



Intelligence Enlightens Life for a Shared Future

2023 | SUSTAINABILITY REPORT

QINGDAO HAIER BIOMEDICAL CO., LTD STOCK SYMBOL: HAIER BIOMEDICAL SHARES CODE: 688139



Intelligence Enlightens Life for a Shared Future

QINGDAO HAIER BIOMEDICAL CO., LTD

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About This Report

Introduction



This is the fourth sustainable development report (hereinafter referred to as "the Report") issued by Qingdao Haier Biomedical Co., Ltd. In the Report, Haier Biomedical discloses practices and performance in fulfilling economic, environmental, social, and corporate governance responsibilities in 2023. This is to provide further visibility to all our shareholders and present our consolidated key performance indicators for the fiscal year 2023.

Reporting Scope



The reporting scope is consistent with the annual report of Haier Biomedical in 2023. The information hereof covers Haier Biomedical and the subsidiaries within the scope of consolidation. The reporting period is from 1 January 2023 to 31 December 2023. Accordingly, the period may be extended to a time before the release of this Report in 2024.

Reporting Guidelines



This Report is prepared in accordance with the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies—Standardized Operations issued by the Shanghai Stock Exchange (hereinafter referred to as the "SSE"), while meeting the sustainable development reporting standards of the Global Reporting Initiative (GRI) and referring to the questionnaire of S&P Global Corporate Sustainability Assessment (CSA). In addition, this Report is prepared based on the current development level of the Company and the actual ESG situation.

Definitions



For concise, coherent and easy reading, "Qingdao Haier Biomedical Co., Ltd." in the Report is also referred to as "Haier Biomedical", "the Company", or "we".

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 Tel: 0532-88935566

Preparation Procedures



This Report is prepared according to fixed procedures, including determining the report boundary, identifying and categorizing important ESG issues, collecting relevant data and information, preparing the report, and verifying information.

Reliability Assurance



This Report amalgamates qualitative and quantitative information based on the Company's public information, internal documents, and relevant statistical data. The Board of Directors of the Company has made a commitment that there is no false records or misleading statements in the Report, and is responsible for the truthfulness, accuracy, and completeness of its content.

Approval of the Report



After the review by the ESG working group, the Report was approved by the Board of Directors of the Company on 27 March 2024.

Access to the Report



The Report is available, to view and download, at the website of the Shanghai Stock Exchange (www.sse.com.cn) and Haier Biomedical's official website (<https://www.haierbiomedical.com/>).

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Chairman's Statement



Chief Executive Officer of Qingdao Haier Biomedical Co., Ltd.
Lixia Tan



The year of 2023 marks a crucial time for Haier Biomedical to remain true to our original aspirations and march towards a bright future. In an environment with increasing instability, uncertainty, and unpredictability, Haier Biomedical has resolved to deepen strategic ties, continue upgrading models, and strengthen global coordination, while pursuing the development of new technologies, products, services, and business forms. As with our brand message of 'intelligent protection of life science' and 'making life better', Haier Biomedical has taken concrete actions to stay at the cutting edge of ecosystems, achieving the ecological transition and upgrade from the leading enterprize in low-temperature storage equipment for biomedical samples to the EPS digital intelligence scenarios in life sciences.

In 2023, we shouldered the responsibilities of serving as a member of the United Nations Global Compact (UNGC), and made continuous efforts to deliver innovative and high-quality products and solutions in line with our mission of making life better. Based on the LIFE sustainable development vision: "Intelligence enlightens life for a shared future", we have grown to embrace changes with an ever-changing environment, and forged ahead with solid steps in developing innovative and high-quality services.

In 2023, we focussed on user experience and concentrated our efforts on delivering high-tech, high-efficiency, and high-quality products and solution to serve and benefit society.

We worked towards technological self-reliance and self-improvement, built a user-centric innovation R&D system, and achieved breakthroughs in core technologies for life sciences and medical innovation. We continued to tap into scenario-based ecosystems, strengthen digital intelligence innovation, and develop new life sciences business forms such as biopharmaceuticals, smart laboratories, digital hospitals, smart public health, and smart blood distribution. Through "new manufacturing", we strove to launch "new services" with Haier Biomedical characteristics to the world, creating infinite possibilities with an unbounded ecosystem.

In 2023, we worked together with various stakeholders to establish a mutually beneficial industry ecosystem; based on integrity, collaborating with honesty, transparency and ethical practices, whilst ensuring stable and consistent operations.

In accordance with the highest standards of business ethics and corporate governance, we ensured compliance in business operations and improved the overall risk management system to consolidate the business. We work with integrity and honesty, and attached great importance to information disclosure, in order to maximize long-term value for shareholders. To enhance the resilience and security of the industrial chain and supply chain, we pushed forward with the development of the scientific research integrity system and created a whole-chain patent management and protection mechanism. As always, we focussed on user requirements for innovation and iteration, aiming to offer the best user experience through high-value-added exclusive services.

In 2023, we created an inclusive and open ecosystem without limitations related to identities, specialized knowledge, or geographical locations. By adopting value-oriented principles, we aimed to unlock opportunities and potential to enhance the quality of life for all.

During our organizational reform, we established learning-focused and open structures. To meet the demands for innovative and top-quality solution development, we implemented strategies for talent management, facilitating deep integration across talent, industry, and innovation networks. Embracing the ethos of "maximizing the value of individuals", we harnessed the energy and capabilities of each employee through a reward system emphasizing high-value contributions. This encouraged proactive engagement in identifying, managing, and embracing change. Guided by the principle of prioritizing life, we concentrated on fostering a community with a shared future, culminating in the creation of an global public health ecosystem aimed at enhancing global well-being.

In 2023, upholding the concept of "green development", we joined hands with external partners to build a green value chain, so as to provide users with better services, living in symbiosis with the environment, and achieving common prosperity with the society.

We proactively promoted green production and led the green and low-carbon transformation in the industry to thoroughly implement China's national strategy of "carbon peaking and carbon neutrality". We stepped up efforts in eco-friendly technical innovation and established an environmental compliance system based on green development plans. In addition, we took the initiative in adopting a series of measures to address climate change, and served partners at home and abroad. Working towards green development, we proactively engaged in the biodiversity conservation and the construction of a community with a shared future for life on the earth. Leveraging eco-friendly technologies, we can build a "green" world together.

We will always remain true to our original aspirations and forge ahead with resolve and tenacity. Nowadays, we are facing both opportunities and challenges as well as risks, in the context of the in-depth development of the technological revolution and industrial transformation and the accelerated evolution of great changes unseen in a century. Looking forward to the future, Haier Biomedical will continue to move towards "innovation", improve quality with "intelligence", and deepen the strategic deployment of life sciences, so as to inject new impetus into Chinese modernization and the construction of a community with a shared future for mankind.

About Haier Biomedical

Company Profile

Haier Biomedical was established in 2005 and listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange in 2019 (stock code: 688139). The Company aims to create the best user experience for a wide range of user groups such as hospitals, biotechnology enterprises, universities & colleges, scientific research institutions, centres for disease control and prevention, plasma stations, and primary public health authorities. The Company mainly engages in two major business fields: life sciences and medical innovation. It provides comprehensive digital solutions with multiple types of products and services for scenarios including smart laboratories, smart compliance pharmaceuticals, digital hospitals, smart public health, and smart blood distribution.

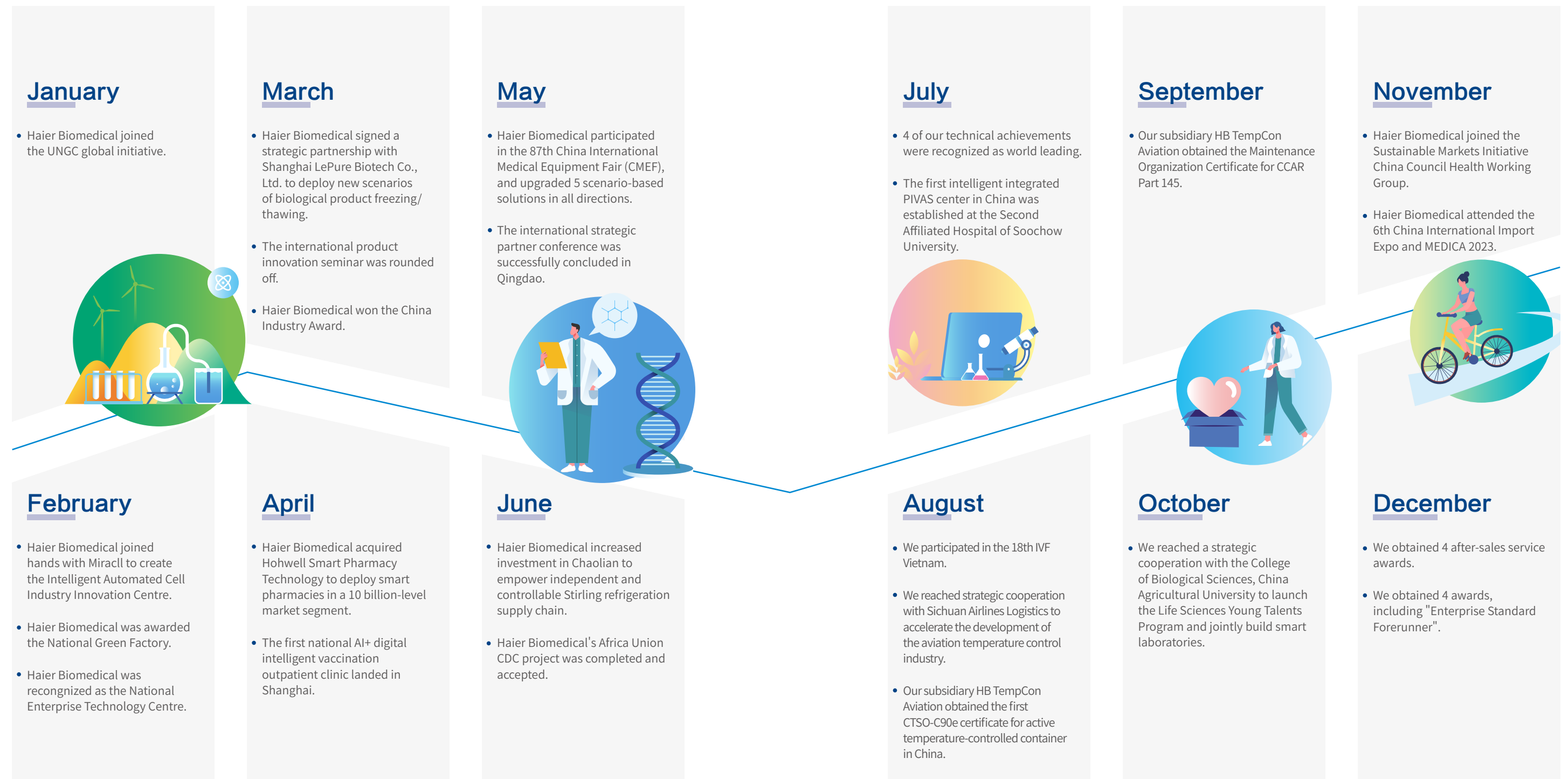
Leveraging industry-leading technologies, the Company has promoted scientific and technological innovation and led industrial reform. Through successive breakthroughs in low-temperature biomedical technology, our company has maintained its international leadership in relevant research and development as well as industrialization. With ongoing investments in research and development, we have continuously achieved breakthroughs in core technologies and expanded our business into areas such as biological culture, centrifugal preparation, laboratory consumables, and in-hospital pharmacy services. Building on this foundation, we have pioneered transformative methods in the biomedical industry. This includes integrating emerging technologies like the Internet of Things (IoT) and cloud computing, as well as launching innovative comprehensive solutions for digital applications such as smart blood distribution and smart vaccination. These solutions have expanded into areas like smart laboratories, automated in-hospital pharmacy services, and public health screenings, reshaping the landscape of the industry.

As of the end of the reporting period, Haier Biomedical has established 6 technical platforms, owned a total of 1,321 authorized patents and 296 software copyrights, led or participated in the release of 1 international standard, 18 national and industry standards, 2 local standards, 17 group standards, and 2 CQC certification technical specifications. In addition, 32 achievements have reached the international leading level. Moreover, the Company has 28 items with more than 800 models of Class II and Class III medical device registration certificates, among which more than 200 models obtained the EU CE certification, more than 60 models obtained the US FDA certification, and more than 130 models obtained the US UL certification. Products certified under 21 items with 36 models were selected as excellent domestic medical equipment.

Haier Biomedical's products and solutions have been applied in more than 150 countries and regions worldwide, with our reach expanding all the time. In the domestic market, the Company has served tens of thousands of end users in the medical and health field, including hospitals, biotechnology enterprises, universities & colleges, scientific research institutions, centres for disease control and prevention, plasma stations, and testing institutions. Well-known customers in China include the Shanghai Ruijin Hospital, Wuxi Apptec, Shanghai Fudan University, China Centre for Disease Control and Prevention, Hualan Biological, Hengrui Pharmaceutical, and Fosun Pharmaceutical. The Company's international network is continuously expanding; as of the end of the reporting period, over 800 resell partners have joined the distribution network. To cultivate localized operations, the Company has established overseas operation centres, including the user experience and training centres in Dubai, Nigeria, and the UK and warehousing and logistics centres in the Netherlands and US. In addition, the Company has maintained long-term cooperative relationships with more than 60 international organizations such as the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF).



Milestones



Honours and Awards

Economic Honours		
Awards		
Category	Name	Awarded By
Technological Innovation	China Grand Awards for Industry	China's State Council (approved the establishment of the awards), China Federation of Industrial Economics
	Global Leading Achievement "Environmental, Highly Efficient Hydrocarbon Refrigerator," "High-performance Constant Temperature Medical Refrigerator," "IoT-based Smart Vaccine Management Platform," "Intensive Automated Cell Culture Workstation"	China Machinery Industry Federation
	2nd Prize for Scientific and Technological Advancement by The Chinese Association of Refrigeration "Research, development, and industrialization of biological sample storage equipment"	The Chinese Association of Refrigeration
	The first set of technological equipment in Shandong Province in 2023 "Full-automatic cell culture workstation"	Department of Industry and Information Technology of Shandong Province
	1st Prize for Technological Invention of Shandong Province "Key technology and application of smart multi-axis motion control system"	Department of Science & Technology of Shandong Province
	1st Prize for Technological Contribution by Shandong Institute of Electronics "Development, manufacturing, and industrialization of highly reliable smart supporting equipment for biosafety"	Shandong Institute of Electronics
	1st Prize for Technological Innovation for Shandong Enterprises "Full-automatic cell culture workstation"	Shandong Enterprise Technological Innovation Promotion Association
	1st Prize for Scientific and Technological Advancement by Shandong Association for Medical Devices Industry "Research and industrialization of key technologies for stability control of biological culture"	Shandong Association for Medical Devices Industry
	1st Prize for Scientific and Technological Advancement by Shandong Association for Medical Devices Industry "Research and industrial application of highly uniform flow field and smart energy-saving control technology for medical refrigerators"	Shandong Association for Medical Devices Industry
	Exemplary Project for Key Technology Research and Industrialization of Qingdao "Research on key technology of multi-dimensional assurance system for microbial culture and industrialization of related culture products"	Qingdao Municipal Bureau of Science and Technology
	Innovative Product of Qingdao "Programmed thermometer", "Full-automatic cell culture workstation", "Smart vaccination automation workstation"	Qingdao Municipal Bureau of Industry and Information Technology
	3rd Prize in China Innovation & Entrepreneurship Competition (Qingdao Division) "Active temperature controlled air container"	Qingdao Municipal Bureau of Science and Technology
	1st Prize by Qingdao Smart Biosafety Equipment Expert Workstation	Qingdao Municipal Bureau of Science and Technology

Economic Honours		
Awards		
Category	Name	Awarded By
Digital Transformation	Exemplary Case of IoT Empowering Industry Development "Construction of smart hospitals based on multi-scenario IoT equipment and digital platforms for smart pharmaceutical management"	Ministry of Industry and Information Technology of the People's Republic of China
	"Empowered by data intelligence, Driven by Technological Innovation" 2023 Independent Innovation Solution for Digital Transformation "Smart management solution for safe vaccination"	China Industrial Control Systems Cyber Emergency Response Team
	Shandong Software Industry High-quality Development Project "Haier Biomedical Data Intelligence Platform"	Department of Industry and Information Technology of Shandong Province
Industry Leadership	Bronze Award in the China Postdoctoral Innovation & Entrepreneurship Competition "Full-automatic microbial culture and smart screening technology platform and equipment"	Ministry of Human Resources and Social Security of the People's Republic of China
	National High-tech Enterprise	Ministry of Science and Technology of the People's Republic of China
	Shandong Province Talent-driven Enterprise	Department of Industry and Information Technology of Shandong Province
	Silver Award in the China Postdoctoral Innovation & Entrepreneurship Competition (Shandong Division) "Full-automatic microbial culture and smart screening technology platform and equipment"	Human Resources and Social Security Department of Shandong Province
	Innovation Jobs for Postdoctoral Fellows of Shandong Province	Human Resources and Social Security Department of Shandong Province
	Qingdao Talent-driven Enterprise	Qingdao Municipal Bureau of Industry and Information Technology
	Qingdao Expert Service Base	Qingdao Municipal Bureau of Human Resources and Social Security
	2nd Prize for Postdoctoral Innovation Projects "Research on key technologies related to cell culture and storage in biomedical field"	Qingdao Municipal Bureau of Human Resources and Social Security
	1st Prize by Qingdao Smart Biosafety Equipment Expert Workstation	Qingdao Municipal Bureau of Human Resources and Social Security
	3rd Prize in CHINA Qingdao Overseas Innovation and Entrepreneurship Competition "Full-automatic microbial culture and smart screening technology platform and equipment"	Qingdao Municipal Bureau of Human Resources and Social Security
	3rd Prize in Qingdao Quality Innovation Competition "Global long-distance aviation temperature control ecosystem service platform"	Qingdao Administration for Market Regulation

Rankings and Lists	
Award Name	Awarded By
China's Top 50 Medical Device Manufacturers 2022-2023	All-China Federation of Industry and Commerce Medical and Pharmaceutical Chamber
Top 30 Valuable Enterprises in the Science and Technology Innovation Board	Securities Times
Gold Walking Stick Awards 2023 Top 10 Technology Enterprises	China Times
2023 ESG Best Practice Award for Listed Companies in China by Wind	Wind Information Co., Ltd.
100 ESG Leadership Cases of Listed Companies in China	The 2nd Sustainable Investment and Financing (ESG) and the Construction of Free Trade Port Forum in Sanya
Top 50 ESG Technology Leaders in Golden Bull Awards	China Securities Journal
2023 Top 50 Non-financial Listed Companies in ESG Performance in China	Economic View

Governance Honours	
Award Name	Awarded By
2022 Excellent Listed Company Practice for Annual Performance Briefing	China Association for Public Companies
2023 Qingdao Exemplary Company for Investor Protection	Qingdao Association for Public Companies
Best Listed Company to Invest in GoldenWis Awards	JRJ.com
2023 Most Valuable STAR Market-listed company	chinastarmarket.cn
Excellent Listed Company of the Year in Golden Sail Awards	21st Century Business Herald
An Overview of China's Technological Innovation Industry: Chinese Technological Innovation Force	Yicai

Social Honours		
Category	Award Name	Awarded By
Individual/ Team	Liu Zhanjie was recognized as the Role Model of Scientific and Technological Workers in Shandong	Publicity Department of the CPC Shandong Provincial Committee, Shandong Association for Science & Technology, Department of Science & Technology of Shandong Province
	Chen Haitao was recognized as the Industry-leading Talent of Shandong	Leading Group for Talent-related Work of the CPC Shandong Provincial Committee
	Wang Yi was recognized as the Foregoer of Innovation-driven Development in 2023 Technological Innovation Awards by Shandong Enterprise Technological Innovation Promotion Association	Shandong Enterprise Technological Innovation Promotion Association
	Wang Guangsheng became an expert enjoying special allowance from the municipal government	Qingdao Municipal People's Government
	Li Junfeng was recognized as the Industry-leading Talent of Qingdao	Organization Department of the CPC Qingdao Municipal Committee, Qingdao Municipal Bureau of Science and Technology, Qingdao Municipal Bureau of Finance

Social Honours		
Category	Award Name	Awarded By
ESG Leadership	Case of Innovative Sustainable Development Practices included in "Sustainable Development Report on China's Industrialization and Informatization 2022"	China Federation of Industrial Economics
	List of Enterprises with Outstanding Corporate Social Responsibility Reports in China's Industry and Information Technology Industry	China Federation of Industrial Economics
	S&P Global's Sustainability Yearbook (China Edition)	S&P Global
	Outstanding ESG Case in Credit 100 Golden Orchid Cup	Xinhua News Agency
	21st Century Vitality · ESG Innovative Case	21st Century Business Herald
	2023 Excellent ESG Case in Golden Cicada Awards	China Times
	Award for Emerging Exemplary ESG Enterprises	Stock Star
	Outstanding Responsible Enterprise on the Social Responsibility List for Pharmaceutical Enterprises	Southern Weekly
Brand Recognition	Exemplary Case of Brand Credit Building	Xinhua Finance
	21st Century Health Industry Innovation Leadership Innovative Case	21st Century Business Herald
	Outstanding Brand of the Year	Stock Star

Environmental Honours	
Award Name	Awarded By
National Green Factory	Ministry of Industry and Information Technology of the People's Republic of China
Green and Low-carbon Technology Achievements of Shandong Province "Comprehensive energy saving technology for smart control of hydrocarbon and intelligent fog removal for medical refrigerator"	Department of Science & Technology of Shandong Province, Department of Ecology and Environment of Shandong Province
Exemplary Low-carbon Enterprise of Qingdao	Development and Reform Commission of Qingdao Municipality, Qingdao Administration for Market Regulation
Key Energy-saving Technology, Product, and Equipment of Qingdao "Hengyun Medical Refrigerator"	Development and Reform Commission of Qingdao Municipality
2023 Exemplary Carbon Neutral Enterprise	syobserve.com, gongyidaily.com
Exemplary Carbon Neutral Enterprise	2nd Green Zero-carbon Festival
2023 Low-carbon Operations Pioneer Award	Social Responsibility Conference
Green Sustainability Awards in Evergreen Awards	Caijing Magazine

Sustainability Governance

As a leading digital service provider in the life sciences and medical innovation sector, Haier Biomedical is deeply aware of its corporate responsibility. We actively engage with global initiatives aimed at mitigating climate change and promoting environmental and social sustainability. We are committed to embedding sustainable development principles into our business operations, with the goal of maximizing value creation for the community and safeguarding human health.

We place sustainability governance at the forefront of our corporate governance and strategic development. As we strive for robust growth, we remain committed to fulfilling our social responsibility by leveraging the power of data intelligence. Our efforts include establishing a sustainability governance framework led by our Board of Directors that clearly defines and manages responsibilities across all levels within our organization.

