future Together

Hisense Visual Technology adheres to the core values of "integrity and mutual benefit ", establishing long-term and stable relationships with numerous suppliers for resource sharing. The procurement department, led directly by the President and CEO, is responsible for the establishment and maintenance of the supply chain management system and policies. Internal policies such as "Supplier Development Management" and "Supplier Certification Management" are formulated to manage material categories from admission, assessment, certification, evaluation to elimination throughout the procurement lifecycle. The Company ensures full-process management of the supply chain and prohibits the use of controversial raw materials. Annually, the procurement department leads efforts to trace all raw materials back to their smelters, especially those containing tungsten, tin, tantalum, and gold, ensuring 100% traceability and compliance of smelters used within the supply chain. Hisense Visual Technology has established documents including the "Safety and Environmental Protection Agreement", "Technical Quality Agreement", "Anti-Bribery Commitment Letter", "On-site Personnel Management Agreement", and "Corporate Social Responsibility Agreement", requiring suppliers to sign and strictly adhere to them.

To enhance supply chain resilience and reduce carbon emissions and energy consumption during transportation, Hisense Visual Technology continuously strengthens cooperation and communication with local suppliers. In 2023, the suppliers localization 12 rate for Hisense Visual Technology's TV products at its three domestic factories 13 reached 89.5%.

| Case | Hisense Visual Technology Awarded "National Green Supply Chain Management Enterprise" |

In 2023, Hisense Visual Technology was recommended by provincial-level industrial and information authorities and evaluated by experts to receive the recognition as a "National Green Supply Chain Management Enterprise". This announcement marks Hisense Visual Technology became the first company within the Hisense Group to achieve green design, green products, green factories, and green supply chain.

Hisense Visual Technology actively explores low-carbon strategies, focusing on eco-friendly design across the entire product lifecycle, developing green products, and practicing green operations and responsible procurement.

12 "Supplier Localization" refers to suppliers located in mainland China

13 Three domestic factories include: Qingdao, Jiangmen and Guiyang factory

Supplier Communication

Hisense Visual Technology actively builds platforms for communication with suppliers, employing diverse forms such as specialized meetings, regular visits, and technical discussions. These activities facilitate mutual expression of needs, sharing of experiences, problem-solving, and the establishment of strong mutual trust relationships. In 2023, Hisense Visual Technology engaged in over a hundred business exchanges with strategic suppliers.

Recognizing that establishing long-term strategic partnerships with suppliers is key to mutual success, Hisense Visual Technology has established over 10 joint laboratories with multiple suppliers and initiated more than 40 joint innovation projects. Through front-end R&D and collaborative technological innovation, the Company explores cutting-edge technologies and overcome key technical challenges to address market demands alongside suppliers.

The growth and progress of suppliers are crucial for continuous optimization of the supply chain. In 2023, Hisense Visual Technology organized training sessions for suppliers on new product batch purchasing permit processes to enhance material delivery quality. Integrity training was conducted for major suppliers, promoting a culture of quality and integrity. The Company reiterated ethical standards, introduced integrity reporting channels in cooperation agreements and SRM systems, and conducted integrity advocacy among over 300 senior supplier executives. Furthermore, in partnership with external training and consulting firms like TUV, Hisense Visual Technology conducted ISO 9001 quality system audits and capability enhancements for custom structural component suppliers, thereby elevating supply chain security.

Through these diverse communication channels and strategic partnerships with suppliers, Hisense Visual Technology fosters information sharing, conducts relevant training, and continuously enhances supplier management capabilities, working together to promote sustainable development of the supply chain.

Supplier Admission

Hisense Visual Technology strictly complies with laws and regulations such as the "Government Procurement Law of the People's Republic of China" and the "Regulations for the Implementation of the Tendering and Bidding Law of the People's Republic of China". Internally, the Company has formulated and revised several management measures, including "Supplier Development Management ", setting stringent supplier admission standards, encompassing industry experience, production capacity, quality management, and environmental protection. ISO 9001 certification is required for all suppliers as a fundamental quality management system. Core suppliers for automotive products must have IATF 16949 quality management system certification. Additionally, supplier social responsibility audits are mandated as a prerequisite for site inspection approval. Supplier audits are conducted against the terms of the "Corporate Social Responsibility Agreement", covering labor, health and safety, environment, and business ethics, particularly for suppliers in mainland China. Suppliers failing the audit are given a remediation period of at least three months, after which a re-audit is conducted. Suppliers passing the re-audit continue with the admission process, while those failing are disqualified.