Sustainability Governance Framework



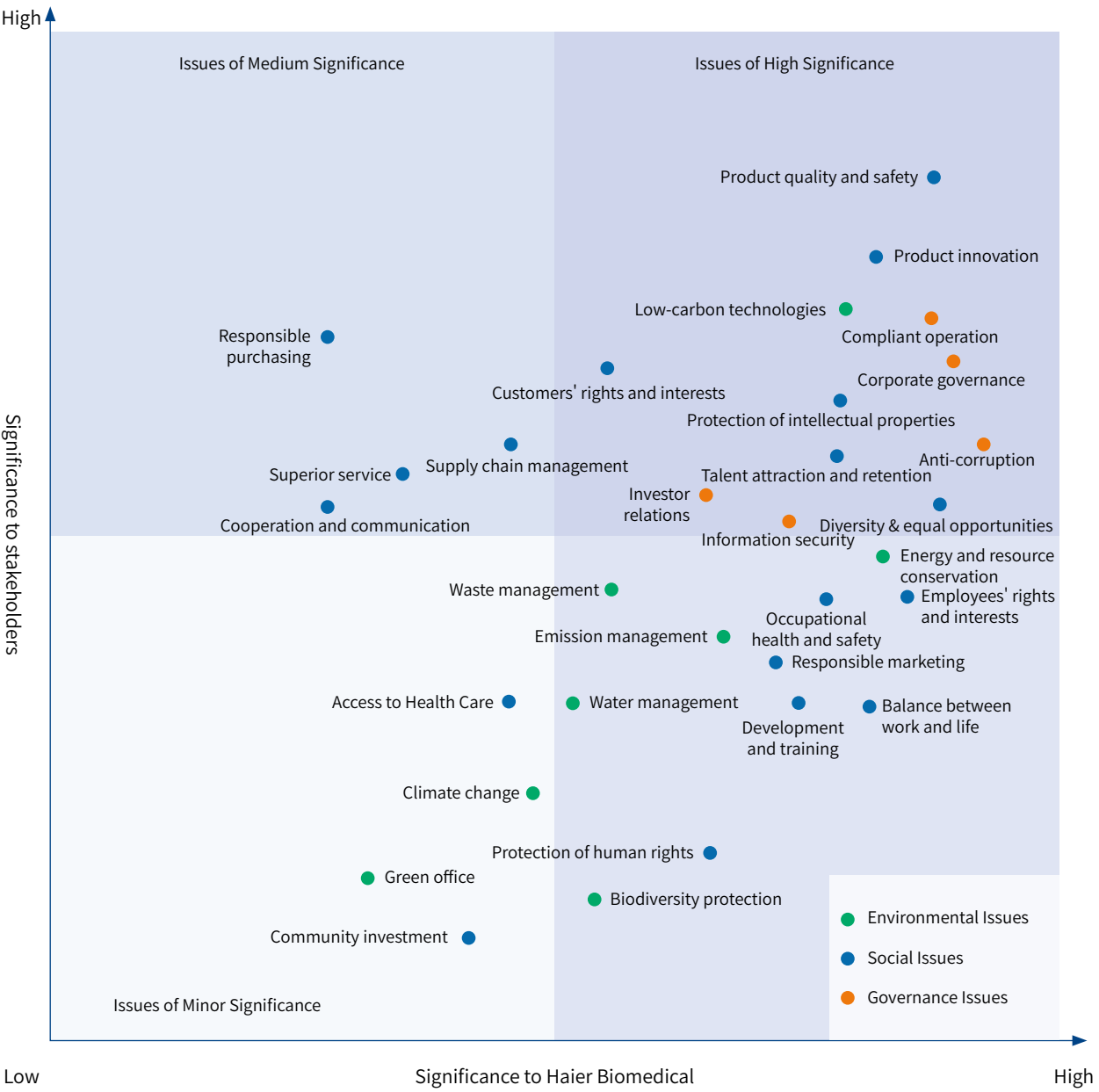
Participation by Stakeholders

We value the thoughts and opinions of our stakeholders. We have set up diverse communication channels and a regular mechanism for effective responses to address their concerns. In 2023, our communications with stakeholders covered the following issues.

Stakeholders	Issues		Channels	
 Governments and regulators	Compliant operation Information security Responsible marketing Green manufacturing	Biodiversity Corporate governance	Consultation with government Information disclosure Topic reporting	Working conferences Inquiries and answers
 Shareholders and investors	Corporate governance Compliant operation Protection of intellectual properties	Anti-corruption Investor relations	Information disclosure Shareholders' meetings Performance briefing	Online platforms Roadshows Institutions' research meetings
 Customers	Customers' rights and interests Product innovation Cooperation and communication Product quality and safety	Superior service Responsible marketing Information security	Product launch Satisfaction survey	Customers' communication and complaint channels Official WeChat account
 Suppliers and partners	Protection of human rights Responsible purchasing	Supply chain management Anti-corruption	Enablement and training Working conferences	Industry activities Online or offline regular communication
 Employees	Employees' rights and interests Occupational health and safety Development and training	Balance between work and life Talent attraction and retention Diversity & equal opportunities Protection of human rights	Employee symposiums Meetings of employee representatives Labor union	Employee training Employees' complaint and reporting mechanism Culture discussion platform
 Environment and communities	Community investment Low-carbon technologies Waste management Water management Emission management	Energy and resource conservation Responsible purchasing Green office Climate change Access to Health Care	Charity projects and fundraising platforms Information disclosure Media-related conferences	Regular communication with media Joining social organizations

Material Issues

Haier Biomedical is committed to establishing a robust governance framework for sustainable development. To achieve this, we actively identify material ESG issues and gauge the level of interest stakeholders have in these matters. Considering our progress, stakeholders' concerns, and industry trends, we've organized and created a comprehensive sustainability issue library. During the reporting period, we engaged with our stakeholders through surveys to gather their insights. The feedback received has been instrumental in refining our materiality matrix.



Sustainability Strategy

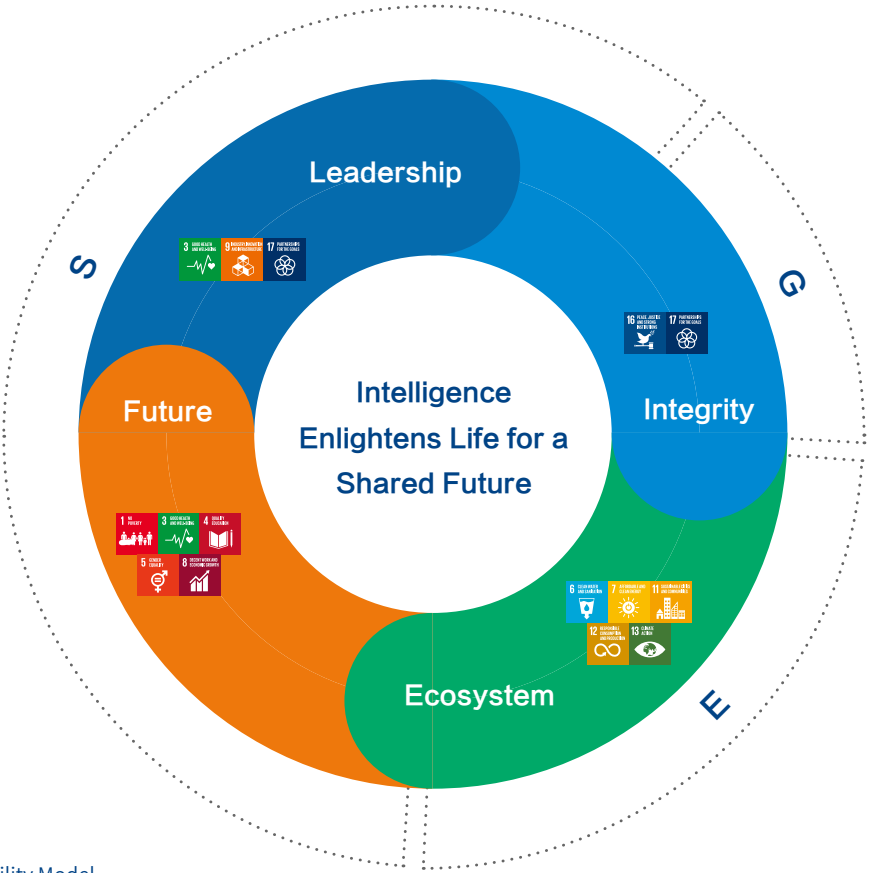
We have developed a sustainability model named "LIFE" based on our strategic vision and characteristics. Drawing on insights from our evaluations of material issues within the reporting period, we've been continuously refining this model to guide our sustainable development initiatives. Concurrently, we are dedicated to advancing the United Nations Sustainable Development Goals (SDGs), engaging with the United Nations Global Compact, and adhering to its ten principles. Through these measures, we are committed to demonstrating our dedication to sustainability to all our stakeholders.

Sustainability Concept

Guided by the vision that "Intelligence enlightens life for a shared future," we are committed to respecting life with sincerity, safeguarding life through technology, and collaborating to forge a sustainable future. With a steadfast focus on protecting public health, we make every effort to advance our journey toward sustainability.

Sustainability Model

Reflecting on the insights from our materiality matrix and sustainability assessments, we have crafted and are continuously enhancing our LIFE model which drives us towards efficient and effective sustainability governance. LIFE encapsulates the four fundamental pillars of our approach: Leadership, Integrity, Future, and Ecosystem.



Our LIFE Sustainability Model

Haier Biomedical and UNSDGs			
LIFE Pillar	UNSDG	Strategic Focus of Haier Biomedical	Progress of Haier Biomedical in 2023
 Leadership	  	● Foster innovation as the driving force behind our growth, aiming to become pioneers in life sciences and medical technology ● Leverage our innovative breakthroughs to bolster global public health and serve national strategies ● Propel the industry forward and collaborate to achieve mutual success and shared benefits	Pursued innovative development approaches that resonate with contemporary trends, consistently advancing the evolution of our research and development strategies Intensified our focus on fostering innovation, ensuring that our creative efforts are transformed into protected intellectual property Promoted the application of innovations, harnessing our technological prowess and resources to strengthen public health initiatives Improved our product and service quality through digital and smart technologies, with the steadfast aim of achieving zero defects
	 	● Ensure compliant operations and achieve stable, high-quality corporate governance	Enhanced our corporate governance, internal control, and risk management frameworks to guarantee compliant operations Bolstered our business ethics management and heightened compliance awareness across all staff Refined our customer services, leading to a steady rise in customer satisfaction Improved our supplier management by integrating ESG factors throughout the process, jointly fostering a sustainable, mutually beneficial ecosystem

Haier Biomedical and UNSDGs			
LIFE Pillar	UNSDG	Strategic Focus of Haier Biomedical	Progress of Haier Biomedical in 2023
 Future	    	● Boldly undertake our corporate responsibilities and share the benefits of our growth with the industry and society ● Persistently generate social value, address the evolving needs of society, foster equality, inclusivity, and diversity on a global scale, and contribute to common prosperity	Safeguarded the rights and interests of our employees and fostered a diverse, equitable, and inclusive work environment Enhanced our talent development systems and platforms, bolstering our ability to attract and retain talents Advanced the development of our occupational health and safety management systems, ensuring the well-being of our workforce Shared our innovations with the industry and society, providing smart medical solutions and promoting medical inclusivity to accelerate national digital transformation. Generated social value and gave back to society by engaging in social welfare activities and fulfilling our corporate social responsibilities Maintained our commitment to global public health and wellness, offering support to less developed areas and aiding in the establishment of a global public health infrastructure
	    	● Protect natural environment and mitigate climate change for the welfare of future generations ● Promote the fusion of low-carbon principles with our business operations, aiming to build a sustainable, eco-friendly, and resource-efficient organization. ● Collaborate across various sectors and leverage our strengths to promote the green transformation of the entire value chain and support the protection of biodiversity	Embraced low-carbon technologies within our product development process to promote eco-friendly product designs and comprehensive green management throughout the product life cycle Enhanced our energy conservation and emissions reduction efforts during operational activities in line with green management and sustainability principles by placing a stronger emphasis on these aspects in the early stages of product development and setting environmental standards for our partners to jointly cultivate a responsible and sustainable supply chain Supported our partners in building environmental systems for public welfare by merging cutting-edge digital technologies like IoT, big data, AI, and 5G into our research applications, and devised solutions for the protection of biodiversity.

Highlights of ESG Performance

Leadership	Integrity	Future	Ecosystem
RMB 321 million Investment in R&D	RMB 2.281 billion Annual revenue	573 newly recruited employees in 2023	2,860 hours Spent on environmental governance
809 R&D Personnels	RMB 167 million Total global tax payments	55 positionsfor fresh graduates	12,915.81 MWh of electricity consumed
1,321 Patents owned in total	40% of directors identify as women	90,479.2 hours of employee training delivered	11,368.16 MWh of electricity consumed came from non-renewable energy resources
296 Software copyrights owned in total	37.5% of senior managers identify as women	34.32 hours of training delivered per employee	1,547.65 MWh of electricity consumed came from renewable energy resources
40 National, industrial, or group standards and technical specifications published under our leadership or with our participation	2 Anti-corruption education sessions for middle and senior managers conducted	100% Coverage of employee training	11.98% of electricity consumed came from renewable energy resources
32 World-leading technological achievements	24 Integrity education sessions for all staff	100% Coverage of social insurance and physical examinations for employees	252.07 tonnes of CO ₂ e Direct greenhouse emissions (Scope 1)
0.58 The number of effective patents per RMB 1 million of revenue	100% Integrity education sessions for staff	52 Emergency drills and training sessions conducted	6,559.99 tonnes of CO ₂ e Indirect greenhouse emissions (Scope 2)
0.13 The number of software copyright certificates per RMB 1 million of revenue	100% Coverage of integrity notices to suppliers	RMB 8.2828 million Worth of donations in total	824.46 tonnes Waste processed
16 Quality training sessions conducted	100% of customer complaints successfully resolved		6.98 tonnes Hazardous waste processed
24% Decrease in field failure rate	99.94% Customer satisfaction rate		1 time/year Wastewater and exhaust gas monitoring
0 Product recall rate			1 time/quarter Voice monitoring

01

Innovations: Powering Health with Smart Technology

Haier Biomedical always believes that innovation drives development for the company. We insist on powering innovative advancements using science and technology, and are committed to achieving R&D and management innovations through IoT, digital, smart and IT solutions. By creating a high-tech R&D system and technology platform, as well as updating and upgrading our high-efficiency digital production and operation models, we established industry-leading quality control standards that allow us to provide high-quality products and services. We seize the opportunities offered by the latest trends and continue to make our ecosystem more intelligent, digital and innovative. Through "new manufacturing" capabilities, we deliver "new services" and "new business models" with signature Haier Biomedical characteristics to the industry and our users to create unlimited possibilities with a borderless ecosystem.



Key Indicators

809

R&D Personnels

RMB321million

Investment in R&D

1,321

Patents owned in total

296

Software copyrights owned in total

40

National, industrial, or group standards and technical specifications published under our leadership or with our participation

32

World-leading technological achievements

0.58

The number of effective patents per RMB 1 million of revenue

0.13

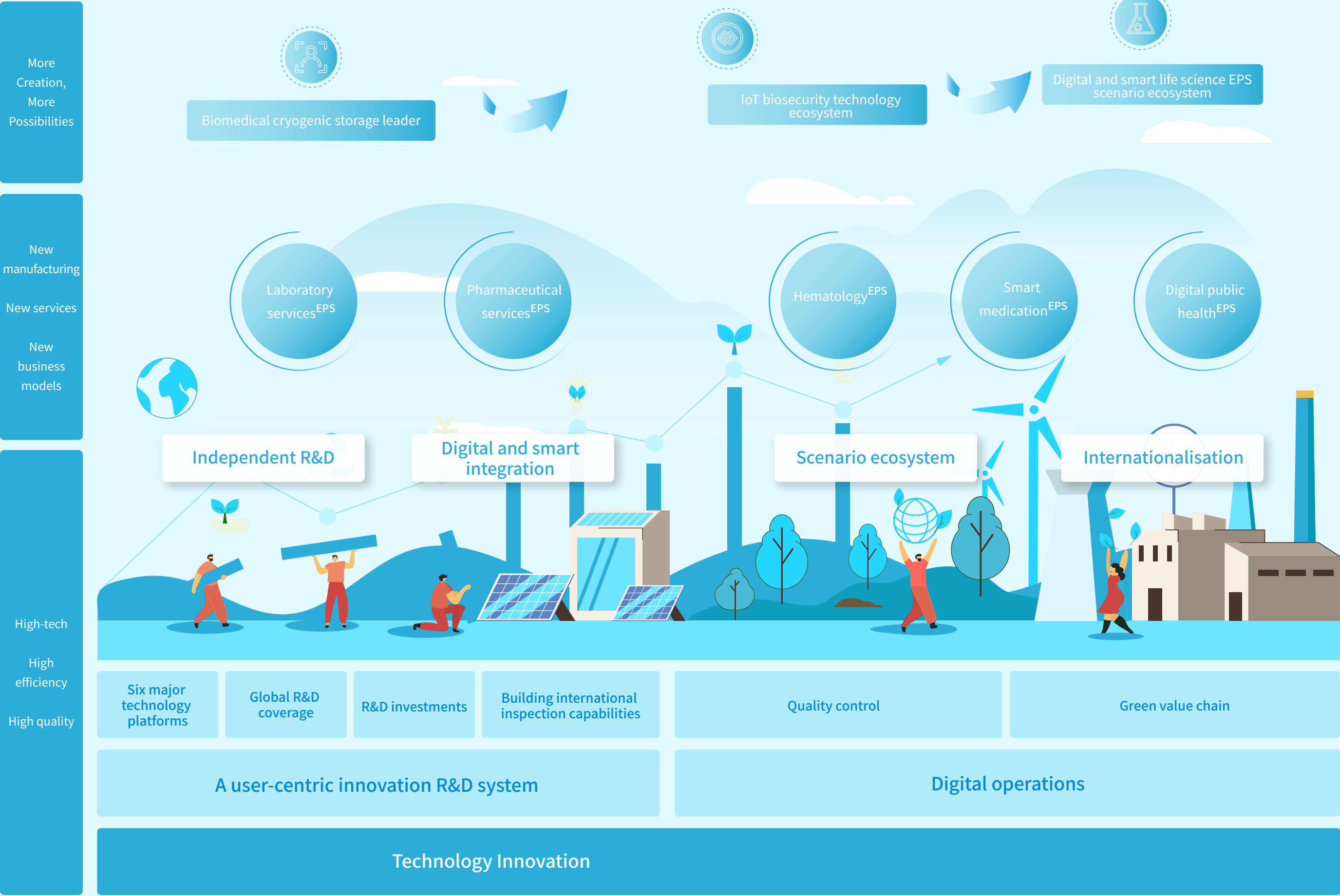
The number of software copyright certificates per RMB 1 million of revenue

0

Product recall rate

16

Quality training sessions conducted



EPS: Integrated "automated + digitalized + ecosystem" solution



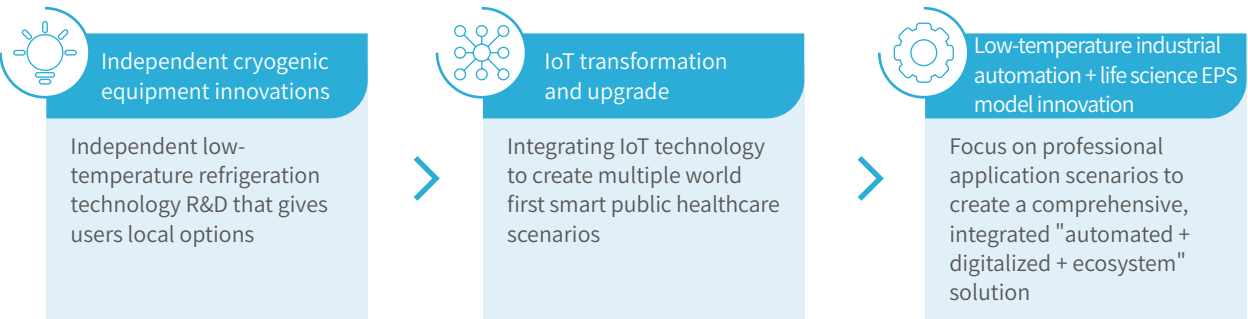
Spotlight on the Exploration of Life

Haier Biomedical has always been deeply entrenched in innovative technology platforms across different dimensions, including cryogenic and automation. With a focus on technological innovation and innovative development in products and medical service scenarios, we are committed to achieving innovative breakthroughs that will safeguard life.

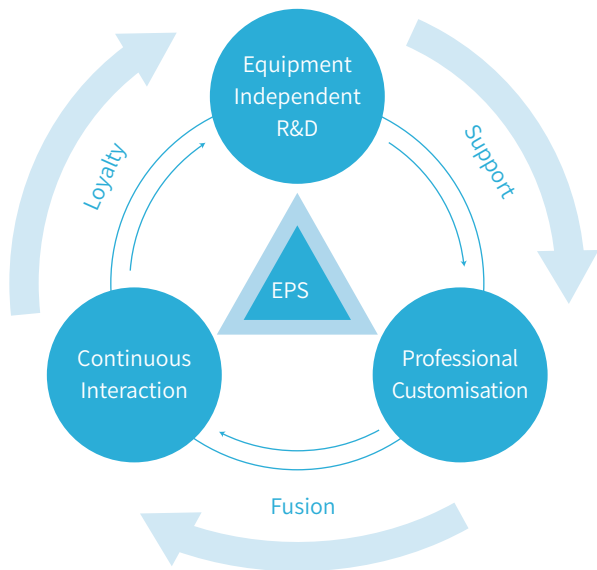
New EPS Model Upgrade

Haier Biomedical always ensures innovation takes the lead. Powered by our global R&D and technology resources, we continue to improve our technology-driven systems, expand the reach and depth of our products and services, and establish comprehensive, professional and leading science and technology innovation and development systems. We have accumulated a wide range of core technologies around the main fields of life sciences and medical innovation. These include cryogenic processing, automation, cell

culture, high-speed centrifugation, and digital intelligent systems applied to diverse user scenarios. On top of that, we continue to accelerate our innovative footprint through digitalisation and automation. In 2023, we deepened the full-scenario solutions under our EPS differentiation model to resolve the issue of standalone hardware, software and services. This allowed us to meet user needs and address their pain points, while continuously promoting the intelligentisation of the industry.



Haier Biomedical Innovative Development Path



Haier Biomedical EPS Model

A User-centric Innovation R&D System

Haier Biomedical always takes the needs of our users as the starting point for product design and R&D. We are committed to satisfying these needs and accurately resolving related pain points our users face. In 2023, we reconstructed our R&D technology system from the perspective of our users and established a user-centric innovation R&D system which includes user participation across the entire process, from design, validation to application. This allows us to work with our users towards mutual goals and benefits. Our R&D co-creation system also laid a solid foundation for achieving our strategic quality target of creating the best user experience.



Haier Biomedical's "User Participation" Co-creation System

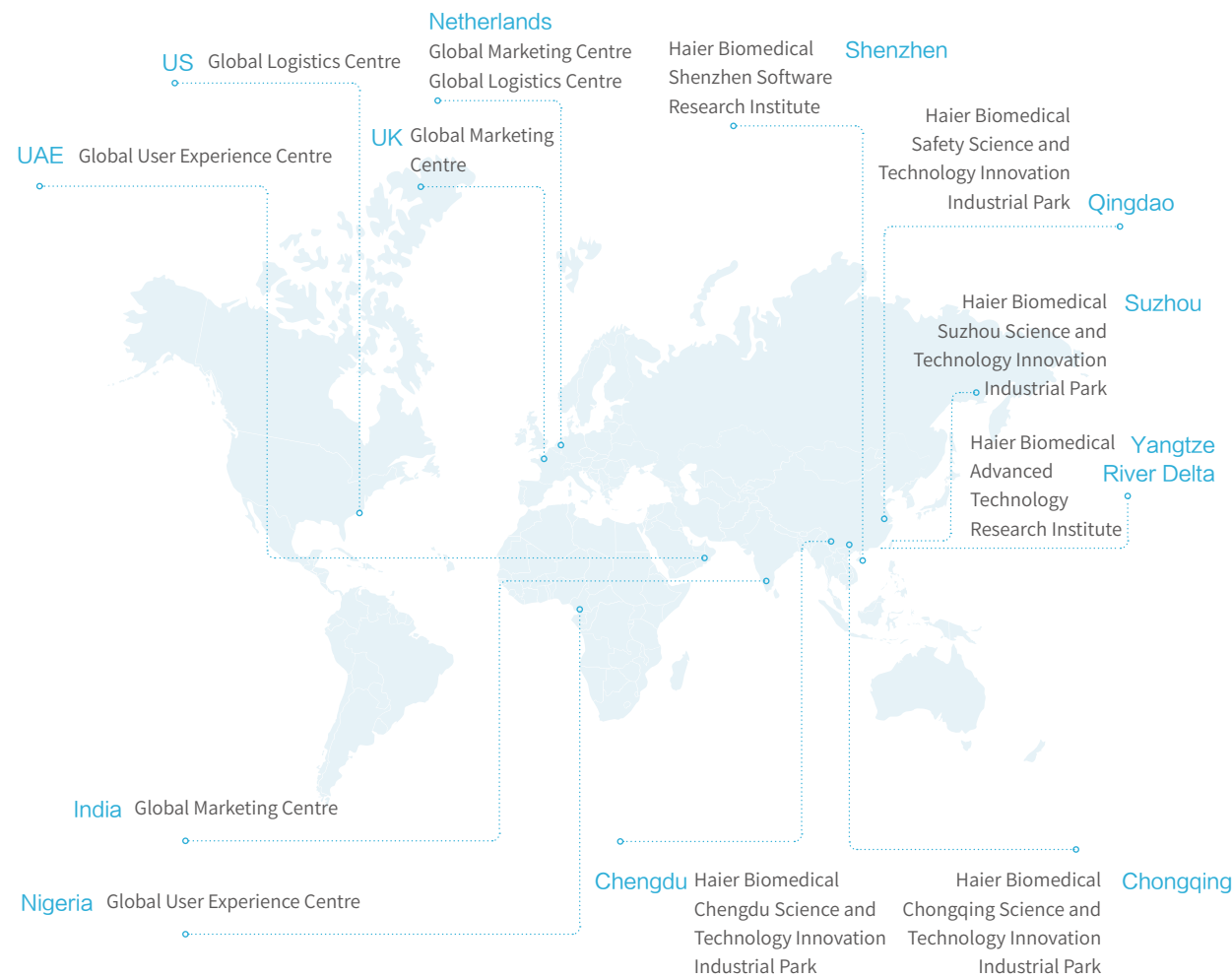
Haier Biomedical works with the Institute of Haematology to create smart liquid nitrogen stem cell storage solution



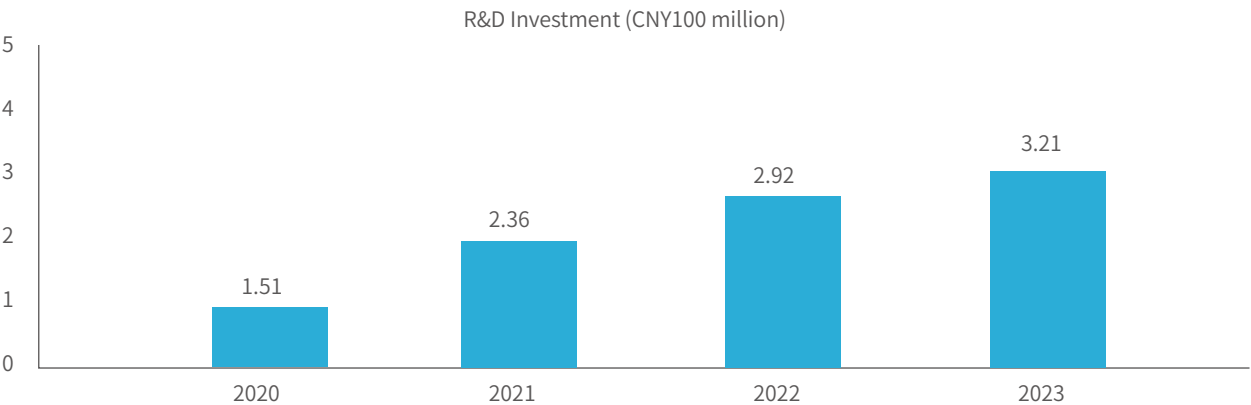
In 2023, Haier Biomedical worked with the Haematology Hospital of the Institute of Haematology of Chinese Academy of Medical Sciences to create a smart liquid nitrogen stem cell storage solution. During the cooperation, we successfully explored and achieved user participation across the entire process. Their needs were deeply integrated into the design, validation and application process to achieve co-creation. The solution is the first in the world to combine programmed cooling equipment with automated storage equipment to automate the cryopreservation process. The system has passed seven tests by the Institute of Haematology and will make great contribution to the development of the cell therapy industry.

Global resource consolidation

In recent years, Haier Biomedical has continued to expand our R&D footprint in the world to fulfil our commitment to enhancing our global innovation and R&D capabilities. We steadily promote the integration of our global R&D resources and global application scenarios to ensure technology sharing and interoperability in the world market. As of the end of the reporting period, Haier Biomedical has a total of 809 R&D personnel around the world, accounting for 30.69% of all employees.



In order to ensure smooth R&D and innovation processes, we continue to increase our R&D investment to build a solid foundation for innovation and development. In 2023, we made a total R&D investment of CNY 321 million, a year-on-year increase of 9.63%.



Haier Biomedical has created a comprehensive product and technology R&D platform with the aim of efficiently and scientifically managing R&D resources and facilitating breakthroughs in R&D innovations. We have established six main platforms, including automation, refrigeration, intelligentisation, precision manufacturing and materials, digitalisation, and biomedicine. Each platform has a

technical committee comprising internal technical teams, external think tank teams and personnel from different resource providers, providing access to a rich array of resources and technical support for product R&D.

As of the end of the reporting period, Haier Biomedical has been awarded a high-tech enterprise certification.



Haier Biomedical proactively engages in R&D cooperation with external colleges and scientific research institutions to continuously promote the integration of academic, scientific research and industry to achieve integrated development of all the related sectors. In 2023, we worked with more than 10 colleges and scientific research institutions to carry out eight research projects that delivered many results.

Haier Biomedical continues to promote the construction of a comprehensive talent management and succession planning system. We have established a national postdoctoral scientific research workstation, a postdoctoral innovation practice base in Shandong, and other facilities to attract top local and foreign talents to join our ranks. We are committed to promoting the development of life sciences and medical innovations, and accelerating the efforts to achieve independent and self-reliant high-tech R&D. In 2023, we are named a talent-leading enterprise in Shandong and Qingdao, among other awards.

Haier Biomedical's automated microbial workstation wins the Silver award at the 2023 Postdoctoral Innovation and Entrepreneurship Competition in Shandong, China



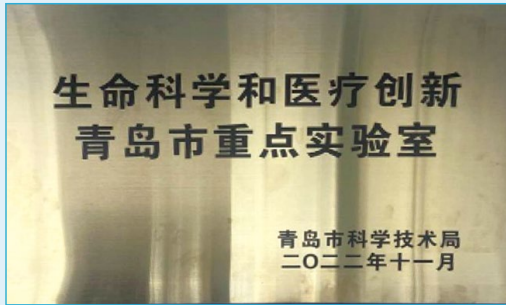
In 2023, Haier Biomedical's automated microbial workstation won the Silver award at the 2nd National Postdoctoral Innovation and Entrepreneurship Competition sponsored by the Ministry of Human Resources and Social Security and the Shandong People's Government. Haier Biomedical brings together emerging technologies such as automation, IoT and AI into clinical microbiology rapid testing scenarios. Our innovative R&D of fully automated microbial culture and smart screening platforms and equipment enable full automation of microbial inspection and smart biosafety management. In the process, manual operations are reduced and experimental efficiency is significantly improved.



Building international test capabilities

To further improve product and R&D standards, Haier Biomedical continues to promote the construction of laboratories across multiple disciplines, strengthen the integration of international testing and certification standards with product R&D processes, and build comprehensive and professional international inspection capabilities around software, hardware, scenarios and applications.

As of the end of the reporting period, Haier Biomedical was awarded for major international certifications, including the only UL CTDLP laboratory qualification in China, TUV Rheinland's witness testing laboratory qualification, TUV SUD's witness testing laboratory qualification, and CNAS laboratory accreditation certificate. We were also named a key laboratory and standards collaborator in Qingdao in the same year.



Qingdao Key Labs



UL CTDLP Laboratory Accreditation Certificate



Letter of Appointment to Collaborating Laboratories



TUV Rheinland Accreditation Certificate



CNAS Laboratory Accreditation Certificate



TUV SUD Certificate

Haier Biomedical's testing centre has over 30 laboratories that cover areas such as overall machine performance, reliability, high and low-temperature performance, electrical safety, EMC, mechanical environment, high-precision laboratory, physical and chemical laboratory, user experience, and IoT communications. The centre is CNAS laboratory certified for more than 200 tests under 48 international and Chinese standards.

At the same time, Haier Biomedical has further set up user experience research laboratories for the life science EPS industry. These laboratories revolutionised our process by shifting the focus from life science instrument product performance validation to user experience validation. Our professional team also continues to create the best usage validation solutions for our users by simulating actual user experience based on their operation processes.

Refrigeration Laboratory

- Low temperature performance
- High and low temperature laboratory
- EMC laboratory
- Solar powered equipment testing laboratory
- Extreme load laboratory
-

General Equipment Performance Laboratory

- Dynamic balance testing
- Blast hut validation
- Three-coordinate measuring
- IoT laboratory
- Computer board MFOP
-

User Validation Experiment Centre

- Cell culture
- Plant culture
- Lyophilisation validation
- Programmed cooling
- Centrifugation validation
-

Haier Biomedical optimised freeze-drying procedures and improves user experience by simulating usage environment during R&D



In 2023, in order to improve user experience and optimise product performance, Haier Biomedical's user experience research laboratory simulated the actual user environment while developing a pilot freeze dryer. The types of freeze-dried samples that users mainly handled were identified to determine the cryoprotectant formula for the samples. The formula and procedure were then further optimised based on the test results. As a result of the simulation, three freeze-drying issues were discovered and optimised, which greatly enhanced the user experience.

Driving the industry together

Haier Biomedical firmly believes that the development of the industry relies on everyone's joint efforts. We are active participants in driving the industry forward. Making full use of our technology and resource advantages, we join hands with our peers to promote industry innovation and advancement. As of the end of the reporting period, we are a member of 22 industry associations, having joined two new ones this year. At the same time, we took part in many industry activities to exchange insights with our outstanding peers and industry experts on the industry's future, and provide suggestions on critical and forward-looking issues that the industry is facing.

Haier Biomedical's innovations included in the History of Informatisation of China's Immunisation Program



On 20 January 2024, the third annual general meeting of the 1st Immunisation Program Informatisation Professional Committee, organized by the China Vaccine Industry Association, was held in Suzhou. The meeting saw the release of the History of Informatisation of China's Immunisation Program, the first book to comprehensively describe the history of informatisation of China's immunisation program. The practical results of Haier Biomedical and our subsidiary Jinwei Information Technology were included in the book for providing new ideas, new technologies and new models for establishing safe, high-quality, standardised, efficient and accessible vaccination services, and contributing to the development of the country's medical sector.

Haier Biomedical jointly organized a hospital pharmacy forum to promote precision drug treatment with industry peers



From 2-4 June 2023, Haier Biomedical contributed to the organization of a hospital pharmacy forum with the theme of "Discussing Controls and Reforms for the Benefits of Patients" that is sponsored by the National Health Commission's Hospital Management Research Institute and hosted by the Second Affiliated Hospital of Suzhou University. Medical experts from all over China came together to engage in in-depth exchanges on precision drug treatment, rational drug use control, intravenous drug dispensing technology and management under new medical reforms, and promote the development of precision drug treatment in China.

Haier Biomedical's full-process digital blood safety solutions recognized by industry experts in Arab countries



From 11-13 January 2024, Haier Biomedical was invited to participate in the 15th Arab Transfusion Medicine Forum. At the forum, we comprehensively demonstrated our innovative full-process digital blood safety, smart cold chain storage, laboratory equipment and management solutions, as well as advanced instruments such as smart plasma separators. Our solutions were highly recognized by the experts in the blood transfusion industry in the Arab countries, further demonstrating the international influence of Haier Biomedical products, technologies and services.

While striving for breakthroughs and progress, Haier Biomedical also closely watches the developments and innovations of the industry's key sectors. We maximise our advantages, share our resources and experience with the industry and do our best to contribute to the standardised development of the key sectors. As of the end of the reporting

period, Haier Biomedical has taken the lead in participating and drafting 40 national, industry, and group standards and technical specifications, including one international standard, 18 national industry standards, two local standards, 17 group standards and two CQC technical standards. We participated in the drafting of eight relevant standards in this year alone.

Type	Name	Number
National standard	Pharmaceutical logistics service specifications	GB/T 30335-2023
Local standard	Calibration specifications for temperature parameters of cryogenic storage boxes	JJF(豫)386-2023
Local standard	Calibration specifications for cryogenic storage boxes	JJF(渝)086-2023
Group standard	Automated vaccine management workstation	T/QDAS 118-2023
Group standard	Vaccine cold chain: technical requirements and testing methods for solar or DC vaccine refrigerators	T/CITS 0038-2023
Group standard	Vaccine cold chain: technical requirements and testing methods for standing passive vaccine boxes	T/CITS 0039-2023
Group standard	Technical requirements and testing methods for high-performance medical refrigerators	T/CITS 0004-2023
Group standard	Vaccine cold chain: technical requirements and testing methods for non-standing passive vaccine boxes	T/CITS 0040-2023

Standards and Specifications Drafted with participation by Haier Biomedical in 2023

Haier Biomedical attended the first IEC/PC130 plenary meeting



On 30 November 2023, the founding ceremony of the Secretariat of the International Electrotechnical Commission's Medical Cryogenic Storage Equipment Project Committee (hereinafter referred to as IEC/PC 130) cum first plenary meeting of IEC/PC 130 was held in Guangzhou. Haier Biomedical attended the meeting as the only Chinese manufacturer in the IEC/PC130ahG1 strategic planning working group. The meeting saw the approval of two new international standards proposals, Medical Low-temperature Storage Equipment - Terms and Terminology and Medical Low-temperature Refrigeration and Freezers - Performance Requirements and Test Methods. Haier Biomedical will be deeply involved and will contribute our knowledge in the drafting of these two new standards in the future.

Developing new business models and scenarios

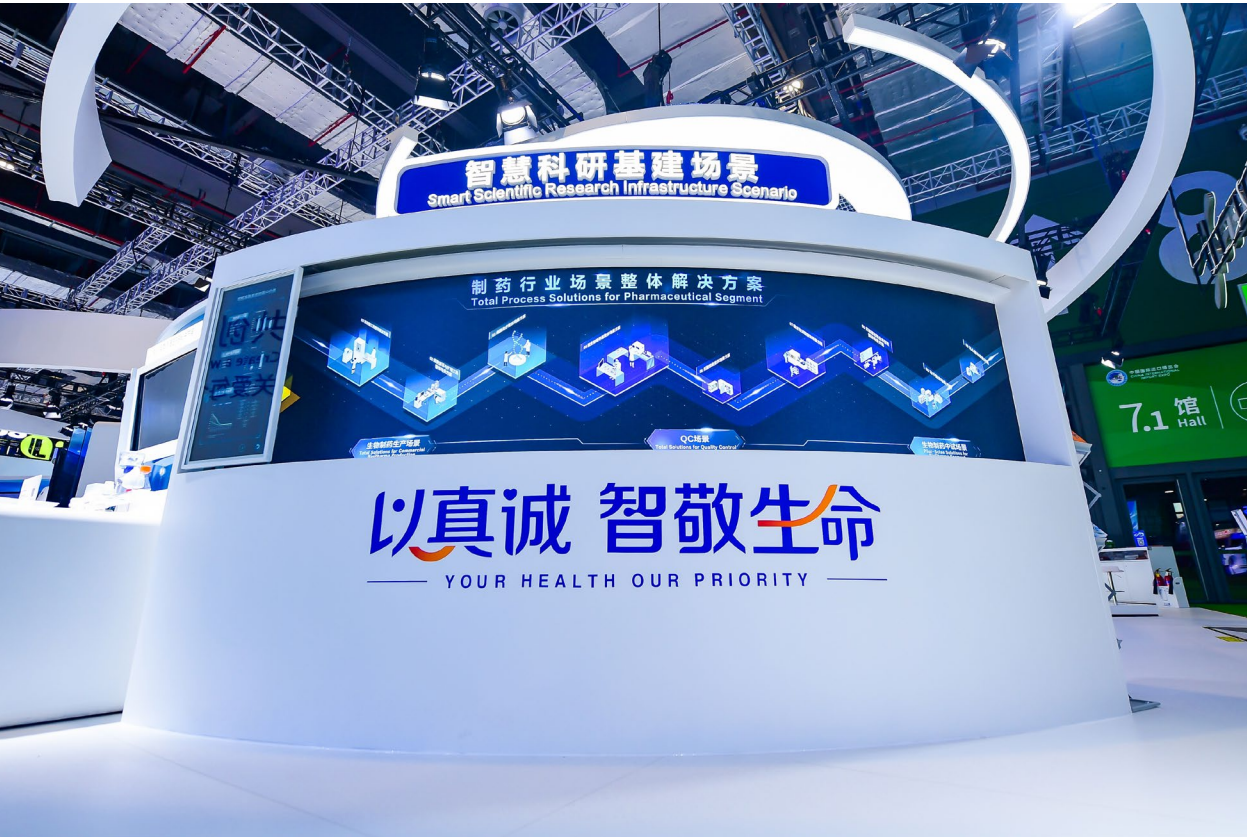
Haier Biomedical achieved significant R&D results and progress during the reporting period through our tireless efforts in the fields of life sciences and medical innovation. In the process, we contribute to promoting industry development and helping the country achieve its strategic targets.

Haier Biomedical has always been deeply engaged in product and scenario R&D. We persist in our efforts to

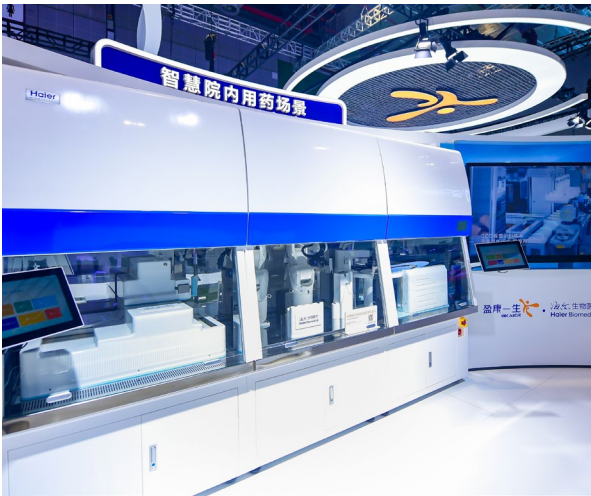
expand the industry and motivate ourselves by constantly setting higher standards and goals. This is part of our commitment to achieving continuous product and technology breakthroughs. We continue to promote the integration of innovative R&D results and medical service scenarios with the aim of bringing more innovative products and smart services to more user groups so as to realise the full value of our products.

Haier Biomedical released overall biopharmaceutical scenario solution to empower users with efficient and high-quality products

From 5-10 November 2023, Haier Biomedical was at the 6th China International Import Expo, where we debuted our overall overall biopharmaceutical scenario solution that provides users with support through a validation service platform. The solution covers nine main scenarios across three core areas of biopharmaceutical production, QC and pilot testing. Haier Biomedical integrated digital and smart innovations as the pathway to achieve full-cycle, full-factor intelligent and information-based management of personnel, environment, equipment, processes and product quality in complex biopharmaceutical processes. This provides users with high-quality, one-stop pharmaceutical services that facilitate the commercialising of research results.



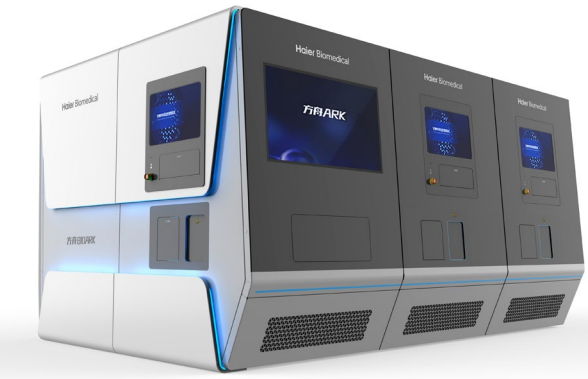
Haier Biomedical ushers in a new era of digital intelligence for medication safety with the release of a full-scenario smart medication solution for hospitals



On 7 November 2023, Haier Biomedical released a full-scenario digital intelligence solution for smart medication in hospitals with the theme of "Smart Healthcare Experience, Upgraded Pharmaceutical Services" at the 6th China International Import Expo. At the event, we also debuted three major new products, including a fully automatic dispenser robot, an all-in-one packing and verification machine, and a medication refill robot. These solutions enable digital and smart close-looped management of the entire process from storage, transfer, dispensing to use of in-hospital medication. Among them, Haier Biomedical's fully automatic liquid dispenser robot can achieve zero error, zero residue and zero exposure while dispensing medicine, ensuring safety and precisions. The scenario solution not only improves the efficiency of drug dispensing, promotes rational drug use and ensures safe medication, but also drives the transformation and upgrade of pharmaceutical services.

Haier Biomedical's automated liquid nitrogen workstation and ARK flexible, extendable automated workstation won Germany's iF Design Awards

In 2023, Haier Biomedical launched a new series of ARK automation products at the 15th China Integrated Biosampling Conference. With the ability to support the integration of multiple production lines, the connection of multiple scenarios and safeguarding multiple systems, the ARK series of products not only realises full-process automated management and makes the samples safer, but also allows for custom combinations and flexible extension, providing more possibilities for the in-depth exploration of life sciences. In 2024, two products from this series, the automated single liquid nitrogen workstation and ARK flexible, extendable automated workstation were selected by Germany's iF Design Award.



Haier Biomedical's Hengyun medical refrigerator passed leading international standards



In 2023, Haier Biomedical's Hengyun medical refrigerator passed leading international standards. The product pioneered the integration of hydrocarbon (HC) energy-saving refrigeration system, variable frequency compressor intelligent control and uniform temperature refrigeration technology, three-dimensional return air cooling technology, intelligent glass door condensation removal technology, condensation waste heat utilisation technology and IoT technology. This ensures that the product is significantly optimised in terms of energy saving and quietness and allows the machine to achieve a temperature uniformity $\leq \pm 1^{\circ}\text{C}$. With this product, Haier Biomedical delivers a green storage solution with both high reliability and high stability for medicines, reagents, biological products, vaccines, etc.

Haier Biomedical released microbial culture medium for QC



From 5-10 November 2023, Haier Biomedical was at the 6th China International Import Expo where we released a wide range of culture media products that can be used for microbial monitoring in medicine, food, water quality, household chemicals, public healthcare and other industries.. These products comply with a number of international standards and allow for professional quality control validation services. They also reduce usage cost through technological innovation by increasing recovery rate by 20% and reducing product costs by 10%.

Haier Biomedical's innovations and R&D achievements have been widely recognized by society. During the reporting period, four of Haier Biomedical's major scientific and technological achievements were certified to be of international-leading standards. These include our IoT-based Smart Vaccine Management Platform, Intensive Automated Cell Culture Workstation, Environmentally-friendly and Efficient Hydrocarbon Deep Cryogenic Storage Box, and Constant Temperature High-performance Medical Refrigerator.

Global Leading Achievements	
Project	Certification Organization
Hydrocarbon Environmental Deep Low-Temperature Refrigerator	China Machinery Industry Federation
Constant Temperature High-performance Medical Refrigerator	
IoT-based Smart Vaccine Management Platform	
Intensive Automated Cell Culture Workstation	

Intellectual Property Protection

86

Invention patents

893

Utility model patents

342

Design patents

296

Software copyrights

Haier Biomedical's Patents

As of the end of the reporting period

Haier Biomedical has been granted a total of

1,321 patents

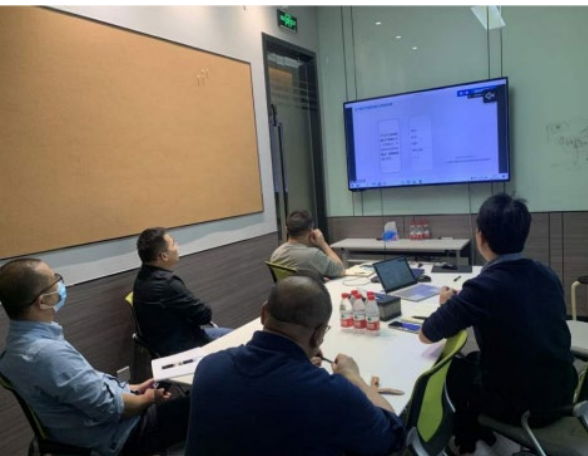
While

146

new invention patent applications were submitted in 2023

Haier Biomedical attaches great importance to the protection and management of intellectual properties. We strictly follow the relevant requirements of the laws and regulations such as the *Patent Law of the People's Republic of China*, and prohibit any form of right infringement. During the reporting period, we revised the *Intellectual Property Regulations and Management Standards*, and optimised the sharing, transfer and licencing of patents from our technical cooperation and co-creation with external parties. By empowering our business units with intellectual property compliance, we strengthened our cooperation with our external partners.