The Company continuously raises supplier requirements to ensure the stability and sustainability of the supply chain, persistently advancing responsible procurement practices.

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Product Safety Management

Hisense Visual Technology strictly adheres to regulations such as the "Administrative Measures on the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products", the EU RoHS Directive, and REACH. The Company audits suppliers' chemical substance control systems, categorizing raw materials by risk level. Medium-risk and high-risk raw materials undergo monthly third-party testing to ensure product safety and compliance. In 2023, Hisense Visual Technology achieved a 100% compliance rate for the chemical substances in raw materials.

Additionally, Hisense Visual Technology's products strictly comply with safety requirements such as GB4943.1 and IEC/EN/UL60062. To ensure product safety, raw materials must pass CQC certification for safety characteristics. The Company continuously monitors suppliers' process capabilities and testing abilities.

Quality Management

Hisense Visual Technology has established a raw material supplier quality certification management system to strictly control supplier quality. Suppliers are required to implement a comprehensive quality control system and obtain ISO 9001 or IATF 16949 certification. The certification must cover the production process and location for the product category and must be within its validity period.
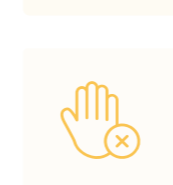
Conflict Mineral Management

Hisense Visual Technology is committed to establishing a conflict-free mineral supply chain, requiring that its global supply chain does not use conflict minerals. During the on-site audit phase, suppliers must provide a "Conflict Minerals Free Declaration." To further strengthen the management of conflict minerals, the Company annually identifies suppliers involved with responsible minerals such as tungsten, tin, tantalum, and gold. Hisense Visual Technology utilizes a procurement conflict minerals report template and a responsible minerals questionnaire, requiring suppliers to identify smelters at each tier and communicate the responsibilities and obligations related to responsible minerals. This ensures smelters do not purchase minerals from conflict-affected and high-risk areas. In 2023, Hisense Visual Technology identified a list of 221 smelters and communicated the responsibilities and obligations concerning responsible minerals at each level.

Supplier Evaluation and Assessment

Hisense Visual Technology has established a supplier performance evaluation system based on the policies of "Supplier Performance Management" and "Supplier Dynamic Management". Suppliers are managed according to five categories: excellent, selectable, restricted, eliminated, and prohibited. Monthly and quarterly evaluations are conducted. The Company primarily incorporates management through communication and signing agreements and commitment letters with suppliers, as well as on-site assessments. Annual audit plans are used to conduct reviews and support suppliers, focusing on their quality systems and process systems, to ensure mutual benefit and common development with supplier partners. Additionally, Hisense Visual Technology conducts annual routine audits of suppliers, covering the same content as entry audits. If a supplier fails the re-audit, they must undergo remediation within a set period. Failure to pass the re-audit after the remediation period results in elimination.

Furthermore, the Company monitors suppliers' integrity, legal compliance, and trade security annually. Suppliers that do not meet standards, as evaluated by the Supplier Management Committee, may face freezing or elimination.

Hisense Visual Technology implements an annual routine inspection audit system for qualified suppliers. For some qualified suppliers, the Company conducts routine audits with the participation of multiple parties. If a supplier fails the routine audit, they will be subject to restricted procurement. If they fail a second audit, the partnership will be terminated. The routine audit criteria include aspects such as labor rights, employee safety, and employee benefits. This ensures that the suppliers' labor practices comply with the provisions of the "Labor Law" and that they have written employee safety policies to protect employee rights. In 2023, Hisense Visual Technology achieved a 100% coverage rate in the assessment of television product suppliers, with a 99.99% qualification rate for suppliers.