In 2023, we included patent management training in our job rotation for newly hired fresh graduates. We also conducted comprehensive and systematic basic patent training and intellectual property standards straining for our R&D personnels to enhance their intellectual property protection awareness and knowledge about patents.



Patent Training for R&D Personnel

In addition, Haier Biomedical has set up a diverse range of scientific research incentives to encourage technicians and other employees to take part in R&D innovation and promote the conversion of innovative research results into intellectual properties. These measures attract and retain outstanding talents to bring life to our innovative endeavours.

As of the end of the reporting period, Haier Biomedical has been granted a total of 1,321 patents, while 146 new invention patent applications were submitted in 2023.

Empowering Health Through Digital and Smart Technology

Haier Biomedical pays close attention to the needs of public healthcare and social medicine. We are committed to promoting the continuous development of life sciences and medical innovation through comprehensive, professional product capabilities and leading scenario service standards. During the reporting period, we delved deep into segments such as low-temperature industrial automation, cell therapy, aviation temperature control and digitilisation. By keeping up with the latest developments, we stayed at the forefront of the industry and society and continue to contribute to the fields of biomedicine, agriculture, public healthcare and modern pharmacy.

Supporting cutting-edge science with deeper technological exploration

Haier Biomedical is committed to using our innovative research and development results to benefit different cutting-edge scientific areas. The aim is to drive progress and development in various important sectors, through innovation and strategic initiatives. The emphasis is on creating mutual benefits for all stakeholders involved, focusing on collaboration and shared success among different parties such as employees, partners, customers, and the community at large.

Haier Biomedical released germplasm conservation solution for the agricultural industry

Haier Biomedical provide a fully-automated germplasm resource bank construction plan that covers a full range of scenarios and temperature range. The plan ensures the activity and safety of germplasm samples throughout the entire process, from reception, processing, quality control to storage. Haier Biomedical also created diverse storage solutions for seeds with different storage period, including short-term, medium-term and long-term storage. The

solution automates the seed storage and extraction process through digitilization, automation, smart management and other functions. This reduces the workload on scientific researchers and promote an update and upgrade of China's seed preservation technology to drive development in the agricultural sector, ensure food security and safeguard the health of the people.

Haier Biomedical joined hands with Miracell to create the Intelligent Automated Cell Industry Innovation Centre that drives transformation of the cell industry

On 18 February 2023, the unveiling ceremony of the Intelligent Automated Cell Industry Innovation Centre, co-created by Haier Biomedical and Miracell, was successfully held at the Miracell Super Organ R&D Center. More than just a successful transformation of the cell industry through intelligentisation and digitalisation, the center also demonstrates the benefits of collaboration between the industry and academic institutions, and is a big leap forward for China's innovative cell industry.



Building healthy cities together through digital intelligence

Haier Biomedical proactively explores the possibilities of digital technology to promote digital transformation and independent innovations. By fully integrating automation and smart technologies and methods into medical scenarios and services, more efficient, scientific and precise medical solutions will be possible. These will help resolve key challenges in different medical service scenarios and enhances the healthcare of cities.

Haier Biomedical created a smart, digital public healthcare ecosystem service platform to build healthy cities

In 2023, Haier Biomedical successfully created a smart, digital public healthcare ecosystem service platform for healthy cities. The integration of IoT, 5G and other technologies into public healthcare services makes the cities' healthcare data more fluid and enables services to be provided to specific individuals through a unique identifier, managed on the same device, and linked on the same network. The platform makes healthcare services "smarter" and more accessible to the people.



Haier Biomedical created a maternal and child health management platform to improve healthcare standards

In order to improve maternal care service standards, women's disease screening and children healthcare service quality, Haier Biomedical successfully implemented smart maternal and child healthcare scenario by creating a full-process healthcare service management and disease prevention network for Shenzhen. With a focus on scenarios such as obstetrics, childcare and women's healthcare, the digital solution connects the terminals of more than 80 maternal institutions, more than 600 community health centres and more than 1,900 early childhood education institutions. The system has served more than four million pregnant women and more than five million children, achieving a high degree of integration of the full cycle of pregnancy and immunisation planning, and fully protecting the health of mothers and children.



Promoting smart management to ensure medical safety

In order to further ensure the safety of rational medication and improve the efficiency and accuracy of dispensing scenarios, Haier Biomedical adopts modern science and technology to create full-scenario digital solution in the area of smart medication in hospitals. Besides significantly improving medication safety for patients and effectively reducing the occupational exposure risks of medical staff, this also drives a modern upgrade of China's pharmaceutical service systems.

Haier Biomedical jointly creates an intelligent integrated pharmacy intravenous admixture centre with the Second Affiliated Hospital of Suzhou to safeguard medication safety for patients



Smart Pharmacy Intravenous Admixture Services Solution



Smart Outpatient Pharmacy Solution

In 2023, Haier Biomedical worked with the Second Affiliated Hospital of Suzhou to create China's first smart static dispensing center. The solution seamlessly connects the PIVAS intelligent system with the hospital information system (HIS) and all segments of intravenous infusion preparation. This makes all processes and scenarios smarter and automated, including infusion storage, labeling, basket delivery, injection dispensing, solution dispensing and infusion sorting, and enables for the visual management and tracing of patient medication information throughout, which significantly enhances medication safety.

Consolidating smart medical care to service the senior citizens

In order to address the concerns of an aging population, Haier Biomedical zoomed in on the health issues faced by the elderly and consolidated existing technologies to continuously explore healthcare and medical solutions that are suitable for the senior citizens. This is part of our commitment to improving the quality of life for the people.

Haier Biomedical promoted healthy aging by exploring new integrated medical and nursing care model powered by smart technology

In response to the challenges of an aging popular, Haier Biomedical looked at the diverse needs of elderly care. In 2023, Haier Biomedical and the Xincheng district of Hohhot jointly created a smart medical and healthcare management platform that connected previously isolated systems of government agencies, medical institutions, elderly care centers and third-party service providers. The interconnection between these agencies enable the sharing and co-governance of different types of medical and nursing care information and resources. As a result, full-scenario digital management of residential elderly care services, covering areas such as housekeeping, home care and meal assistance, is possible. This improved the accessibility of healthcare services for the elderly and enhanced the sense of gain, happiness and security. The system set a new benchmark for healthy aging initiatives and the adoption of high-quality medical resources.



Haier Biomedical launched a digital public health examination program at the Zhangjiawan Community Health Service Center in Tongzhou, Beijing to improve primary medical service experience for the elderly

In order to improve the accessibility and quality of physical examinations for the elderly, Haier Biomedical worked with the Zhangjiawan Community Health Service Center in Tongzhou District, Beijing to implement a digital public health examination program. Through the application of 5G, big data, IoT and other related technologies, Haier Biomedical created an "in and out" hospital physical examination IoT system to provide the elderly with efficient, accurate and accessible digital public healthcare management solutions that enhance the user experience of primary medical services.





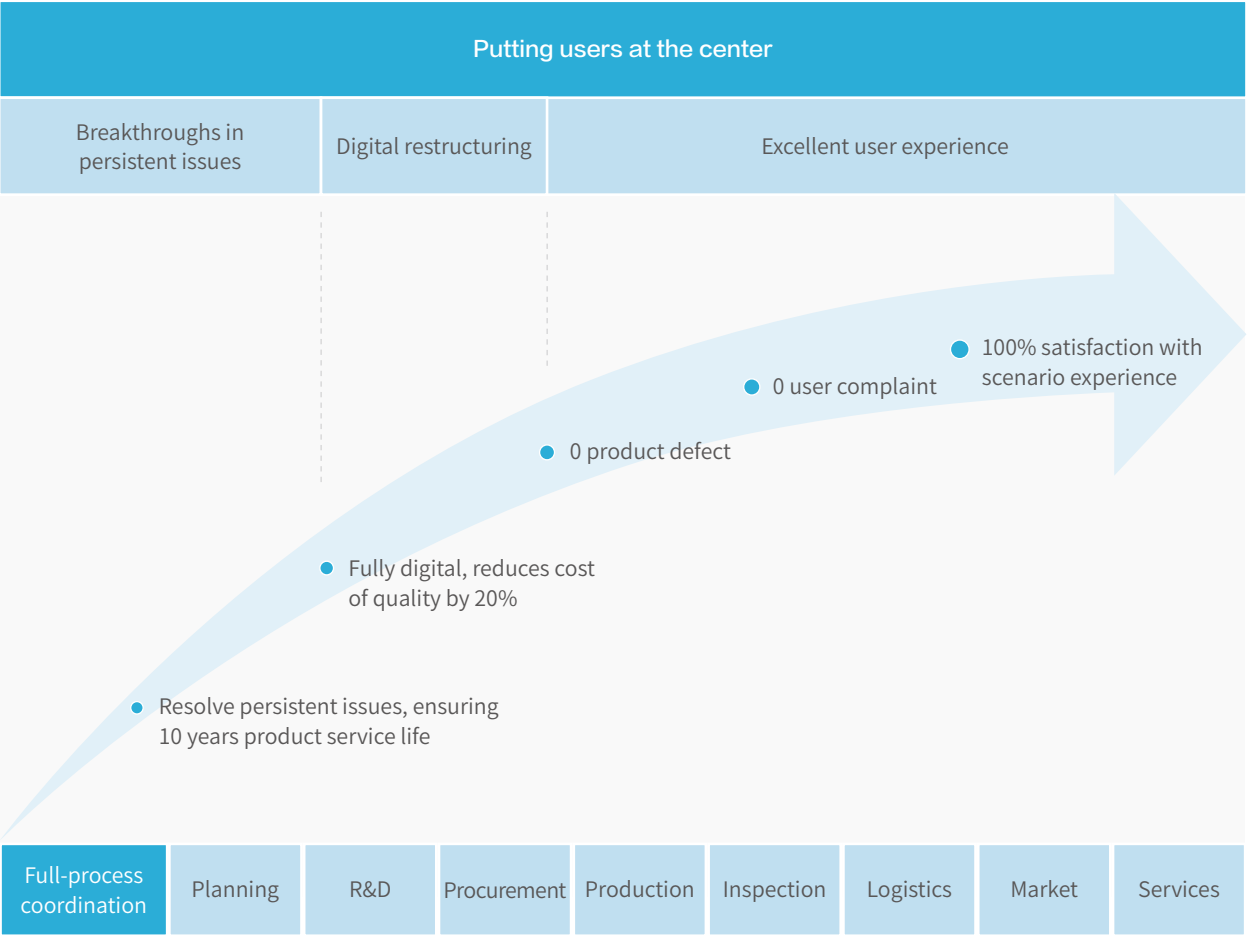
Focus on Creating Excellent Products

Haier Biomedical fully understands the importance of excellent product quality in safeguarding life and health. We strive to provide our users with the best experience and to create better products for the industry. With our commitment to the quality concept of "reverence for life", we constantly improve and optimise our existing quality management systems, and use smart production models and digital quality assurance platforms to provide a solid guarantee for product quality control and scenario service capabilities. We always ensure that our products meet high product quality standards.

Quality Management Improvements

Strategic quality targets

Haier Biomedical proactively promotes the setting of strategic quality targets to provide effective guidance for quality management and execution in every aspect of our production operations. Focusing on key product issues and user pain points, and by fully integrating digital solutions, we have set three-year quality targets ranging from breakthroughs in persistent issues to digital constructions that create an excellent user experience.



Quality control system

In order to comprehensively improve product quality and user experience, Haier Biomedical continues to monitor the quality standard of products across different segments, such as R&D, planning, procurement, production and market services, to further improve our quality assurance capabilities.

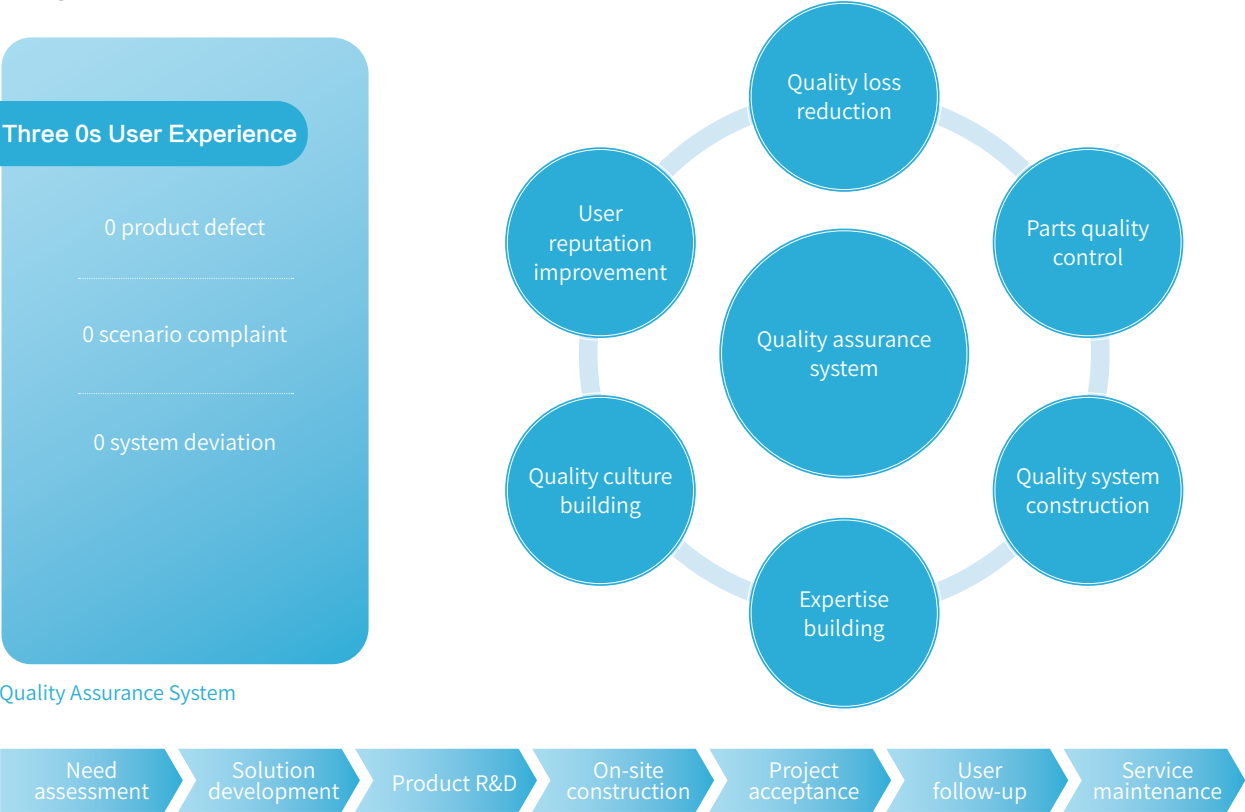
While using innovations to drive and promote an integrated development model featuring automation, digitalization and ecosystem life sciences, Haier Biomedical continues to pursue high product quality control standards. We have constantly expanded the breadth and depth of the quality management systems within our business and explore new models that can meet user needs, cater to our strategic development objectives and create value for everyone. Whether it is a standalone product or a comprehensive digital scenario solution, we are committed to ensuring zero product defect and zero complaint from our users.



Haier Biomedical Full-process Quality Control System

Quality assurance system

At Haier Biomedical, user experience takes center stage. We've meticulously crafted a user-centric approach through six core processes: minimizing quality loss, stringent parts quality control, robust quality system development, fostering expertise, nurturing a quality-focused culture, and enhancing user ratings. This dedication culminates in our commitment to deliver a user experience defined by trust and reliability, encapsulated in what we term the "three 0s." This ethos underpins our entire quality management framework.



Quality Assurance System

Haier Biomedical's Quality Assurance System for Large-scale Scenario Projects

Every newly launched product of Haier Biomedical has undergone strict quality certification. While meeting the relevant laws and regulations and product performance, safety, environmental protection and other certification requirements, we have also imposed more stringent internal quality certification. On top of that, we continue to strengthen our certification and inspection processes and improve our quality testing requirements with a focus on user experience and product reliability.

As of the end of the report, Haier Biomedical has been awarded multiple quality system certifications such as ISO 9001, ISO 13485, and US FDA QSR 820. At the same time, with our first-class quality management capabilities and product quality standards, we have won a number of quality awards during the reporting period, including the National Leading Quality Brand in the Medical Device Industry and the National Leading Quality Enterprise in the Medical Equipment Industry.



Strengthening Quality Control Capabilities

Haier Biomedical insists on exploring different ways to improve product and service quality. Through advanced intelligent manufacturing models, efficient quality digital platforms, and accurate quality traceability mechanisms, we continue to ensure and improve our product quality control and service quality. At the same time, we have adopted a series of effective quality control measures to resolve quality issues in a timely manner and prevent quality-related risks.

Quality management powered by digital intelligence

IoT factory

Haier Biomedical responded to the national strategic requirements of "informatization and industrialization integration" and "digital transformation" by continuously promoting informatization and intelligentization of our production processes to provide technical support that ensures and improves product quality.

Haier Biomedical's smart IoT factory uses automation, smart, information and other technologies to promote device interconnection, data integration and smart management and control. The intelligentized and informationized production management has become a new production model for life cycle management.



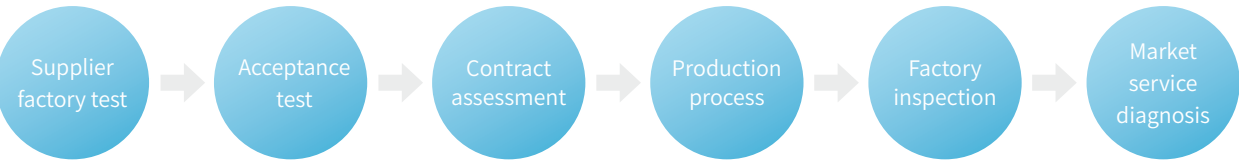
Haier Biomedical IoT Factory

Digitalized quality assurance platforms

Haier Biomedical promoted the closed-loop management of quality issues using four areas as the starting point: quality planning, inspection task management, inspection task execution and processing monitoring. We fully apply big data analysis methods to build an information platform for collection, feedback, and processing of quality issues to achieve product quality that is "foreseeable, controllable, manageable and plannable". We provided a collaborative platform for decision-making, technical applications, field operations and other personnel of quality management to comprehensively improve the product quality capabilities.

Precise quality traceability

Haier Biomedical highly values quality information and quality issues through the product life cycle. We have established a full-process, multi-dimensional quality traceability mechanism with the quality system QMS as the core. With this quality system, our products are interconnected from the placement of orders, production, logistics to transportation, promoting multi-party consolidation of quality information from our users, equipment, production, logistics and other terminals. This ensures accurate product life cycle information from both the forward and backward direction and allows us to resolve quality issues at every link in a timely manner.

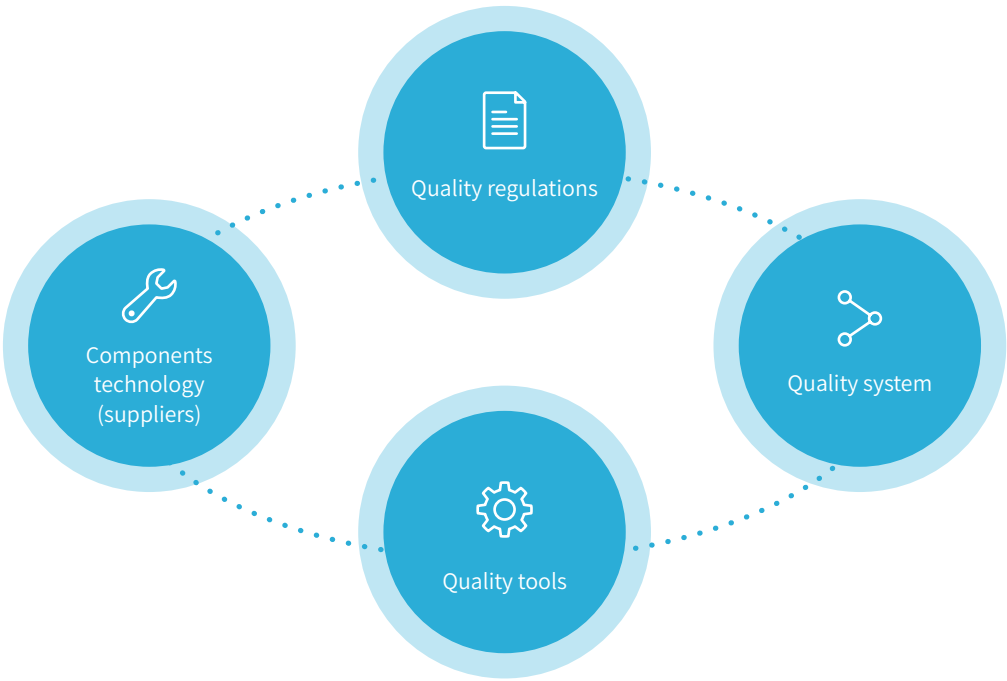


Full Life Cycle Quality Information Traceability System

Real-time collaborative quality improvement

Haier Biomedical has always regarded quality enhancement and improvement as the main focus of product quality management work. We conduct monthly quality analysis meetings to address problems that arise during production, market services, and on-site operations. We proactively and promptly identify existing and potential quality problems to continue to improve product quality and improve user experience.

In addition, we organize quality improvement training and assistance activities for related parties, including our suppliers and employees, and invite external partners and experts to conduct training and improvement activities with the aim of working with multiple parties to create high-quality cooperation. During the reporting period, we have conducted a total of 16 quality training sessions with around 960 participants.



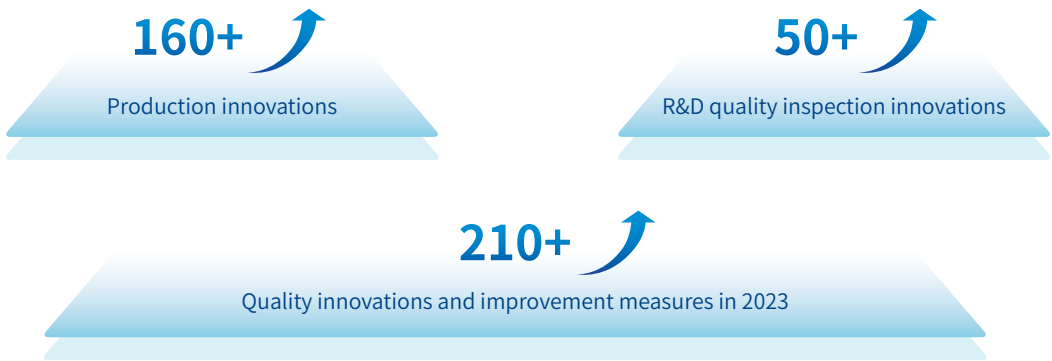
Four Main Quality Training Themes

Haier Biomedical organized quality training with industry suppliers

Haier Biomedical has established a technology sharing platform with high-quality industry suppliers, institutions and scientific research laboratories to jointly resolve persistent product issues and improve the system's quality assurance capabilities. On 13 April 2023, Haier Biomedical invited technicians from industry suppliers to conduct compressor analysis training for employees. Both parties exchanged and learned about the working principles and application methods of the compressor, and addressed questions and challenges arising from the use of the equipment to help improve product quality during production and delivery.



During the reporting period, we implemented multiple measures to continuously strengthen our quality management capabilities. We strived to drive quality improvement and upgrades in our products and modules, and achieved quality innovation and enhancement results.



2023 Quality Innovation Performance

Quality incident response system

Haier Biomedical is committed to its corporate responsibilities. We have established a global early major incident warning system and drafted the *Adverse Event Reporting, Recall, and Information Notification Control Procedures*. We conduct regular product safety risk assessments and re-assessments and when necessary, recall medical devices with potential safety risks to prevent the recurrence and spread of serious adverse events and safeguard the safety of our users.



Haier Biomedical's Product Recall Process

During the reporting period, Haier Biomedical had no major quality and safety incident or product recall.

Promoting a Culture of Quality

Haier Biomedical proactively advocates the quality concept of "reverence for life and quality". We continuously implement our quality awareness that is shared and co-created by all our employees in every aspect of our business. We have promoted a diverse range of quality culture case studies, created unique quality culture benchmarks, and built a leading quality integrity system. These allow us to build an influential culture of quality with a wide reach.

Quality culture promotion

Haier Biomedical proactively explores ways to promote a culture of quality. We offer guidance to our employees and relevant parties to enhance their quality awareness, and continue to encourage our employees to cultivate the quality culture.

Setting benchmarks

We regularly organize "ZBB Talent Chain Celebrity List", "Haier Group Monthly Awards", "Wanlian Monthly Customer Stars", "Monthly Quality Stars" and other assessment competitions and announce the results via emails, ihaier and other channels to all employees to commend those who have made outstanding contributions.

Official account posts

Our official WeChat accounts, such as Walian Maker Home and Haier Biomedical, regularly share our latest products, trends and quality management concepts to relevant parties such as our customers.

Advertising slogans

Quality slogans, red lines, warnings and other content are placed at prominent locations in production workshops and office buildings to continuously enhance employees' quality awareness.

Makers' speech competitions

Themed activities on quality culture building and quality management are held regularly to enrich our employees' lives.

Haier Biomedical adheres to the principle of "quality first, do not accept, product or deliver defective products". Every year, we organize a series of quality culture activities such as "Quality Month", for all our employees. Through a variety of activities such as assembly skills competitions, "Military Order" competition, and quality skills training, we comprehensively cultivated the culture of quality and improve our quality management standards. In September 2023, Haier Biomedical organized a series of "Quality Month" activities under the theme of "creating quality to improve user experience and promote high-quality development" to encourage employees to participate in quality improvement practices and improve their quality-related capabilities.



Hair Biomedical Quality Month Activities



Quality integrity system construction

At Haier Biomedical, we embrace values of righteousness, integrity, and collaborative value creation. We've established a robust quality integrity system with legal compliance as its foundation, encouraging the active involvement of all relevant departments throughout the entire production and usage processes.

In order to strengthen our commitment to and guarantee for quality and integrity, and effectively protect the our quality threshold, we published the *Haier Biomedical Quality Red Line* to establish a clearer code of integrity. The guideline specifies the penalties of any violation that will increase for repeated offenders.

In recent years, through the construction of a comprehensive quality integrity system, Haier Biomedical has won awards such as National Product and Service Quality Integrity Brand and the National Product and Service Quality Integrity Demonstration Enterprise.



National Product and Service Quality Integrity Brand by CAQI



National Product and Service Quality Integrity Model Enterprise by CAQI



02

Integrity: Co-creating a Life Foundation

Haier Biomedical prioritizes compliant and sound corporate operations. We always aim to establish an honest industry ecosystem across all stakeholders. Internally, we have implemented a robust corporate governance structure and are actively cultivating an honest and transparent corporate culture to prevent operational risks. Externally, we collaborate with suppliers to develop a responsible and sustainable supply chain. Additionally, we integrate user-centricity principles and co-progression with users into our whole process of business practices to foster a sustainable future with our partners.



Key Indicators

40%

of directors identify as women

1

general meeting of shareholders held

5

meetings of directors held

3

performance briefings held

2

Anti-corruption education sessions for middle and senior managements conducted

Integrity education sessions for

100%

of staff

100%

Coverage of integrity notices to suppliers

100%

of customer complaints successfully resolved

Customer satisfaction rate reached

99.94%



Steady Governance with Responsibility

Haier Biomedical is committed to maintaining advanced corporate governance, adhering to business ethics, and ensuring transparent development. We continue to improve our internal governance and risk control systems, guaranteeing compliant operations. We also constantly strengthen our business ethics and risk prevention practices to ensure lawful and compliant operations, laying a solid foundation for sound and sustainable development.

Corporate Governance

Operations of the Board of Directors

Haier Biomedical strictly abides by the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange* and any other relevant laws and regulations. We continuously improve our corporate governance structure and management systems, enhance corporate governance, and standardize our operations while actively protecting the legitimate rights and interests of our investors.

Haier Biomedical has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, and its special sub-committees and management. The General Meeting of Shareholders elects all members of the Board of Directors. The Board of Directors oversees the Company’s affairs and makes operational decisions on behalf of the Company. It has the right to appoint and remove the

Company’s senior management and to control major decisions in the Company’s daily operations. In addition, the Company has established the Board of Supervisors and the Securities Department. The members of the Board of Supervisors are democratically elected by the General Meeting of Shareholders and employees, and they perform supervisory duties on behalf of the shareholders.

The Company actively implements the diversity policy of the Board of Directors, with a focus on achieving diversity in terms of industry experience, work background, and professional skills of the Board members. When electing members to the Board of Directors, we consider appointing individuals based on diverse criteria and strive to enhance diversity in various aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, industry expertise, and work experience. As of the end of the reporting period, 40% of the Board members were women.

Title	Name	Gender	Education
Chairman	Tan Lixia	Female	Doctor of Professional Advanced Studies (DrAPS) in Applied Finance
Director	Zhou Yunjie	Male	Ph.D. in Business Administration
Director	Liu Zhanjie	Male	PhD in Refrigeration and Cryogenic Engineering Master of Business Administration
Director	Gong Wenwen	Female	Bachelor of Management and Economics
Director	Wang Wenfu	Male	Bachelor of Engineering
Director	Hu Xiong	Male	Master of Business Administration Bachelor of Economics and Information Management
Independent Director	Chen Jie	Female	Master of Business Administration Bachelor of Applied Chemistry in Ceramics
Independent Director	Luo Jin	Female	PhD in Biochemistry and Molecular Biology
Independent Director	Zou Dianxin	Male	Master of Medicine
Independent Director	Huang Weide	Male	Bachelor of Economics and Business

The proportion of female executives:

	Total Executives	Female	Proportion
Board of Directors	10	4	40%
Board of Supervisors	3	3	100%
Senior Management	8	3	37.5%

Over the past year, the Company held one General Meeting of Shareholders, five Meetings of Directors, five Meetings of Supervisors, five Audit Committee meetings, and one Strategy and ESG Committee meeting. The discussions in these meetings encompassed various topics, including periodic reports, quarterly reports, profit distribution, connected transactions, and revisions to the foreign investment system. The Company also conducts regular General Meetings of Shareholders and ensures open lines of communication with its shareholders.

Investor communication

Based on the principles of true, accurate, and comprehensive information disclosure, Haier Biomedical strictly adheres to the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, the *Measures for the Administration of Information Disclosure by Listed Companies*, and other relevant regulations. We have developed a *Working Memorandum on Information Disclosure*. Internally, Haier Biomedical implements prior notification for important matters and conducts corporate governance training. It has established a comprehensive information disclosure management system to ensure compliance in related work.

We prioritize the opinions of our investors and actively

engage with stakeholders through performance briefings, SSE e-interaction, calls with investors, and an Investor Relations Column. These initiatives allow us to better understand their expectations and requirements regarding ESG information disclosure and management. In 2023, the Company held three performance briefings, sent 59 responses to SSE e-interactions, published 31 Investor Relations Record Sheets, and updated its Investor Relations Column nine times.

In addition, we strongly emphasize the protection of investors’ rights and interests. Throughout the reporting period, we also actively facilitated share repurchases and rewarded our investors through cash dividends.



Investor Communications Site



Business Ethics

Haier Biomedical strongly emphasizes operational compliance by adhering to business ethics and eradicating corruption, unfair competition, and other illegal activities. We are dedicated to minimizing conflicts of interest and engaging with our industry partners in an open and transparent manner.

Anti-corruption

When it comes to sound business operations, the significance of anti-corruption efforts should not be underestimated. Haier Biomedical strictly complies with the *Company Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, and other relevant laws and regulations. We have formulated and regularly update internal management systems, such as the *Haier Group Business Code of Conduct*, the *Code of Conduct for Employees*, and the *Haier Biomedical Code of Conduct*, to promote a culture of integrity and tightly control corruption risks.

We have established a comprehensive internal control and audit platform. An independent auditing department plans, coordinates, and implements the company's internal audit work. We have also established internal control and audit

In the context of digitalisation, we also prioritize information security and privacy protection, effectively safeguard the legitimate rights and interests of our partners, users, and patients, and strive to build a transparent ecosystem.

counterparts in each division and subsidiary. They collaborate with the internal control and audit platform, facilitating risk assessment and corrective measures.

In 2023, we shifted our approach from anti-fraud to fraud prevention, launching the initial version of our fraud prevention map. We have also established three pillars of anti-corruption: deterrence, blocking, and supervision. By increasing penalties for non-compliance, blocking process loopholes, strengthening awareness, building a culture of transparency, and other measures, we have gradually formed a culture of integrity within the Company so that employees dare not, cannot, and do not want to engage in corruption practices.

Employee anti-corruption awareness

Over the past year, we organized two anti-corruption education sessions for middle and senior managements and 24 awareness trainings for all company employees. We require all employees to sign a Letter of the Commitment to Integrity and Self-discipline every year to cultivate, consolidate, and enhance the importance of anti-corruption as well as their awareness of compliance and discipline.

Haier Biomedical Awareness Training

In February 2023, the Company conducted an awareness training on the biomedical platform for all employees. The training investigated and analysed corruption cases, and introduced the reporting mechanism for suspected corruption cases. All staff in Qingdao participated on-site, while staff working outside of Qingdao joined online through ihaier. On-site staff completed a sign-in sheet and the *Letter of Commitment to Integrity and Self-discipline*. Awareness training helps strengthen the staff's understanding and commitment to a transparent work culture throughout the Company, which facilitates healthy and sustainable development.



Staff in Qingdao participate in awareness training

Anti-corruption with partners

In 2023, we issued the *Haier Biomedical Bidding Management Measures* to address the loopholes found during system and process diagnosis. We optimized the bidding process and formed a monitoring mechanism for early intervention in the project bidding process. These measures aim to effectively mitigate fraud risks.

In addition, we have implemented rules and regulations to govern the acceptance of gifts in business cooperation. For example, business representatives must promptly consult the compliance officer and report the situation. If the fraudulent behaviour was detected in the process, we would handle the situation following the provisions set out in the *Haier Group Code of Business Conduct*. Furthermore, we have arranged for internal auditors to visit key suppliers and distributors to promote compliance activities and issue integrity reminder letters to 100% of suppliers.

Reporting mechanism

To guarantee smooth reporting and protect whistle-blowers, the Company's compliance hotline is a reporting website independently operated by a third-party service provider. The reporting phone number and email address are also managed by specialized personnel. We do our utmost to protect the rights and interests of whistleblowers, stipulating that their personal information must be kept strictly confidential. In the case of retaliation, we provide a channel for whistleblowers to raise their concerns; in response, we swiftly investigate any incidents and handle them seriously. In addition, we have established a dedicated fund to incentivize the reporting of misconduct in accordance with *Haier Group's Whistleblowing Reward System*.

Haier Biomedical provides accessible whistleblowing channels for all employees within the company and external partners such as suppliers.

- Report Phone Number: 137- 3095- 3132

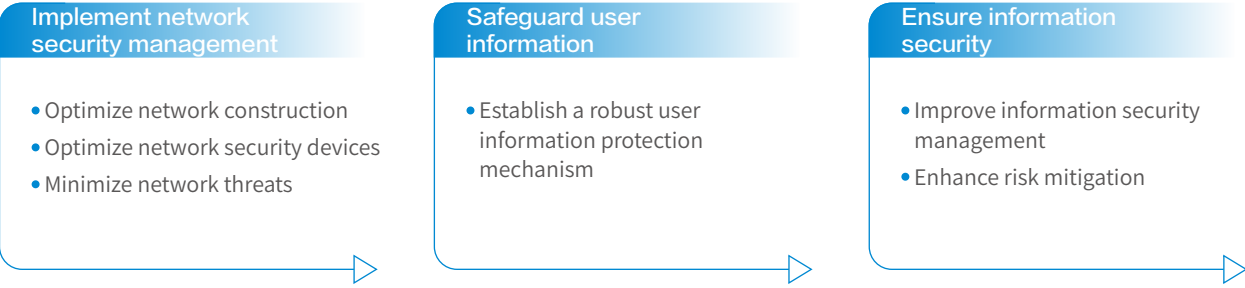
Report E-mail: haierbiomedical@haierbiomedical.com
jkjubao@haier.com
jubao@haier.com
- Compliance Hotline: haierchina.ethicspoint.com

Internal platform: iHaier Reporting channel for Fraud reporting

Information security

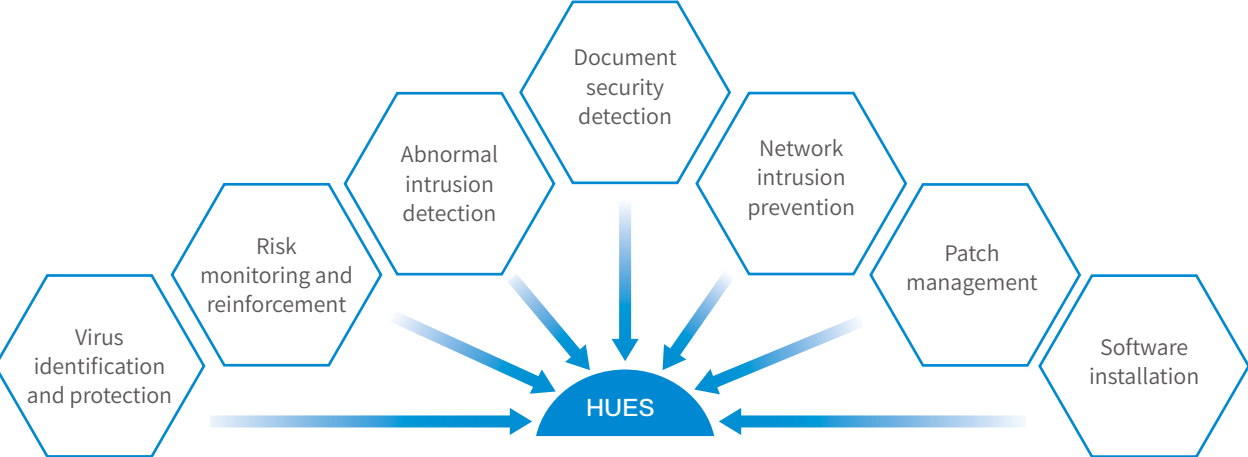
Haier Biomedical strictly adheres to the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other relevant laws and regulations. We have formulated and regularly updates a series of internal information security systems, such as the *Code of Conduct for Biomedical Information Security*, which aims to safeguard the information security and privacy of our stakeholders.

A comprehensive information security management system enables us to provide robust support for information security.



We have developed the *Haier Biomedical Data Security Classification Standards* to better manage information security classification; we have also determined security levels for all data categories. At the same time, all company members must sign the *Non-Disclosure Agreement* and the *Confidentiality Commitment*, ensuring the implementation of information security measures by every employee and guaranteeing compliance in collecting and handling information. In 2023, we conducted at least one monthly drill on information security and phishing e-mails. These initiatives help us enhance risk prevention awareness among employees and ensure information security compliance across the Company.

We have universally implemented HUES, a terminal security software, and independently manage terminal security policies to ensure the systematic maintenance of the Company's information security.



In 2023, our SAP system obtained the Level 3 certification from the Classified Protection of Information System Security and has passed the ISO 27001 Information Security Management System Certification. There were no significant information security incidents in the Company during the year.

Measures against unfair competition

We advocate for the establishment of a fair global marketplace and the prevention of unfair competition. We strictly abide by the *Anti-Unfair Competition Law of the People's Republic of China* and have formulated the *Code of Conduct for Employees*. It stipulates that all employees, when participating in market competition, must be honest and fair in the face of competitors, customers, and suppliers, truthfully represent product information, and avoid behaviours that harm the spirit of fair competition and the interests of consumers.

Mitigating conflicts of interest

Haier Biomedical is firmly committed to preventing any form of conflict of interest and maintaining a fair, just, and transparent operating environment. At the end of each year, we request that all employees declare their conflicts of interest and fill out the Conflict of Interest Declaration Form. This prevents situations that may lead to conflicts of interest and ensures that the Company is not involved in events related to conflicts of interest, safeguarding its development and success.

In 2023

0

Unfair competition litigation cases

Risk management and control

Risk management and control are crucial for Haier Biomedical. To this end, Haier Biomedical has formulated internal risk management systems, including the *Comprehensive Risk Management System Operation Standards* and the *Reporting and Disposal Standards for Significant Operational Risk Events*. We regularly optimize the internal risk management and control system and actively identify and assess risks to ensure effective risk management.

Haier Biomedical consistently strengthens its risk management processes. The Company has established a sound risk management mechanism to identify and alert potential risks in the course of operations, taking into account the

company's business profile and operational models. By establishing a well-defined risk management framework, Haier Biomedical has clarified the roles and responsibilities of the Board of Directors, Board of Supervisors, management personnel, the internal control team, and the external auditor in the risk prevention and control system, enabling effective risk control measures.

To effectively allocate risk management responsibilities, we have established three lines of defence for risk management. These apply to internal Company processes and are based on best practices from our industry peers.



We implement risk control at three levels: pre-event, during the event, and post-event. Baseline rules and regulations should be stipulated before the event. During the event, comprehensive risk management must be implemented. Post-event, it is crucial to roll out audit restoration procedures to achieve a comprehensive risk control mechanism. A sound control system ensures that the Company can effectively identify, assess, monitor, and respond to various risks, thereby safeguarding its sound operations and sustainable development.

In addition, we conducted specialized risk audits to specifically target variations in the implementation of business processes. Furthermore, we have used ICTs (information and communications technologies) to implement an early warning mechanism that can

detect similar problems arising in the future, facilitating comprehensive risk mitigation. In 2023, Haier Biomedical conducted two comprehensive risk assessment exercises. Following the Risk Universe Model, we hierarchically classified multiple identified risks and completed the follow-up and resolution stages to address these risks.





Collaboration for Development and Value Generation

Haier Biomedical adheres to an open and honest procurement model. We advocate for mutually beneficial and evolutionary partnerships, striving to build a highly synergistic and flexible supply chain. We operate full-cycle supplier management and information management systems and collaborate with our suppliers to promote mutual value generation. We also focus on building a sustainable supply chain, generating added value for the business world.

Supplier Management

Full-cycle Management

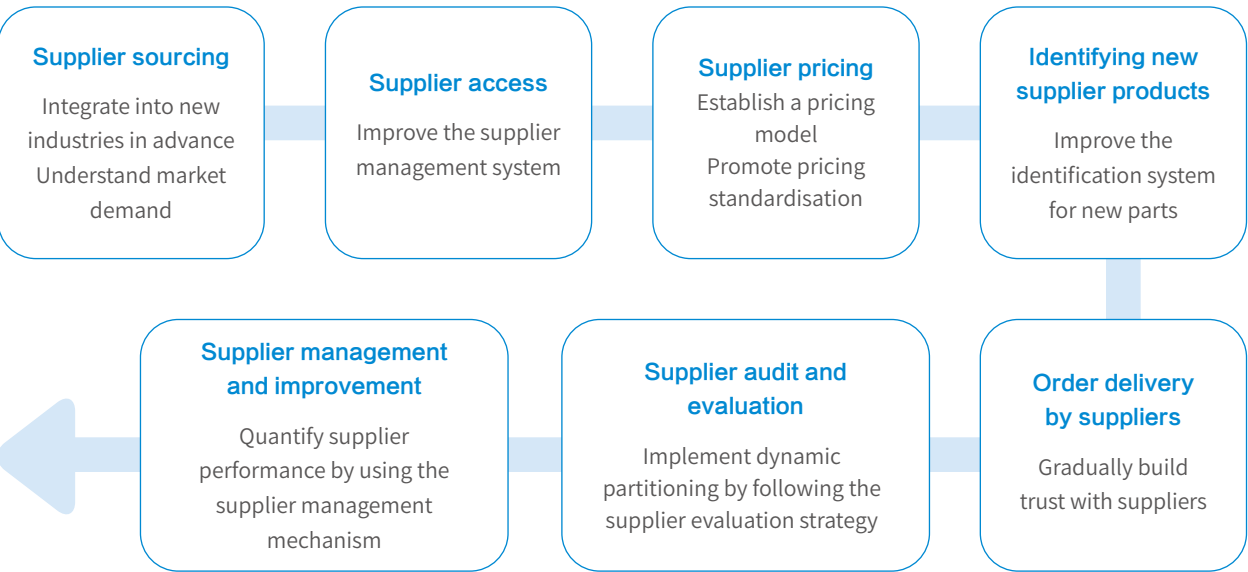
The Company prioritizes a secure and stable supply chain. To this end, we have developed and adhered to our *Supplier Evaluation Strategy*, which is regularly updated and adjusted in accordance with the Company's development.

During the reporting period, we optimized the full-cycle assessment criteria for suppliers. We strictly control the supplier management system from start to finish and strengthen suppliers auditing to mitigate all possible supply chain risks.

When onboarding suppliers, the Company conducts a tripartite evaluation involving procurement, quality, and R&D to ensure that new suppliers fully comply with the Company's requirements. During our collaboration, we require all suppliers to sign and strictly comply with the *Supplier Code of Conduct*, which encourages suppliers to control the quality

of their deliveries, reduce the environmental impact of their operations, and protect the legal rights of laborers. In terms of supplier assessment and evaluation, Haier Biomedical continues to enhance the funnel and competition mechanism to select suppliers and partners that are best suited to the Company's needs. Our ultimate goal is to build a base of suppliers whose delivery is timely, high-quality, and consistent.

Furthermore, we use our IT system to assess our suppliers regarding on-site inspections, quality performance, and system capabilities. The evaluation results serve as the basis for classification and control measures. When underperformance is detected, we alert partners of their performance issues, conduct high-level interviews, and require them to optimize their processes. During the reporting period, we assessed 503 suppliers, communicated with suppliers as necessary, and promote quality improvement through hierarchical and targeted measures.



In 2023, the Company introduced 103 suppliers and let go of 19 suppliers.

Introduced

103

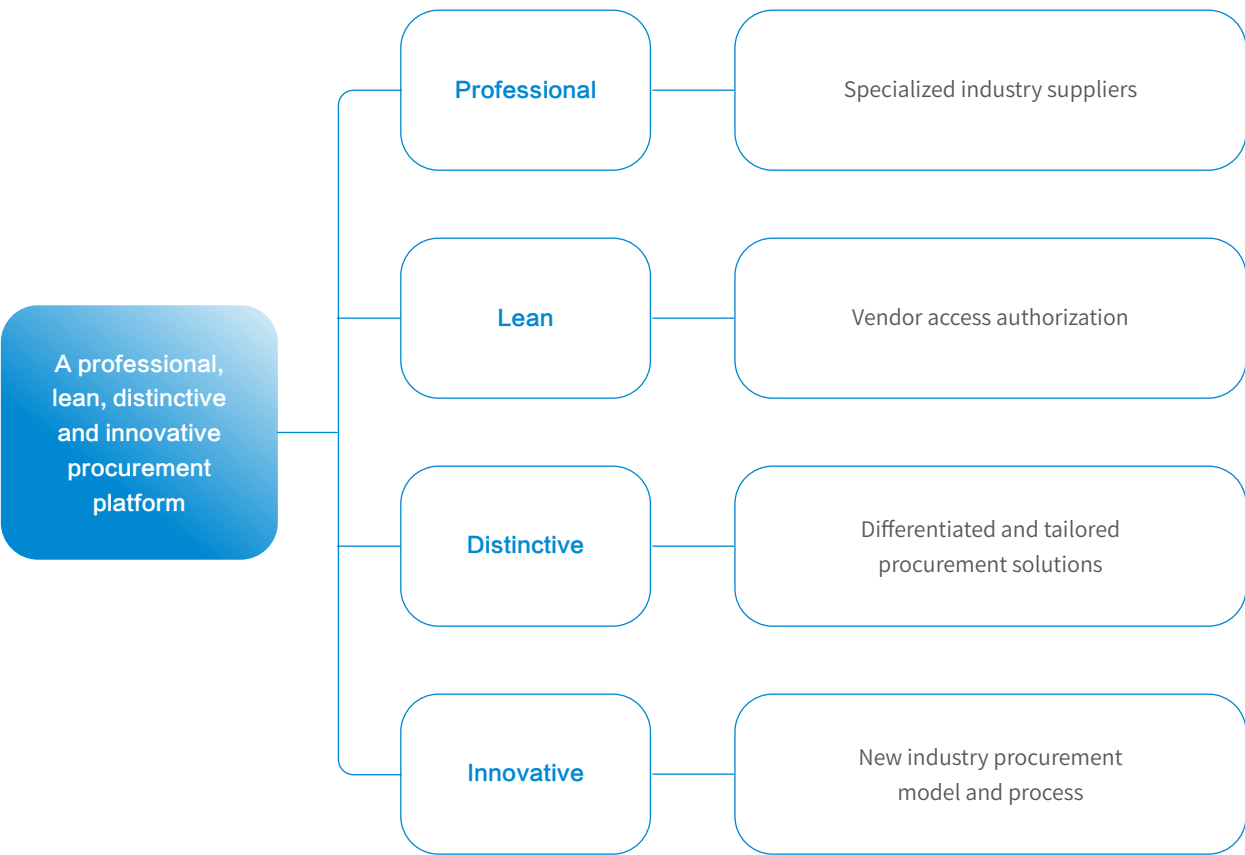
suppliers



Procurement platform development

Over the past year, we have continued to build and optimize our procurement platform to form a fitting supply chain management system for Haier Biomedical. We ensure comprehensive and professional management in supplier onboarding, full-cycle management, procurement program development and execution, as well as procurement models and processes. This approach strengthens our supply chain management capabilities and helps us improve supplier quality and cooperation efficiency.