	Outstanding	For outstanding suppliers, the Company prioritizes their assurance in resource planning, new product development, share allocation, and long-term agreements.
	Selectable	For selectable optional suppliers, the Company equally considers them in resource planning, new product development, share allocation, and long-term agreements.
	Restricted	Suppliers under restricted selection require special attention and focused management. Restrictions are placed on new product development and share allocation, and an audit must be completed within the next evaluation cycle.
	Eliminated	Hisense Visual Technology will eliminate suppliers who score below 60 points for two consecutive quarters. Additionally, if issues are found during routine audits and the supplier fails to rectify them within the specified timeframe, they will also be eliminated.
	Prohibited	The Company will impose a company-wide prohibition, immediately and completely terminating the partnership, and will not engage in any further cooperation with the supplier.

Supplier CSR Management

Referencing the Responsible Business Alliance (RBA) guidelines, Hisense Visual Technology has formulated the "Corporate Social Responsibility Agreement," which outlines requirements for suppliers regarding labor, health and safety, environment, and business ethics. The aim is to promote the participation of all supply chain segments in building a sustainable ecosystem. In 2023, the supplier coverage rate for the clauses in Hisense Visual Technology's "Corporate Social Responsibility Agreement" was 94.19%.

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Labor Management

Hisense Visual Technology places a high value on the human rights of its employees, requiring suppliers to adhere to the widely recognized labor and human rights standards of the international community, to treat employees with dignity and respect. For instance, forced labor is prohibited, and there is a commitment to protect employees from harassment and illegal discrimination. Suppliers are also expected to respect the rights of all employees to freedom of association and to join trade unions, engage in collective bargaining, and participate in peaceful assemblies. Other requirements for suppliers include the right of free choice of employment, regulations on child labor/minors, working hours, and compensation and benefits (timely wage payment, prohibition of wages below the local minimum wage standard, and payment of overtime in accordance with local regulations), as well as humane treatment.

Hisense Visual Technology requires partners to sign a "Social Responsibility Agreement", which is a prerequisite for cooperation. The agreement explicitly stipulates anti-discrimination policies, stating that partners must not discriminate against employees in employment practices such as wage distribution, promotion, rewards, and training opportunities, based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religious belief, political affiliation, membership in a social organization, protected veteran status, protected genetic information, or marital status. Additionally, employees or prospective employees must not be required to undergo medical examinations or physicals that may have a discriminatory purpose.

Regarding freedom of association, the agreement clearly states that, in accordance with local laws, the right of all employees to freely associate and join trade unions, engage in collective bargaining, and participate in peaceful assemblies must be respected, as well as the right of employees not to participate in such activities. Employees and their representatives should be able to communicate openly with management and share suggestions and opinions about the work environment and management practices without fear of discrimination, retaliation, threats, or harassment.

Health and Safety

Health and safety are crucial for sustainable development. Therefore, Hisense Visual Technology has set strict requirements for suppliers in areas such as occupational safety, emergency preparedness, injury and illness management, machine safeguarding, public health, food and accommodation, and health and safety communication. The Company expects suppliers not only to strive to minimize work-related injuries and accidents but also to create a safe and healthy working environment, providing robust occupational safety guarantees for every employee.

Environmental Protection

Hisense Visual Technology actively promotes green development and explicitly requires downstream suppliers to minimize adverse impacts on communities, the environment, and natural resources during their manufacturing operations, while also protecting public health and safety. The Company has specific environmental assurance capability requirements for different categories of suppliers. Particularly for high-risk environmental pollution enterprises, the Company adds requirements for ISO 14001 and ISO 45001 (OHSAS 18001) certifications. There are clear and specific requirements for suppliers in areas such as environmental permits and reporting, eco-friendly design, pollution prevention and resource conservation, hazardous substances, wastewater and solid waste, air emissions, energy consumption, and greenhouse gas emissions.

Business Ethics

Hisense Visual Technology consistently upholds integrity, fairness, and compliance in its operations, firmly opposing any actions that violate business ethics. The Company requires its suppliers to also adhere to strict ethical standards in areas such as honest business practices, avoidance of undue benefits, intellectual property, fair trade, advertising and competition, whistleblower protection, responsible mineral sourcing, anti-terrorism security commitments, and privacy.

The Company signs the "Anti-Commercial Bribery Commitment" with all business-related parties and sends a quarterly "Anti-Commercial Bribery Official Letter" to current cooperating suppliers as a reminder for integrity. The Company also provides integrity training to major suppliers. If any violations of business ethics are discovered, employees or business contacts have the right to file complaints or reports to the Company's Discipline Inspection Committee. For details on the reporting channels, please refer to the section "Building Excellence in Governance- Business Ethics - Anti-Corruption - Reporting and Complaints". The Company is committed to jointly maintaining a fair, transparent, and responsible business environment.

Illuminating Social Responsibility

Public Welfare and Charity

"Merciless Rainstorms, Hisense Cares" Free Product Inspection and Repair Activities

In 2023, faced with frequent natural disasters including rainstorm in Beijing, typhoons in Fujian, rainstorm in Zhuozhou, Hebei and Heilongjiang, Hisense Visual Technology quickly responded by providing timely and effective assistance to users in disaster-stricken areas. A total of 128 users were provided with free product repair services.

Joining Hands with Employees in Flood Relief Efforts, Supporting Community Reconstruction

In August 2023, catastrophic floods swept through much of Slovenia, causing extensive damage to many homes and leaving local communities paralyzed. The Company actively mobilized employees to participate in emergency rescue and relief efforts, assisting both employees and severely affected communities in quickly restoring normalcy.

"One-Day Charity Donation" Event

In order to deeply practice the spirit of charity and actively promote philanthropic ideals, since 2011, Hisense Visual Technology has organized the "One-Day Charity Donation" event continuously for 13 years. This initiative mobilizes employees to support charitable causes, conveying love through actions, fully embodying the humanitarian spirit of Hisense Visual Technology employees, who are dedicated to alleviating poverty and helping others.

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Community Engagement

Visiting the Nursing Home

Respecting the elderly perpetually. In August 2023, employees from Hisense Visual Technology's Qingdao factory visited the Ankang Nursing Home in the Xinan Street jurisdiction. Through activities such as cleaning the facility, chatting with the elderly, making dumplings, and cultural performances, they spent a joyful day with the seniors. This practical initiative promoted traditional Chinese virtues and upheld the cultural legacy of Hisense.

Street Beautification

Since September 2023, TVS, a subsidiary of Hisense Visual Technology, has been organizing monthly activities where employees clean up garbage in the surrounding communities to beautify the streets. This initiative deepens communication and interaction with local residents, fostering closer bonds between employees and residents.

Supporting Education

Initiating Donations for Education, Deepening School-enterprise Cooperation

Hisense Visual Technology has established partnerships with over 20 universities. The Company has not only consistently donated educational display products to these partner institutions and upgraded advanced teaching technology equipment to enhance teaching and research capabilities, but has also established the first "Hisense Smart Manufacturing Talent Training Base" on campus, providing students with practical training environments that align with industry practices. Additionally, the Company has collaborated with multiple schools to establish "Industry Academies" and has set up the "Hisense Scholarship" specifically for students of these academies to encourage outstanding academic performance.

As of 2023, Hisense Visual Technology has donated educational equipment worth approximately more than one million yuan, further deepening school-enterprise cooperation and advancing high-quality, sustainable development in education.

Donating Electronic Blackboards to Chinese Schools

TVS under Hisense Visual Technology donated electronic blackboards to the Same Source Chinese School in NPO organization. By introducing the latest educational technology, this initiative enhanced the learning environment for children, enabling interactive learning and maximizing teaching effectiveness.

Sponsoring Career Education Handbooks for Elementary Students in Kawasaki
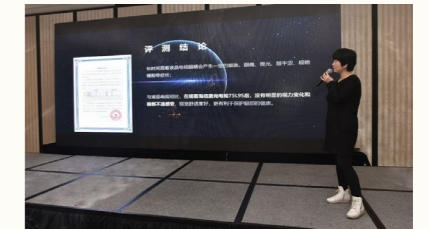
TVS sponsored career education materials for elementary students in Kawasaki, distributing 26,000 copies. These materials help children understand the specifics of future careers and corporate information, fostering excitement for their future. When children discover their parents' workplaces through the job notes, it enhances corporate image, boosts employee morale, and nurtures the next generation of "REGZA fans".