We have also been working on digitizing our procurement platform. The procurement system is updated iteratively. Along the way, we have standardized the procurement process and strengthened supplier relationship management by optimizing visualisation and making the sample pricing process available online. We have set up a specific module between Haier Group and Haier Biomedical to compare material prices, helping reduce procurement costs. In addition, we label suppliers, allowing the Company to tap into high-quality suppliers in different regions, thereby ensuring the stability of material quality.



Procurement Platform Model

Responsible Supply Chain

The Company prioritizes working with suppliers who deliver consistent quality and actively pursue social and environmental responsibility. We seamlessly incorporate these dimensions into the supply chain management process to assist suppliers in establishing a transparent industrial chain ecosystem. We enhance the quality of our supply chain through stringent quality requirements and close supplier communication. Additionally, we promote transparent procurement by signing *Integrity Agreements* with suppliers; we ensure green procurement by integrating environmental requirements into the supplier selection and assessment process.

Supplier quality audit

To implement efficient quality control measures, Haier Biomedical audits raw materials, production equipment, and supplier processes when introducing suppliers. This helps us ensure the authenticity of raw materials coming from each factory. Suppliers must also sign quality agreements to guarantee the quality of their products.

In 2023, Haier Biomedical audited 37 suppliers, with a primary focus on enhancing lead times and resolving quality issues. After the audits, Haier Biomedical provided the necessary enhancement coaching to suppliers and clarified the quality delivery requirements to ensure conformity and consistency of the supplied products.

Suppliers labor rights

Haier Biomedical requires suppliers to uphold labor rights and to employ workers legally. We have included clauses prohibiting child labor, forced labor, and discrimination in our procurement contracts. We also advocate that suppliers provide their employees with reasonable working hours, wages, and benefits to ensure that their legitimate rights and interests are safeguarded. During on-site audits, we assess whether suppliers have the provisions in place to safeguard their employees' human and labor rights, encompassing employment systems, worker safety, and occupational health. Such audits help ensure supplier responsibilities toward their employees and reduce the risks of working with suppliers.

At the same time, we emphasize the health and safety rights of all supplier personnel who enter the Company's operations. Such personnel must have regular safety training and education, and they must pass a test before working onsite. By doing so, we protect the safety of our staff and reduce the health and safety risks for our partners.



Onsite Safety Education

Conflict minerals management

Haier Biomedical actively builds a responsible supply chain and consistently enhances our conflict minerals management. To this end, we have formulated a management system and process whereby the Procurement Department, the Product Research and Development Department, and other departments work together to supervise and manage matters related to conflict minerals. They continuously supervise and control the risk of conflict minerals in the supply chain. At the same time, we collaborate with the

supply chain upstream and downstream to audit our suppliers. We regularly investigate how our suppliers manage conflict minerals to ensure that supplier factories have policies or written procedures to avoid using and procuring disputed mining metal products. We continue to enhance supply chain transparency to ensure that minerals sourced do not come from conflict zones, creating a responsible supply chain.

Honest procurement

The Company adheres to the national laws and regulations and the regulations of the place of operation. While focusing on our own compliance, we also collaborate with our partners to build an ecosystem of integrity. We require all suppliers to sign a Supplier Integrity Agreement, which stipulates that suppliers must abide by the code of business ethics and prohibit corruption, fraud, and other violations of business ethics.

As of the end of the reporting period
Our suppliers had signed integrity agreements

100%

Green procurement

Green procurement allows enterprises to reduce resource consumption and production costs while improving product quality and market competitiveness. As such, we require the procurement department to include environmental qualifications in the supplier admission principles when conducting supplier screening.

environmental protection, such as ISO 14001, ROHS compliance, REACH certified qualification documents, and so on. They must also sign an Environmental Protection Commitment Letter. For initial collaboration with suppliers, we inspect the sources of their materials to verify the environmental impact of their products. In 2023, we conducted environmental audits on 37 key suppliers, all of whom met the qualification criteria.

During supplier onboarding, suppliers must provide certificates and qualification documents related to

Haier Biomedical joins Sustainable Markets Initiative China Council Health System Working Group

On 6 November, during the 6th China International Import Expo, Haier Biomedical was invited to join the Sustainable Markets Initiative China Council Health System Working Group. The working group focuses on decarbonising the supply chain; it also accelerates green transformation and supply chain upgrades by promoting and applying green and low-carbon solutions for the pharmaceutical industry through cooperation and joint actions. By joining this open and shared platform, Haier Biomedical will help accelerate the net-zero transformation of China's healthcare system with its own environmentally friendly practices. We will also bring China's expertise and solutions to promote global green, healthy, and sustainable development.



Service Upgrades, Customer First

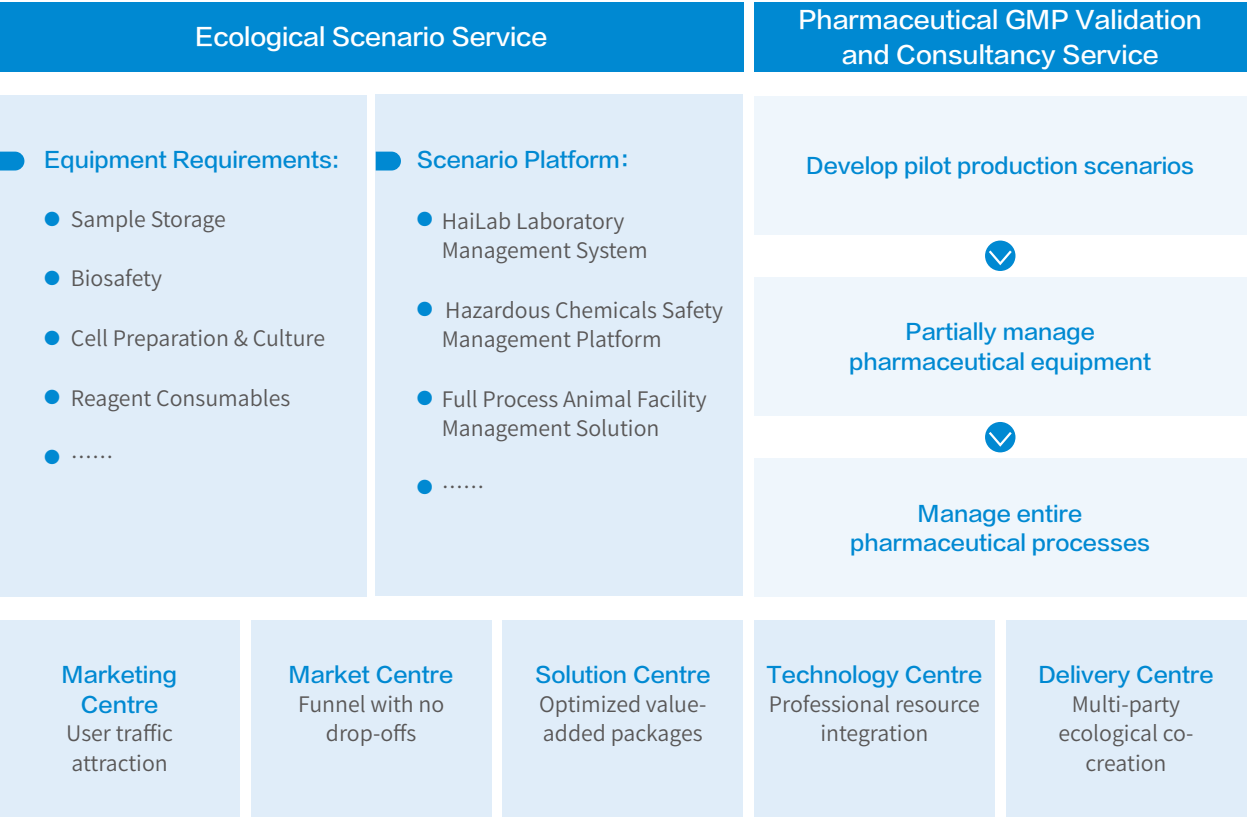


Haier Biomedical emphasizes user experience, prioritizes customer centricity and strives to improve customer satisfaction. We are committed to creating an integral, seamless user experience supported by big data. While focusing on providing quality services to our customers, we also comply with marketing norms to safeguard their rights and interests.

Optimizing User Experience

Upgraded ecological scenario service system

Haier Biomedical services focus on convenience, aiming to create the best user experience throughout the process. In 2023, guided by our service philosophy and objectives, we optimized and upgraded our customer service system. The new system provides full-scenario and full-process services, enabling ease of use and increasing customer satisfaction.



Haier Biomedical Service System

Premium service mechanism

Haier Biomedical adheres to the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations in its operational regions. Over the reporting period, we have formulated and updated our internal service management systems, such as the *After-sales Service Management System*, the *After-sales Defective Product Return Management System*, the *After-sales Training Management Provisions*, and the *User Satisfaction Return Management Provisions*. These systems allow us to continuously enhance our service processes.

Our service processes cover the whole cycle of operations and scenarios. We have established a comprehensive and systematic service process for installation, inspection, defective product return and replacement, phone consultations, and other scenarios. We have planned a robust after-sales service network, tracked the progress of service information, and conducted business training for outlets. Thereby, we ensure

that our service personnel adhere to the highest service standards and improve work efficiency. Our ultimate aim is to achieve "0 complaints". During the reporting period, we handled 40 customer complaints, all of which were handled within 24 hours, with a 100% completion rate and a domestic customer satisfaction rate of 99.94%.

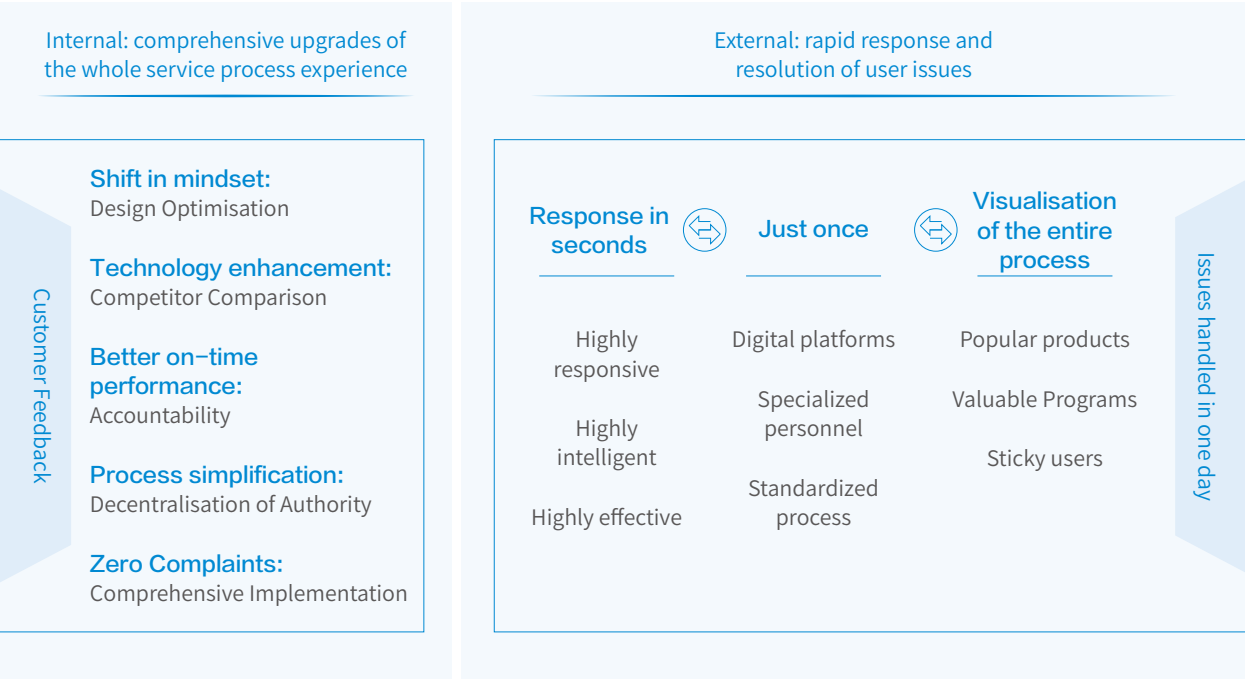
Domestic customer satisfaction rate

99.94%

Ongoing improvement across service capabilities

Digital Service Operation and Maintenance Platform

We have built and regularly optimized a digital platform to provide users with efficient technical support, increasing product and service experience. Internally, focus on actively listening to customer feedback. We proactively drive comprehensive upgrades across the entire process, ensuring that we consistently deliver on our promises. Externally, we insist on speedy responses and solving customer problems the first time. We visualize the whole service process on the digital platform.



Haier Biomedical Digital Service Transformation Path

Service guards training

In 2023, Haier Biomedical conducted a series of trainings for customer service personnel to improve service standards and customer satisfaction. We set up clear, scenario-oriented training objectives for different series of trainings. These emphasize practice and feedback to strengthen the professional skills of Haier Biomedical Service Guards.



- Service skills training
- Periodic inspection
- Domestic training
- Interactive learning with other companies
- New product pre-launch training
- Free service assistance for users affected by natural disasters

Building scenario service models

This year, we upgraded the entire service model, revolutionizing the conventional approach by proactively identifying customer needs and providing users with a complete set of exclusive solutions. This has led to true co-creation with users. From city networks to social services, we accurately identify customer and market demands, rapidly develop tailored solutions, and achieve full process closure with our mission-driven service.

User experience optimisation

Premium service model

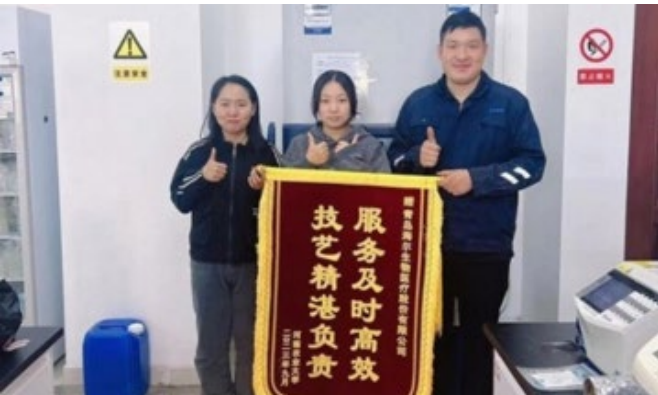
We offer our clients a premium 1-on-1 butler service, i.e., a personalized customer service representative), and a full-process service system encompassing programs, markets, and services with AI risk warning capabilities. Injecting AI has allowed us to transform from reactive to proactive customer service to create an integral, seamless user experience. Our customer service butlers provide support and respond within seconds, earning a positive reputation across multiple channels. The premium service model uses the data platform AI to facilitate the butler's work. It proactively offers users a complete set of solutions; it also continuously iterates and upgrades its services to better serve users.

- Ensure normal equipment operations by assisting in production follow-up at the user's site.
- Ensure quick response, timely visits, improved service satisfaction, and proactive inspections to ensure user stickiness.
- Provide on-site services with real-time response to user needs.
- Engage with users to improve, satisfy, and iterate customer services and keep the product ahead of the curve.

Premium Service Butler Service Model

Premium service: Haier Biomedical after-sales staff supports university users, receives positive feedback

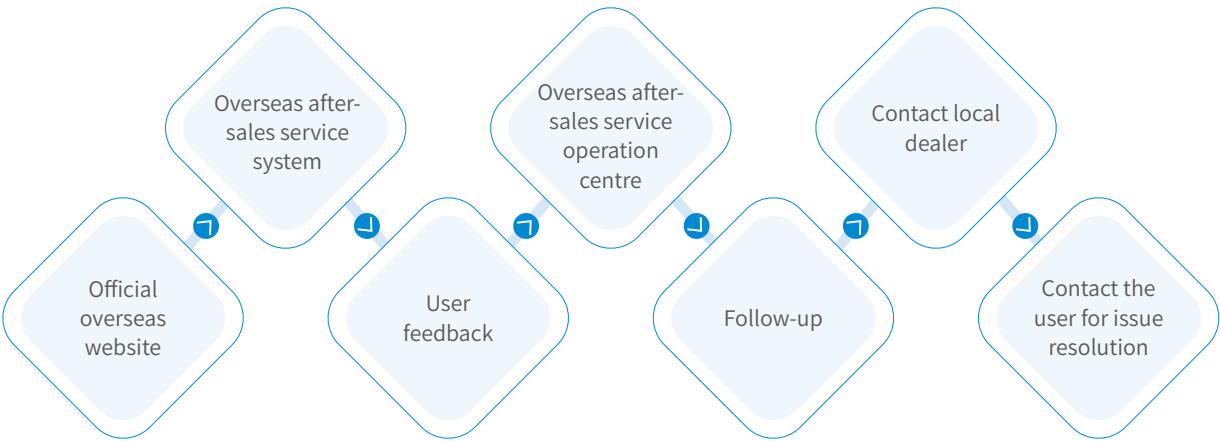
On September 4, 2023, a user from Henan Agricultural University reported an ultra-low temperature refrigerator door failure. The temperature continued to rise, and there were cells and other materials that needed to be dealt with urgently. The outlet manager quickly sent after-sales personnel to handle the issue. It took just two hours to solve the problem, protecting hazardous materials on the user's side and winning an excellent reputation for our staff.



Users have changing needs and may face unexpected situations at any time of the day. In response, Haier Biomedical offers 1-on-1 field services, providing professional and personalized response in real time. The 1-on-1 field service enhances Haier Biomedical's corporate image, strengthens user loyalty, improves user satisfaction and repurchase rate, and attracts more customers to use Haier Biomedical's products and services.

Overseas customer support

To promptly respond to the needs of overseas customers, we launched a digital service system on our overseas website. Previously, overseas customers could only e-mail us to provide feedback and receive support. Now, overseas customers can directly contact our overseas after-sales service operation centre through the after-sales service system. This has resulted in more convenient and faster user feedback and customer service.



Overseas After-sales Process

In addition to the new system, we have addressed the practical difficulties in using our products in developing regions. We assist our customers by solving after-sales problems through customized solutions and capacity building.

Capacity building

- The Company has established training centres in the Middle East, Africa, and other regions with limited access to medical services to provide support for distributors, technicians, and customer service personnel.

Tailored solutions

- To ensure the adequate transportation, storage, and use of vaccines in some parts of Africa, we have launched a complete cold chain solution from production and transportation to storage temperature monitoring and vaccination.
- For customers with limited access to electricity, we have developed special voltage regulators, ensuring product functioning and simplifying the process for customers.

In 2023, Haier Biomedical acquired several prestigious certifications, including the CTEAS After-sales Service System 7-star Certification, National Standard 5-star After-sales Service Enterprise, National Customer Satisfaction Assessment TOP 10, National Customer Satisfaction Assessment Industry TOP 10, and National After-sales Service TOP 10.



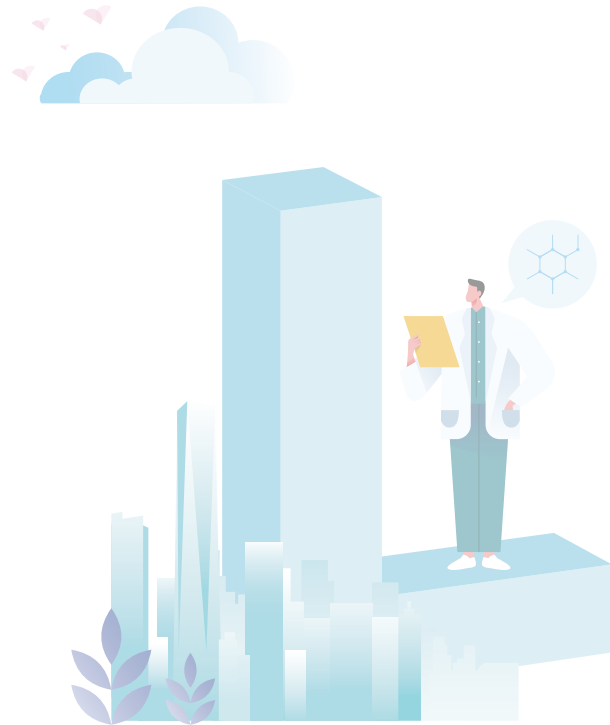
Haier Biomedical After-sales Authentication Certificates

Responsible marketing practices

When promoting our products and services, we pledge to always follow the principles of fairness, transparency, and integrity. While pursuing commercial interests, we adhere to our social responsibilities and practice compliant and responsible marketing. We strictly comply with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Provisions on the Administration of Instructions and Labels of Medical Devices (Decree No.6 of China Food and Drug Administration)*, and other laws and regulations that regulate product instructions and labelling.

information that fully comply with regulatory requirements. After launching our products, our dedicated brand marketing team also monitors customer comments and feedback on our official website and other platforms, monitors marketing compliance, and quickly addresses related risks.

Prior to product launch, Haier Biomedical's planning, R&D, and other teams collaborate to ensure that the product's highlights and marketing content are legally compliant. We continue to standardize how we manage product labelling and provide clear boundaries in marketing, preventing non-compliance from the outset. We have also established a self-inspection system for random documentation of external markings on equipment, ensuring that all new products are marketed with external product markings and service



03

Future: Co-creating Limitless Opportunities

Haier Biomedical employees are the cornerstone of our steady development. As such, we prioritise our staff's health and well-being. We have designed a systematic human resources development plan that responds to the unique needs of Haier Biomedical. The plan guides our employees' growth, allowing us to share our achievements with them and collaborate to realise life's values. We spare no effort to deliver value and improve public health with our business endowments and strengths.



Key Indicators

573

Newly recruited employees

90,479.2^{hours}

of employee training delivered

34.32^{hours}

of training delivered per
employee

100%

Coverage of employee training

100%

Coverage of social insurance
and physical examinations
for employees

Over 150

countries and regions have benefited
through our solutions and medical
equipments.

RMB 8.2828^{million}

Worth of donations in total

Unlocking the Integral Value between Staff and Customers ("Rendanheyi")

Haier Biomedical integrates the core concept of user-centricity into the Company's talent management and development strategies. We encourage employees to achieve their self-value, create value for users, and systematically develop their talent. We start by finding the right people, helping them succeed, and finally supporting them to achieve their full potential. We are committed to providing every employee with an equal, inclusive, healthy, and happy workplace. We are continually improving our strategies to attract and retain talent and send warmth and care to employees through our actions.

Employment Compliance

Recruitment

Haier Biomedical strictly abides by national laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. We use a range of public recruitment channels to attract talent in response to the Company's evolving human resources needs. We have formulated the *Haier Biomedical Recruitment and Employment Policy*, standardizing the procedures and setting clear criterias for recruiting and hiring new employees, which ensures fair, just, and open recruitment.

Haier Biomedical places great importance on compliance and legality in the employee recruitment process. We strictly review and verify candidates' age and identity information during recruitment, and firmly prohibit child labor. Additionally, we

actively promote the localization of employment mechanisms for domestic and international staff, responding to local talent development strategies and helping to address local employment challenges.