Safeguarding Health

Care for Eye Health

In recent years, the prevention of myopia among adolescents has become a focal point of attention for schools, society, families, and governments.

Against this background, Hisense Visual Technology has engaged in the research and application of eye-care technologies, launching laser TVs and educational equipment which have eye-protection features to effectively alleviate visual fatigue. Collaborating with authoritative media, the China Electronics Video Association, and experts in ophthalmology, Hisense Visual Technology has initiated the "Youth Eye Care 10-Hour" technology activity. The Company have also released China's first "Laser TV Eye Protection Action White Paper", the "Student Holiday Eye Safety and Health Initiative", and the "Creating a Healthy Living Room for Children" proposal, aiming to continuously safeguard the visual health of young people.

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Deepening Industry Exchanges

Major Industry Expos and Conferences

01   International Consumer Electronics Show (CES 2023)

🕐 January 5th to 8th , U.S. local time   ▷ Las Vegas, U.S.

Hisense Visual Technology launched the new ULED X Reference Series TVs and the world's first 8K laser TV. Hisense TV was honored with 15 international prestigious awards from institutions such as the Consumer Technology Association (CTA) and authoritative media AVS Forum.
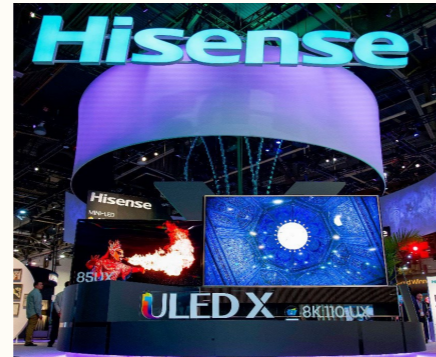
02   World Ultra HD Video Industry Development Conference 2023

🕐 April 27th to 30th   ▷ Shanghai, China

Hisense Visual Technology showcased a stronghold of display quality achieved through China's independent innovation. The Company presented the ultra-large screen matrix UX, U8, U7 from the ULED X premium display technology platform, along with the world's first 8K laser TV LX and new laser TV product L8K. Additionally, Hisense Visual Technology highlighted cutting-edge display products such as XR virtual shooting and automotive displays, demonstrating Hisense Visual Technology's limitless imagination in display layouts for home, commercial, and automotive scenarios. Hisense ULED X Reference Series TV 98U8H was honored with the "AWE 2023 Gold Award", and the Hisense 8K AI Picture Quality Chip won the "AWE 2023 Core Award", garnering significant coverage from major Chinese media such as Guangming Net, Global Times, China National Radio, China News, and Economic Daily, as well as technology-focused media.

03   China Appliance & Electronics World Expo 2023 (AWE 2023)

🕐 May 8th to 10th   ▷ Guangzhou, China

As a leading enterprise in Ultra HD display technology, Hisense Visual Technology leveraged its independent research advantages in 8K decoding, transmission, and display, showcased its 8K professional video display solutions, including China's first 32-inch 8K technical reference monitor, the 120-inch 8K laser TV LX, the 110-inch ULED X Series 8K TV UX, and China's first self-developed 8K AI quality chip, attracting significant attention. "Technology and scenarios will reshape the landscape of the Ultra HD video industry," said Li Wei, President of Hisense Visual Technology, during his keynote speech at the high-quality development summit of the Ultra HD video industry. As a member of the World Ultra HD Video Industry Alliance, Hisense Visual Technology is committed to actively promoting the development of the Ultra HD video industry.

04   99th International Funkausstellung Consumer Electronics Fair (IFA 2023)

🕐 September 1st to 5th, Germany local time   ▷ Berlin, Germany

Hisense Visual Technology showcased innovative products including the world's first 8K laser TV, C1 Pro 4K tri-color laser projector, ULED X Series new models, Art TV, and Smart Virtual Window, presenting top-tier multi-scene display solutions to global consumers, leveraging technology to transcend spatial boundaries and lead the trend in "scenarios". The event attracted attention from media such as CCTV, Xinhua News Agency, The Paper, and First Financial Daily.