We regularly enhance our approaches to attracting top talent and supporting sustainable business development by finding the right people. As part of this process, we create more high-quality job opportunities for the industry and society. We also create business value by encouraging employees to pursue professional challenges and embrace change. In 2023, Haier Biomedical hired 573 new employees; at the same time, 38.3% of internal employees filled internal vacancies.

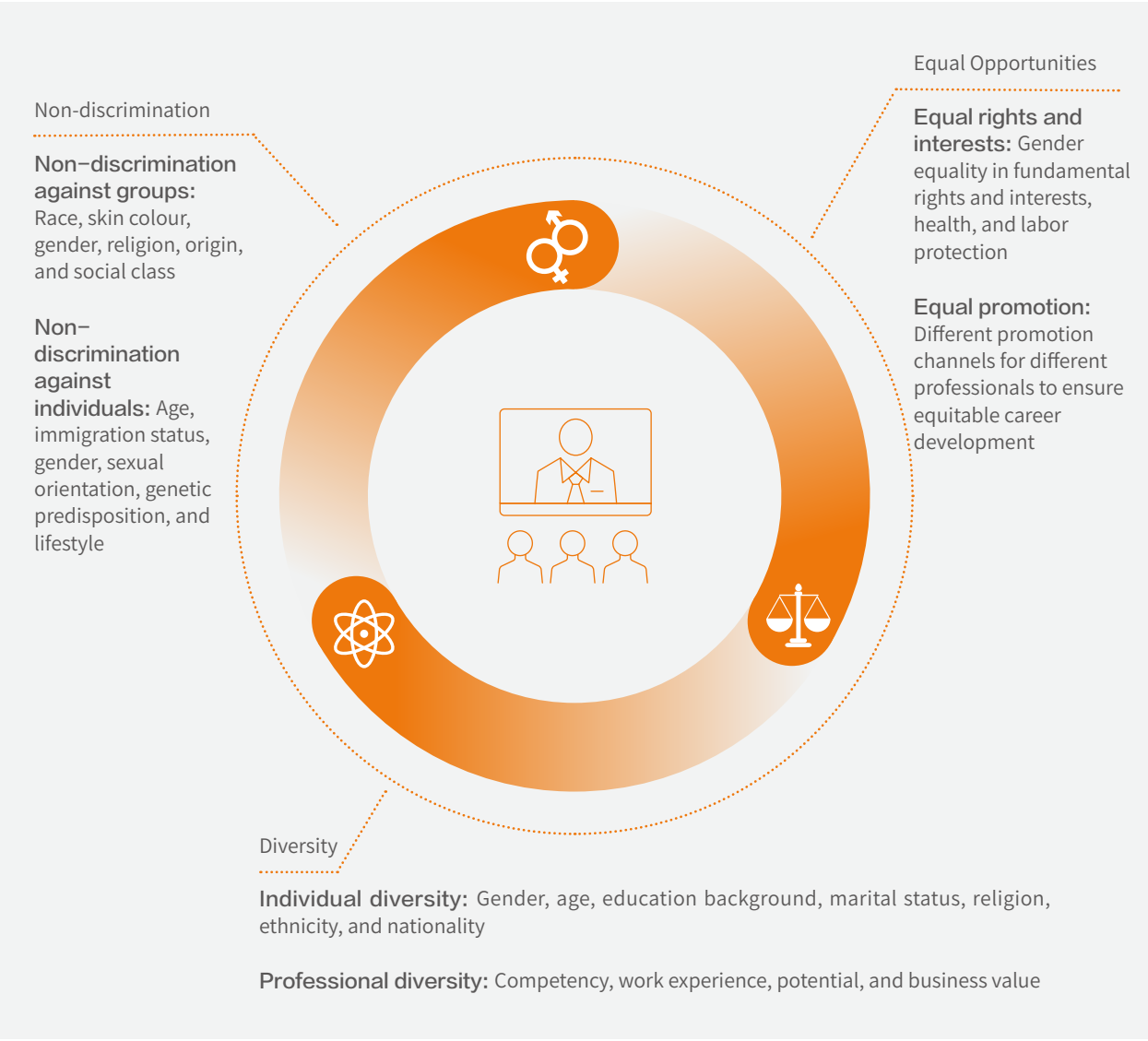


Haier Biomedical's Approach to Attracting Talent

Labor rights

Haier Biomedical upholds the values of non-discrimination, diversity, and equal opportunity. We understand and respect the diverse backgrounds of our employees and candidates. We oppose mistreatment and discriminatory behaviours on the grounds of gender, age, ethnicity, place of origin, marital status, and religious beliefs, and prohibit any forms of forced labor. Our policies aim to ensure everyone receives equal pay for equal work and effectively guarantee equal workplace rights.

Furthermore, we have a zero-tolerance policy for any aggression, harassment, or retaliation, and we promptly provide employees with appropriate legal support and assistance when necessary. For overseas employees, we strictly follow the local laws and regulations to ensure compliance and legal human resources management, protecting the rights and interests of overseas workers. At the same time, we ensure the rights and benefits of our employees to be entitled to sick leave, personal leave, marriage leave, parental leave (maternity and paternity leave), and other kinds of statutory holidays.



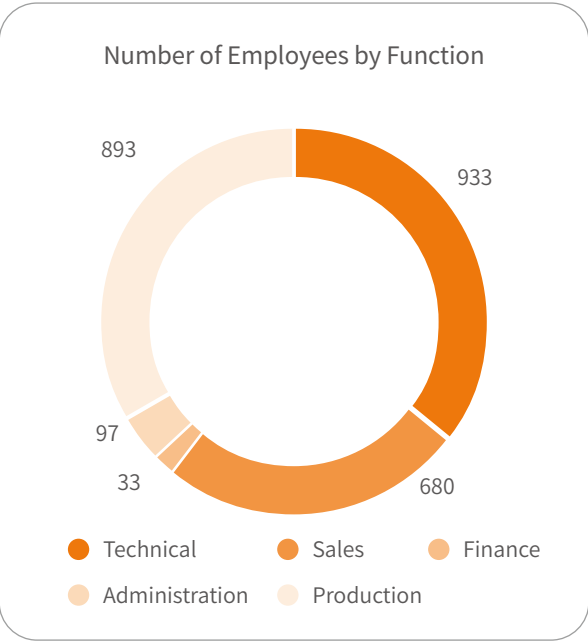
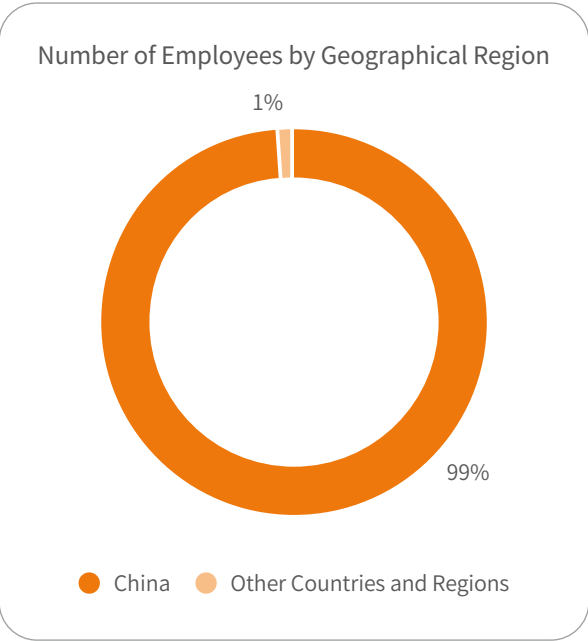
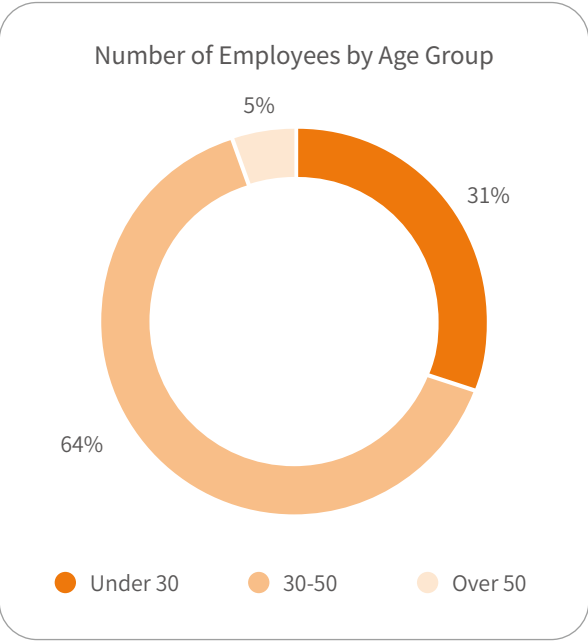
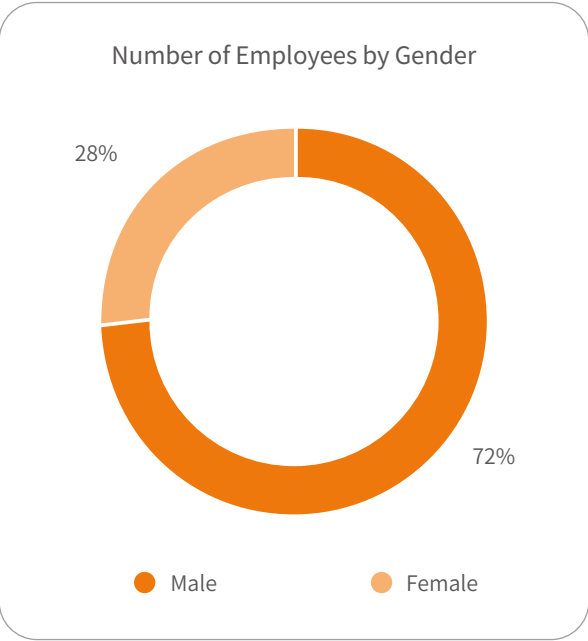
Haier Biomedical HR Management Philosophy

Under the guidance of our human resource management concepts and relevant internal policies, we strictly implement human rights protection for employees and regularly monitor behaviours that may harm their rights and interests. We have multiple reporting channels for employees to receive reports of human rights violations, including harassment, discrimination, forced overtime, etc. We will respond promptly, conduct investigations, and spare no effort to solve these challenges, helping to create a harmonious, regulated, and fair workplace environment.

Haier Biomedical believes in "no overtime if not necessary",

encouraging employees to work more efficiently and reasonably allocate time to enjoy job satisfaction and happiness. We regularly count our employees' overtime per internal regulations and, upon verification, provide them with the corresponding overtime pay following local laws and regulations.

As of the end of the reporting period, Haier Biomedical had 2,636 employees. We believe a diverse talent team is essential for the company to achieve its strategic development goals. The employee composition of Haier Biomedical is as follows.



Talent development

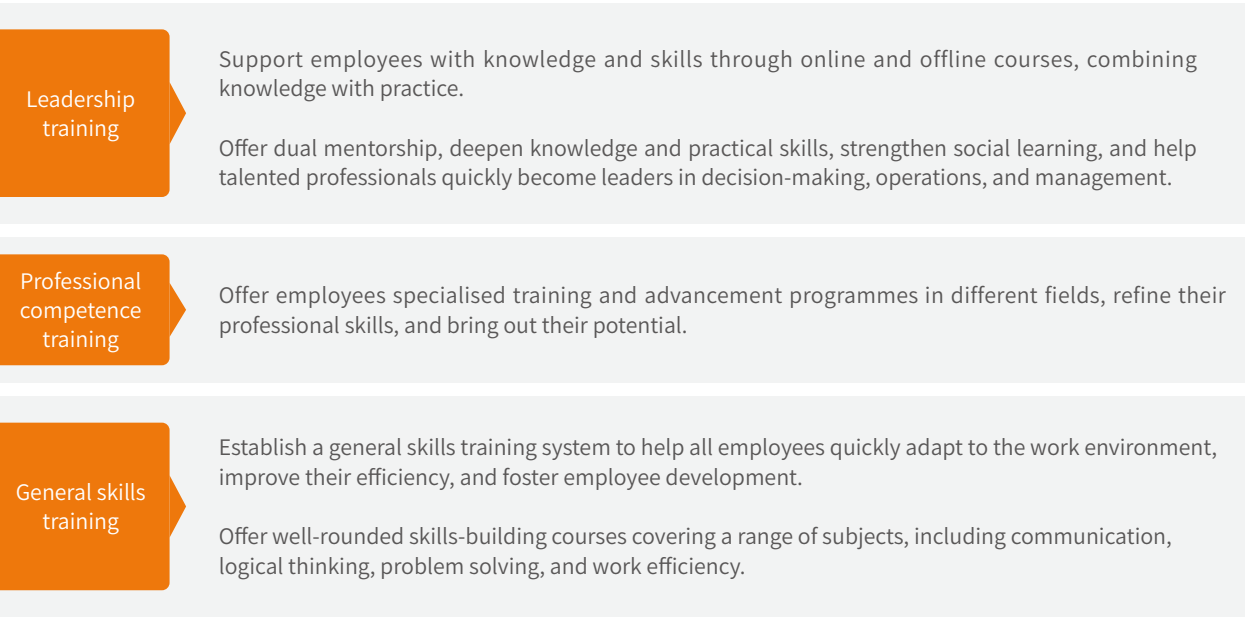
While pursuing our sound development, Haier Biomedical always encourages employee growth and value realisation. We comprehensively improve our talent training system and development programme and have clear professional growth pathways. These actions allow our employees to upskill and grow professionally, helping them achieve their career goals.

Employee Training

Haier Biomedical has developed a multi-dimensional training system for employees of different functions and levels. The system focuses on leadership, professional competence, and general skills. We regularly organise training sessions, which include onboarding, pre-service, on-the-job, and rotation.



Haier Biomedical Talent Development Model



Three Central Competencies Training System

During the reporting period, we implemented several specialised training programmes for campus makers¹, the management team, and other makers. These programmes help makers integrate into the work environment and improve their professional and management skills.

Future Partner Programme



Face-to-face exchange with senior executives



Future Partner icebreaker team-building



Future Partner Orientation



Future Partner onboarding

The Haier Biomedical Future Partner Cultivation Programme is a specialised advancement programme for outstanding fresh graduates whom the Company has newly hired. In 2023, we hosted various activities, such as orientation and face-to-face with senior executives, to help campus makers develop a profound understanding of our corporate culture. The aim is to explore and inspire their innovation and entrepreneurship potential, helping campus makers transition from students to employees and accelerating their integration into Haier Biomedical's corporate culture.

Project management (PMP) training and support plan

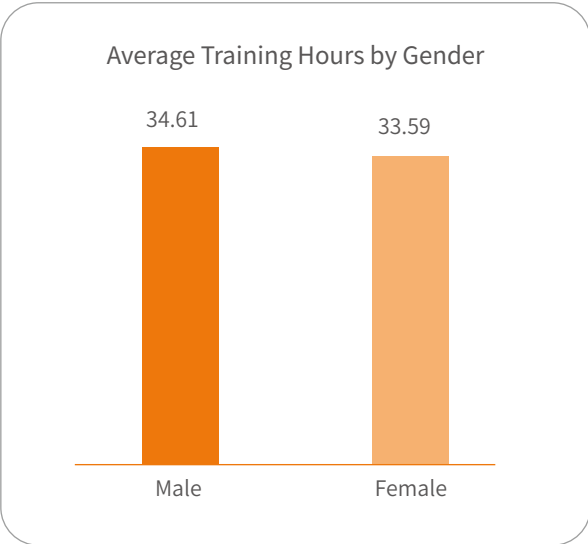
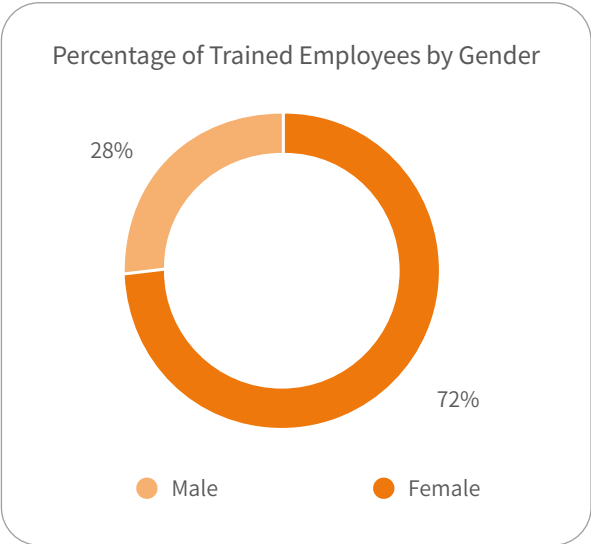


Project management training and support plan

In 2023, we strengthened the cultivation of project management talent and helped employees refine their project management skills. We encourage and support our employees in obtaining project management certificates at the company level and reimburse them for the examination fees following relevant regulations. This fosters more data-driven and justified project management standards and processes. This year, over 60 Haier Biomedical employees participated in project management training launched by the Company, and 65 received PMP certificates.

¹Haier Biomedical encourages employee entrepreneurship and innovation, so employees can realise themselves professionally. We call these employees "Makers".

During the reporting period, Haier Biomedical employees spent 90,479.2 hours on training. The average employee learnt for 34.32 hours and 100% of our staff participated in a training of some kind. The figure below breaks down these numbers further.

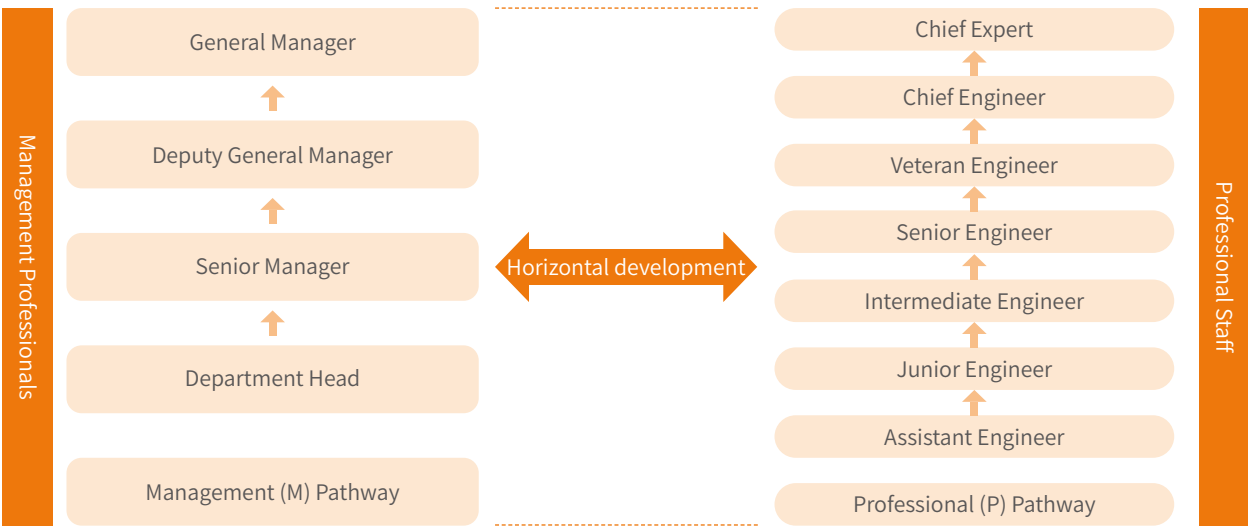


Promotion pathways

Haier Biomedical cares about employee growth and development, which is why we provide fair promotion opportunities and clear professional growth paths, establishing a mature platform for career development. We have formulated internal policies, such as the *Haier Biomedical Maker Development Policy*, which promote individual value generation, improve makers' pathways,

empower makers' growth, and diversify their development.

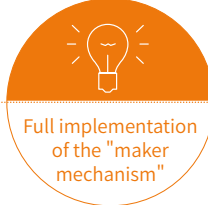
In 2023, we updated various certification standards and processes for makers, providing makers with a dual-pathway system. This allows them to develop vertically in a single pathway or to switch horizontally between different pathways.



Haier Biomedical Promotion Pathways

Remuneration incentives

Haier Biomedical is committed to offering employees competitive remuneration and benefits within the industry. We regularly optimise our remuneration incentive mechanisms according to development and employee needs, improving their satisfaction. We offer two incentive mechanisms: the company-wide maker training system and the stock options incentive plan. Through these, the Company incorporates the culture and concept of "Rendanheyi", which helps us evaluate and assess employee performance, achieving highly efficient remuneration and performance management.



Full implementation of the "maker mechanism"

Under the "Rendanheyi" model, Haier Biomedical actively promotes the "maker mechanism" for all employees. Haier Biomedical enables every employee to maximize their personal value by creating user value following the idea of high-value creation and high rewards. This allows employees to gain what they have earned while mobilising the team's enthusiasm for entrepreneurship and innovation. The total expenses related to employees (including salaries and benefits) in 2023 were RMB 568.675 million.



Stock options incentive plan

To establish a sound long-term incentive mechanism and attract and retain outstanding talent, Haier Biomedical has formulated a stock options incentive plan based on equal income for equal contribution. The plan adheres to relevant laws, regulations, and regulatory documents to fully protect shareholders' interests.

Following "Rendanheyi", we implement specific and customized performance evaluation and remuneration incentive methods for managers and frontline employees. This helps us build a sound emotional and material incentive system. We encourage the whole team to realize their own career value through the positive cycle of value creation, evaluation, and distribution, achieving mutual benefits for the organisation and employees.



Value assessment based on talent classification

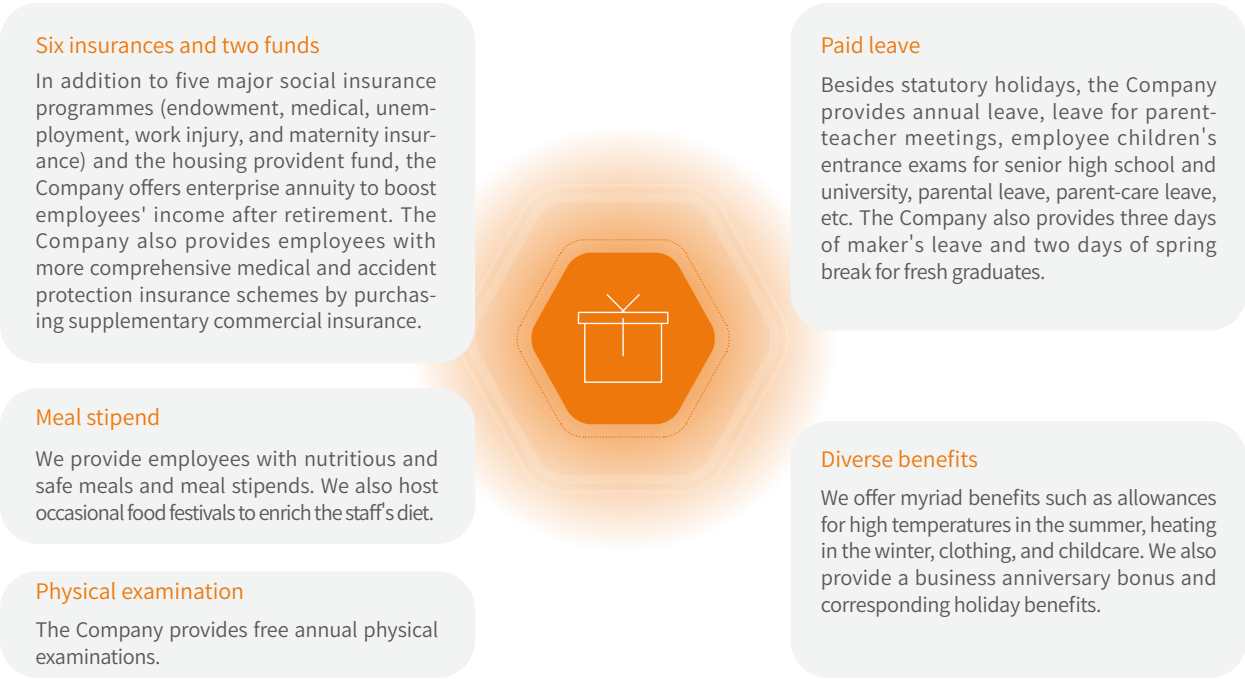
Value allocation based on value evaluation

Caring for Employees

Haier Biomedical sees employee satisfaction and happiness as critical considerations for employee management and strives to create a work environment filled with a sense of belonging, warmth, and comfort.