05   Global Laser Display Technology and Industry Development Conference 2023

🕐 September 19th   ▷   Qingdao, China

The conference was hosted by the Department of Industry and Information Technology of Shandong Province and the Government of Qingdao, and was organized by the China Video Industry Association and the Industry and Information Technology Bureau of Qingdao. As a global summit on laser display, this event gathered experts and academicians from the display industry to discuss technological innovations. Leading companies in the display sector such as Hisense Visual Technology, showcased breakthrough innovations. The "2023 High-Quality Development White Paper on Laser Display Industry" was also released during the conference.

Representatives from government, industry, academia, and research sectors have reached a consensus: laser display technology is entering a phase of blossoming scenarios, with promising prospects for industrial development.

Future Outlook

At this new historical juncture, the world presents Hisense Visual Technology with higher challenges and expectations. Sustainable development emerges as a crucial solution to these challenges. Looking forward to the future, Hisense Visual Technology adopts the vision of "Building a Century-old Hisense, Becoming the Most Trusted Global Brand ", commits to long-termism, prioritizes technological innovation, quality excellence, customer-centricity, and brand leadership, continuously refines the ESG management system, and actively implements key ESG initiatives. Through a series of practical and effective efforts, Hisense Visual Technology aims to create a better life for people and contribute to building a more beautiful world. Hisense Visual Technology strives to make a significant contribution to advancing sustainable development initiatives.

Appendix I: Key Performance Tables

Environmental[14]			
Indicators	**Unit**		**2023**
Greenhouse Gas Emissions	Total GHG Emissions	tCO_2e	24,783.42
	Total GHG Emissions Reduction	tCO_2e	8,396.32
	Scope 1 GHG Emissions	tCO_2e	1,746.84
	Scope 2 GHG Emissions	tCO_2e	23,036.58
	GHG Emissions per Unit of Revenue (Scope 1 +Scope 2)	tCO_2e/RMB million	0.513
Energy Management	Total Electricity Consumption	MWh	38,605.62
	Total Renewable Electricity	MWh	11,345.12
	Natural Gas Consumption	m^3	4,033.10
	Total Comprehensive Energy Consumption	tce	5,238.57
	Total Energy Consumption per Million Units of Revenue	Tce/RMB million	0.108
Water Resources Management	Total Water Consumption	m^3	299,563.00

Social			
Indicators	**Unit**		**2023**
Research and Innovation	Ratio of Total R&D Expenditure to operating Income	%	4.47
Intellectual Property and Patents[15]	Total Accumulated Patent Applications	number	17,893
	Total Accumulated Granted Patents	number	10,636

Social				
Indicators		**Unit**		**2023**
Customer Service	Speed of Response to Customer Feedback		hour	2
Product Quality	Recalled Product		case	0
Employee Recruitment	Number of Employees		person	18,038
	By Gender	Male	person	10,457
		Female	person	7,092
	By Age	Aged Below 30	person	7,601
		Aged 30 to 50	person	10,106
		Aged Over 50	person	840
	By Region	Chinese Mainland, Hong Kong, Macao and Taiwan	person	16,700
		Overseas	person	1,338
Labor Standards	Confirmed Incidents of Discrimination		case	0
	Confirmed Incidents of Forced Labor		case	0
	Confirmed Incidents of Child Labor		case	0
Occupational Health and Safety	Number of Work-Related Deaths		person	0
	Occupational Health Examination Coverage Rate		%	100
	Work Safety Training Coverage Rate		%	100
	Number of Safety and Emergency Drills		case	210

14 The statistical scope of environmental indicator data includes: three domestic factories in Qingdao, Jiangmen and Guiyang

15 The time frame for the patent data is the end of April 2024

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Social			
Indicators		Unit	2023
Supplier Management	Proportion of Suppliers Localization[16]	%	89.5
	Supplier Assessment Coverage Rate	%	100
	Supplier Assessment Pass Rate	%	99.99
	Supplier Coverage of CSR Agreement	%	94.19

Governance			
Indicators		Unit	2023
Board Composition	Total Number of Board Members	person	8
	Number of Female Directors	person	1
	Number of Independent Directors	person	3
	Percentage of Female Directors	%	12.5
	Percentage of Independent Directors	%	37.5
Company Operation	Number of Full Board Meetings	/	13
	Number of Board Audit Committee Meetings	/	10
	Number of Board Nomination Committee Meetings	/	3
	Number of Board Compensation and Evaluation Committee Meetings	/	5
	Number of Board Strategy Committee Meetings	/	2
	Average Board Attendance	%	100
	Number of Supervisory Board Meetings	/	10
	Number of Shareholder Meetings Held	/	3

Governance			
Indicators		Unit	2023
Compliance	Number of Violations of Environmental Laws and Regulations	case	0
	Number of Violations of Monopoly and Unfair Competition	case	0
	Number of Violations of Social Laws and Regulations	case	0
Business Ethics	The Proportion of Employees who signed the "Integrity Commitment"	%	100
	The Proportion of Suppliers who signed the "Anti-Commercial Bribery Commitment"	%	100
	Code of Ethics Employee Training Coverage Rate	%	100
	Integrity Staff Training Coverage Rate	%	100
Information Security Management	Number of Confirmed Network Security Incidents	case	0
	Number of Confirmed Data Breaches	case	0

16 "Supplier Localization" refers to suppliers located in mainland China

Appendix II: GRI Content Index

Statement of use	Hisense Visual Technology Co., Ltd and its subsidiaries has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2：General Disclosures 2021		
GRI STANDARD &DISCLOSURE		**LOCATION**
1. Organisations and its reporting practices	2-1 Organizational details	P5
	2-2 Entities included in the organization's sustainability reporting	About this report
	2-3 Reporting period, frequency and contact point	About this report
	2-4 Restatements of information	The organization did not have any restatements during the reporting period
2. Activities and Workers	2-6 Activities, value chain and other business relationships	P6
	2-7 Employees	P84
3. Governance	2-9 Governance structure and composition	P21
	2-10 Nomination and selection of the highest governance body	Please refer to 2023 Annual Report
	2-11 Chair of the highest governance body	Please refer to 2023 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	P12
	2-13 Delegation of responsibility for managing impacts	P12
	2-14 Role of the highest governance body in sustainability reporting	P12
	2-15 Conflicts of interest	Please refer to 2023 Annual Report

GRI 2：General Disclosures 2021		
GRI STANDARD &DISCLOSURE		**LOCATION**
3. Governance	2-16 Communication of critical concerns	P13
	2-17 Collective knowledge of the highest governance body	P12
	2-19 Remuneration policies	P12
	2-20 Process to determine remuneration	P12
4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	P9
	2-23 Policy commitments	P106
	2-24 Embedding policy commitments	P106
	2-26 Mechanisms for seeking advice and raising concerns	P107
	2-27 Compliance with laws and regulations	There are no significant violations of laws and regulations by the Company during the year
	2-28 Membership associations	P60
5. Stakeholder Engagement	2-29 Approach to stakeholder engagement	P13
	2-30 Collective bargaining agreements	P85

GRI 3：Material Topics 2021		
	3-1 Process to determine material topics	P15
	3-2 List of material topics	P16
	3-3 Management of material topics	Please see the table below for the management methods for specific topics

GRI STANDARD &DISCLOSURE		LOCATION
GRI 201：Economic Performance 2016	201-1 Direct economic value generated and distributed	Please refer to 2023 Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	P49-P50
GRI 205：Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P28
	205-2 Communication and training about anti-corruption policies and procedures	P28-P29
GRI 206：Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2023, Hisense Visual Technology did not experience any related incidents
GRI 207：Tax 2019	207-1 Approach to tax	P26
	207-2 Tax governance, control, and risk management	P26
	207-3 Stakeholder engagement and management of concerns related to tax	P26
GRI 301：Materials 2016	301-2 Recycled input materials used	P39
GRI 302：Energy 2016	302-1 Energy consumption within the organization	P43
	302-3 Energy intensity	P43
	302-4 Reduction of energy consumption	P40-P43
	302-5 Reductions in energy requirements of products and services	P61
GRI 303：Water and Effluents 2018	303-1 Interactions with water as a shared	P36
	303-2 Management of water discharge-related impacts	P34
	303-3 Water withdrawal	P36
	303-4 Water discharge	P34
	303-5 Water consumption	P36

GRI STANDARD &DISCLOSURE		LOCATION
GRI 305：Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P47
	305-2 Energy indirect (Scope 2) GHG emissions	P47
	305-4 GHG emissions intensity	P47
	305-5 Reduction of GHG emissions	P47
GRI 306：Effluents and Waste 2020	306-1 Waste generation and significant waste-related impacts	P33-P35
	306-2 Management of significant waste-related impacts	P33-P35
	306-3 Waste generated	P33-P35
	306-4 Waste diverted from disposal	P33-P35
GRI 307：Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	In 2023, the organization did not have material non-compliance with environmental laws and Regulations
GRI 308：Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P107
	308-2 Negative environmental impacts in the supply chain and actions taken	P106
GRI 401：Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P87
	401-3 Parental leave	P87、P91
GRI 403：Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P97
	403-2 Hazard identification, risk assessment, and incident investigation	P97
	403-3 Occupational health services	P97-P100
	403-4 Worker participation, consultation, and communication on occupational health and safety	P97-P100
	403-5 Worker training on occupational health and safety	P98
	403-6 Promotion of worker health	P97-P100
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P97-P100

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GRI STANDARD &DISCLOSURE		LOCATION
GRI 403：Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	P197、P107
	403-9 Work-related injuries	P97
	403-10 Work-related ill health	P97、P107
GRI 404：Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	P94、95
	404-3 Percentage of employees receiving regular performance and career development reviews	P85、P96
GRI 405：Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P23、P91
GRI 406：Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2023, Hisense Visual Technology did not experience any related incidents
GRI 414：Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P105-P106
	414-2 Negative social impacts in the supply chain and actions taken	P106
GRI 416：Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P35、P72
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, Hisense Visual Technology did not experience any related incidents
GRI 417：Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P35、P72-P73
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2023, Hisense Visual Technology did not experience any related incidents
	417-3 Incidents of non-compliance concerning marketing communications	In 2023, Hisense Visual Technology did not experience any related incidents
GRI 418：Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, Hisense Visual Technology did not experience any related incidents

Appendix III: SASB Content Index

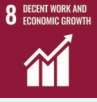| Table 1: Sustainability disclosure issues and measurement methods				
Topic	Topic Description	Category	Unit of measure	Index
Product Safety	Number of recalls issued and total units recalled	Quantitative	Number of cases or units	P77
	Discussion of process to identify and manage safety risks	Discussion and analysis	NA	P35
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Applicable reporting currency	NA
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to the "ENERGY STAR"	Quantitative	Percentage of revenue	NA
	Percentage of eligible products by revenue certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Quantitative	Percentage of revenue	NA
	Efforts to manage products end-of-life impacts and results	Discussion and analysis	NA	P61

Table 2: Activity metrics				
Topic	Topic Description	Category	Unit of measure	Index
Annual productions	Quantitative	Quantitative of unit	Number of units	NA

Appendix IV: SDGs index

SDGs	LOCATION
SDG3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages	Safeguarding Employee Health
SDG4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Promoting Diversity and Inclusion Cultivating Craftsmanship-Oriented Skilled Talent
SDG5 Gender Equality Achieve gender equality and empower all women and girls	Promoting Diversity and Inclusion
SDG6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	Promoting Environmental Friendliness
SDG7 Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	Practicing Green and Low-Carbon
SDG8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Focusing on Talent Development

SDGs	LOCATION
SDG9 Industry, Innovation, and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Leading Technological Innovation
SDG10 Reduced Inequalities Reduce inequality within and among countries	Promoting Diversity and Inclusion
SDG11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	Building a Better Future Together Illuminating Social Responsibility
SDG12 Responsible Consumption and Production Ensure sustainable consumption and production patterns	Practicing Green and Low-carbon Building a Better Future Together
SDG13 Climate Action Take urgent action to combat climate change and its impacts	Promoting Environmental Friendliness Practicing Green and Low-Carbon
SDG16 Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	Regulating Corporate Governance