Employee benefits

We strictly abide by national laws and regulations on employee remuneration and social welfare and pay the total amount of pension, unemployment, work injury, medical and maternity insurance and housing provident fund for all employees following the law. On top of this, we provide employees with diversified benefits, including supplementary medical insurance, enterprise annuity, paid holidays, meal stipend, physical examination, and so on. In 2023, Haier Biomedical provided all employees with social insurance and physical examination coverage.



We host activities that help improve employees' quality of life, putting our care and love into practice with actions. We do everything we can to assist our employees and promote the healthy development of our employees and the company.

"Hi Lekang" Charity Assistance

Haier Biomedical helps employees in need through the "Hi Lekang" Charity Fund. The Company provides funding based on previous years' revenues and voluntary donations from some employees.

The "Hi Lekang" Charity Fund is available for Haier Biomedical employees and their unemployed immediate relatives, parents, spouses and children.

Sending Coolness on Summer Days



On 8 June 2023, the Haier Biomedical Labor Union organized the "Sending Coolness on Summer Days" event. They gave cool drinks to factory workers to protect them from the summer heat and improve their productivity and working conditions.



Employee jump rope competition



Fruits fun relay contest

The cafeteria has opened a window for employees to select their own meals and another one for meals using non-iodised salt, offering employees more dining choices

In 2023, Haier Biomedical upgraded its cafeteria and opened a window for employees to select their meals in addition to the existing food and snack selection. There is also a new window for meals using non-iodised salt, making it convenient for employees with different dietary requirements to choose what food they want and offering employees more dining choices.



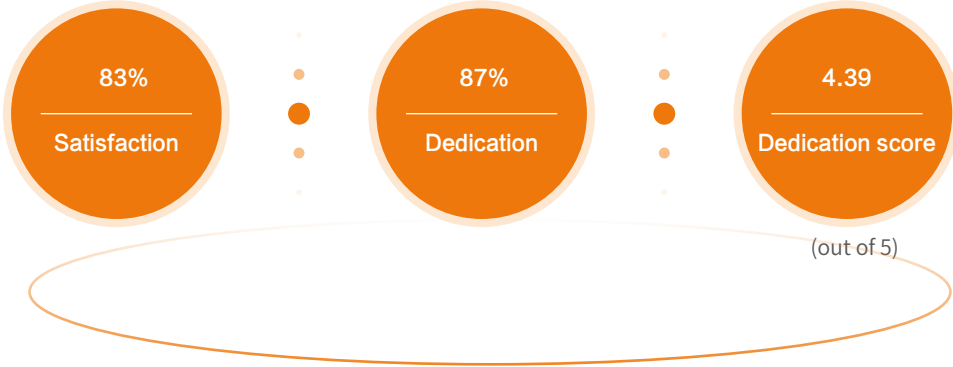
Non-iodized salt window in the cafeteria

Open communication

We actively expand communication channels for employees and carefully listen to their feedback and opinions. We use regular communication mechanisms combined with multiple channels, including email, anonymous letters, WeChat groups, and informal talks. Using these, we strive to practice open management and build harmonious employment relationships.

Haier Biomedical has open bi-annual discussions among divisions, promoting open management that seeks truth from facts. We promote exchange and communication among employees and between employees and the Company. In addition, we have launched "cultural discussions" for all employees, creating an inclusive, open, and sincere communication space, which enables employees to ask anything related to work and the work environment. The Company promptly provides feedback to the most popular questions, aiming to create open engagement across the Company.

We also conduct employee dedication and satisfaction surveys, which help us identify management issues and improve employee engagement, satisfaction, and happiness. We use the survey results to spearhead improvement initiatives.



Employee Satisfaction and Engagement Survey in 2023

Occupational Health and Safety

Our safety philosophy is centred on people and safety first. Haier Biomedical always places employee health at the core of our productions and operations. We have developed a sound safety management system, an efficient and data-driven accident prevention and drill mechanism, and strong safety management measures. Through these, we continue to improve the Company's safety management and build strong safety protection systems.

Safety management system

In addition to abiding by the *Work Safety Law of the People's Republic of China* and other laws and regulations, Haier Biomedical has built the "139 safety management system", strictly regulating hazard identification, safety inspection, and safety control in the production process.

We have diligently implemented safety management with zero accidents as our core objective, focusing on three key factors: zero negligence, zero hazards, and zero violations. We employ nine safeguarding measures, including "full participation, full coverage, and whole process", "prevention, in-process control, and post-incident comprehensive management", and "prevention, timely identification, and swift, comprehensive management". During the reporting period, Haier Biomedical had no major safety accidents and lost no working days due to work injuries.



Safety management in practice

Our motto is: "Safety first, lives first". We regularly host safety-themed events, including the production and fire safety months. These events help raise safety awareness among our employees through activities like themed competitions and safety skills contests. We have also formulated contingency plans to respond to possible emergencies, such as production processes vulnerable to safety hazards or fire risks, hazardous chemical leakage, and extreme weather. These plans ensure effective response to safety accidents, enhancing our employees' abilities to deal with unexpected situations and preventing injuries. In 2023, Haier Biomedical conducted 52 emergency drills and training sessions with the participation of 1,560 employees.

Safety first Lives first

The Company has also formulated the *Requirements for Registration and Operation of On-site Receipt of Chemicals* and *Safety Requirements for Chemical Storage*, which help us standardize the use of chemicals and ensure safety during their use and disposal.

Haier Biomedical conducted

52

emergency drills

Training sessions with the participation of

1,560

employees

Haier Biomedical launched a Safe Production Month campaign themed "Safety for all, emergency response by all"

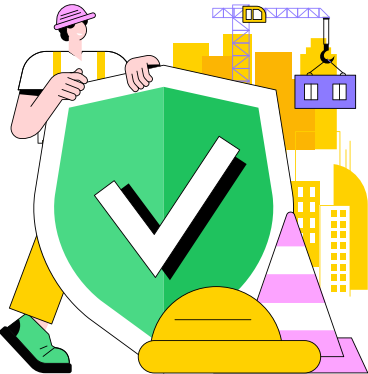
In June 2023, Haier Biomedical launched several competitions in response to the government's requirements on work safety and to create a safe, healthy, and stable environment for the Company. These included the Safety Culture, Safety Whistleblowers, and Safety Contest during National Safety Month. This campaign effectively raised the whole team's safety awareness, helping employees to know, understand, and practice safe behaviours.



Haier Biomedical launched a Fire Safety Month campaign



On 1 November 2023, Haier Biomedical organized a Fire Safety Month kick-off meeting themed "Prevention First, Lives First". We trained staff on four key knowledge points and skills in firefighting, including the use of fire extinguishers, emergency first aid training, and fire warning education. After the kick-off meeting, Haier Biomedical organised several activities to identify and remediate safety hazards. It ran drills, such as cleaning up safety blind spots, special skills training, fire safety evacuation drills, a firefighting skills contest, etc. These actions have comprehensively improved awareness and skills among employees.



Occupational health

While ensuring safe production, we actively promote the identification of occupational disease hazards, educate and mobilise all employees to participate in the prevention and treatment of occupational diseases, and equip relevant employees with labor protection equipment and emergency supplies following regulations to reduce existing or potential occupational hazards. We test toxic and hazardous work environments at production sites annually to ensure legal compliance with occupational risks. Every three years, we evaluate possible occupational disease hazards and identify areas for improvement.

Pre-employment, in-service, and end-of-employment physical examinations are conducted for employees in positions with occupational hazards. Specifically, in-service physical examinations are performed twice. The Company creates an individual occupational health record for each employee in a position with occupational hazards and makes prevention and control plans according to the results. The company arranges for designated people to accompany visitors and explain the site's safety precautions in detail. We provide and request that they wear labor protection equipment if necessary to prevent occupational injuries.

We host regular occupational health and safety training for relevant personnel to build awareness of occupational health and safety management. All employees must obtain certificates after receiving recurrent safety education and training every year, urging them to keep vigilant about occupational health hazards and enhance health protection.

As of the end of the reporting period, Haier Biomedical has obtained the ISO 45001 certification for the occupational health and safety management system.



Haier Biomedical organised a training session about the Law for the Prevention and Control of Occupational Diseases

In April 2023, Haier Biomedical trained safety managers and employees exposed to occupational hazards per regulatory requirements. The training took place during the educational week for the National Law for the Prevention and Control of Occupational Diseases. The training covered key points such as relevant laws and regulations about occupational health, safety, general health, environmental protection, and fire facilities, the use of protective equipment and labor protection equipment, emergency response measures in case of accidents, as well as general knowledge in healthcare, self-help, mutual help, and the prevention of occupational diseases. The training helped raise awareness and provide managers and relevant employees with practical skills.



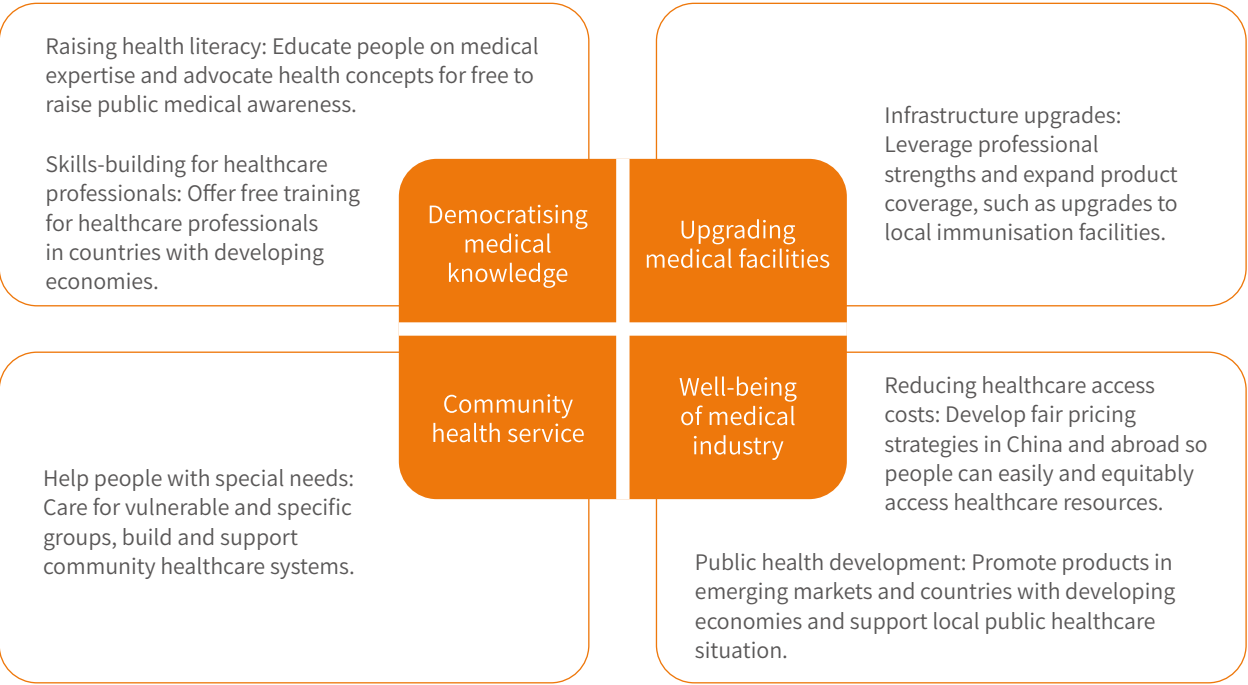
Universal Healthcare Promotion

Haier Biomedical collaborates with global partners, including government institutions, NGOs and universities, to fulfil its responsibilities as a corporate citizen, promote universal healthcare, and actively build a healthy international community. We work closely with public welfare organisations across the country globally and contribute to community building with cash and product donations. In 2023, we donated RMB 8.2828 million of cash and items.



Access to Health Care

Rooted in the healthcare industry, Haier Biomedical draws on our advanced technologies and rich experience to develop intelligent and digital scenario solutions. We cooperate with multiple organisations to promote universal healthcare, contributing to global health with Chinese solutions.



Haier Biomedical Universal Healthcare System

Democratising medical knowledge

Haier Biomedical actively disseminates medical knowledge, using digital media such as our official WeChat account and website to interpret healthcare policies and share medical knowledge, improving access to medical expertise for the public. We also host activities at our training centre in Africa, educating local people on health concepts and professional knowledge.

Democratising Medical Knowledge and Enhancing Public Health Awareness - Haier Biomedical Shares Knowledge About Blood Donation

Haier Biomedical regularly interprets the latest healthcare policies and shares medical knowledge on its official WeChat account and website. This year, on World Blood Donation Day, we posted a scientific article on blood donation on WeChat, explaining the precautions to be taken before, during, and after blood donation. We aimed to raise the general public's awareness about the safe supply and transfusion of blood and blood products.



World Blood Donor Day Article

Upgrading Healthcare Management Capacity with African Partners - Haier Biomedical Established West Africa Experience and Training Centre

Haier Biomedical worked with Inter-Trade Ltd, its strategic partner in Nigeria, to build a 200 m² Haier cold chain equipment experience centre. The centre hosted several trainings where local customers learned about medical and cold chain processes. The aim was to help professionals in Nigeria and West Africa use and manage the vaccine cold chain, reduce vaccine damage caused by accidents, and enhance local immunisation levels.



Haier Biomedical West Africa Experience and Training Centre

Upgrading the Global Healthcare Cold Chain with UNICEF - Haier Biomedical Hosted a Technical Training on the Vaccine Cold Chain and Temperature Monitoring System

Invited by UNICEF Tunisia, Haier Biomedical facilitated technical training on the vaccine cold chain and temperature monitoring equipment for the Ministry of Public Health of Tunisia. Haier Biomedical conducted systematic training for technicians and end users, providing detailed explanations about product installation, use, maintenance, and repairs, ensuring vaccine safety.



Haier Biomedical Training Session at UNICEF Tunisia

Upgrading medical facilities

Haier Biomedical's diversified product matrix and medical innovation programmes are helping global partners and local communities upgrade their medical facilities. We have provided hundreds of types of equipment, such as mobile vaccination vehicles, medical freezers, and vehicles for Two-Cancer (cervical cancer and breast cancer) screening and medical services.

Haier Biomedical's Full-cycle AI+ Digital Intelligence Vaccination Clinic Opened in Karamay



Vaccination in Karamay

Haier Biomedical's full-cycle AI+ digital intelligence vaccination clinic opened in the community health service centre on Yingbin Street, Karamay. It operates autonomously to restock and check the inventory of vaccines. The District Health Commission of Karamay worked with Haier Biomedical to build a local big data cloud platform for digital vaccine management. This broke the limitations of equipment, departments, and regions, bringing people a safer and more efficient vaccination experience. The clinic provides a new way to intelligently upgrade and develop regional immunisation planning. It achieves safe vaccines with no hazards, data interconnection with no breaks, user experience with no gaps, and government supervision with no blind spots.

Improving Immunisation in Africa - Haier Biomedical Adapts Products with Solar-powered Vaccine Refrigerators

To reduce the negative impact of the harsh climate on vaccines in Burkina Faso, Africa, Haier Biomedical provided solar-powered vaccine refrigerators and freezers to fill the gaps in the local cold chain, ensuring that children in Burkina Faso have access to high-quality vaccinations. This reduces the spread of diseases, protects children, and improves immunisation in Burkina Faso.



Solar-powered vaccine refrigerator installed in Burkina Faso

Community health services

Haier Biomedical cares about vulnerable groups, particularly the practical needs of older adults, women, and children. We endeavour to provide different groups with thoughtful and secure solutions for those health needs that are not yet covered and deliver more comprehensive healthcare services. During the reporting period, our medical community service initiatives primarily promoted two-cancer screening for women.

Upgrading Community Health Services - Haier Biomedical Offered Two-Cancer Screening for Women Working at the BAK Battery Plant in Longgang District, Shenzhen

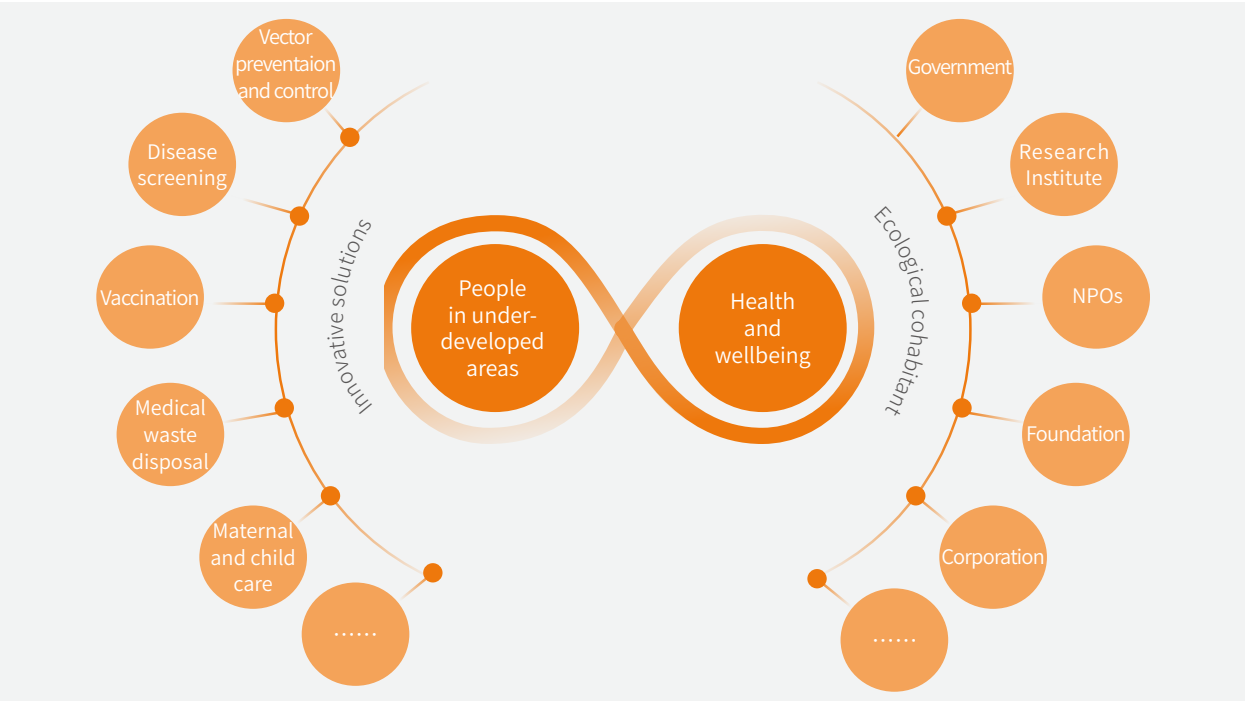


Female two-cancer screening service

In 2023, the Haier Biomedical intelligent two-cancer screening vehicle arrived and parked at the BAK battery plant in Longgang District, Shenzhen. The project was carried out with support from the Shenzhen Dapeng Maternal and Child Care Hospital, providing women with free, "one-stop", door-to-door two-cancer screening. The BAK battery plant is in a suburban area with over 6,000 employees. Many female employees cannot get their screenings done due to inconveniences in terms of time and location. Our service helped raise awareness among these women and increased the district's two-cancer screening rate; it also offered the women a convenient and comfortable screening environment to support their health.

Well-being of medical industry

Haier Biomedical leverages its strengths to address industry gaps and continues to expand its product coverage to provide innovative medical and health solutions. Our solutions and medical equipments have been promoted in over 150 countries and regions worldwide. Our products and solutions have helped several countries and regions with developing economies upgrade their healthcare systems, reducing the difficulties and costs associated with public access to vaccines and healthcare.



Enhancing Global and Regional Medical Technology - Haier Biomedical Helped Upgrade the Vaccination System in Gabon.



Cold Chain Equipments for Vaccines in Gabon

In May 2023, Haier Biomedical helped Gabon's vaccination service and medical system by providing medical equipments, such as cold storage rooms, solar power-generated vaccine freezers, and transportation freezers. We also delivered RTMD equipment with cold storage temperature control, remote real-time temperature monitoring, automatic record detection, and timely reporting. Our equipments and solutions allow staff to remotely monitor vaccine storage in real-time, resolve vaccine issues promptly, and protect vaccines from damage due to high temperatures. These safe vaccines protect Gabonese children and improve immunisation services in Gabon.

Haier Biomedical empowers various medical aid and life science scenarios through professional solutions while contributing to healthy living worldwide. During the reporting period, we received a letter of appreciation from Gavi (Global Alliance for Vaccines and Immunisation) for our work in protecting children's vaccines and a letter of appreciation from the UN (the United Nations) for our significant contributions to epidemic prevention and disaster relief.



Gavi Letter of Appreciation



UN Letter of Appreciation

Philanthropy

Haier Biomedical lends a helping hand to neighbouring communities, gives back with love, and actively participates in various social welfare activities. We promote charity and philanthropy within the company, donate items at home and abroad, and call on our employees to participate in charity work. We also invest in future healthcare talent, set up foundations and scholarships, and leverage our strengths to empower our partners. During the reporting period, we donated 14 vaccination vehicles to various provinces and municipalities, including Xinjiang, Inner Mongolia, Yunnan, and Guizhou.

Donating medical supplies

The Company actively assumes corporate responsibility, donating items to those in need at home and abroad. We introduce our products and solutions through donations at home and overseas to help upgrade local healthcare systems.

Improving Blood Safety Management in Africa - Haier Biomedical Donated a Solar-Powered Blood Refrigerator to Nigeria.



In 2023, Haier Biomedical donated its latest solar-powered blood refrigerator to the National Blood Centre of Nigeria. The aim was to help the centre improve its cold chain services and mitigate blood safety challenges and shortages. With our solar-powered blood refrigerators, the National Blood Centre of Nigeria no longer needs to rely on the power grid. It can remotely monitor and centrally manage blood resources. This makes blood storage safer and more convenient, providing a solid guarantee for the safety of local blood usage and building a local blood cold chain.

The National Blood Centre of Nigeria Receives a Solar-Powered Blood Refrigerator

Channelling high-quality medical resources to the community - Haier Biomedical donated a disease prevention and vaccination vehicle to Shihezi City in Xinjiang



The Shihezi Disease Prevention and Vaccination Vehicle unveiled

2023 Haier Biomedical donated a vaccination vehicle to Shihezi City, Xinjiang, through the China Foundation for Youth Entrepreneurship and Employment and the INCAIER Charity Fund. Shihezi City, the 8th Division of Xinjiang Production and Construction Corps, is located at the northern foothills of Tianshan Mountain and the southern rim of the Junggar Basin, with a total area of 6,007 km². The region's vastness, the landform's complexity, and the dispersed and unevenly distributed population make it difficult to vaccinate residents in remote villages. Haier Biomedical's disease prevention and vaccination vehicle is a smart and convenient mobile vaccination service model that can provide residents with door-to-door vaccination services and upgrade the local immunisation system.

Encouraging charity work among employees

Haier Biomedical encourages employees to be kind and contribute to building a healthy China and a harmonious society through good deeds. In 2023, we actively responded to the government's call to encourage our employees to learn from Lei Feng.

Employees passing on love and kindness - Haier Biomedical employees participated in voluntary blood donation in the High-tech Zone in Qingdao



Employees participate in voluntary blood donation

On 31 March 2023, Haier Biomedical invited employees to participate in the blood drive organised by Qingdao Hi-tech Zone. Several employees actively signed up and donated blood. Employees contributed to society with their love and enthusiasm and pitched in to achieve health for all.



Funding future science talents

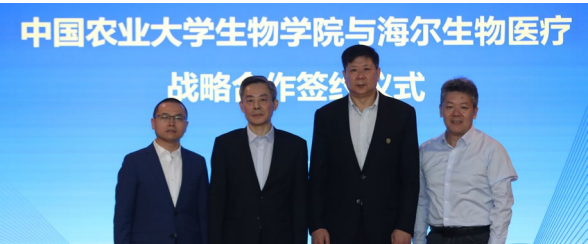
Haier Biomedical has an eye on the future. It invests in the future, joining organisations including the China Foundation for Youth Entrepreneurship and Employment and INCAIER to set up the "China Foundation for Youth Entrepreneurship and Employment and INCAIER Charity Fund". The fund encourages entrepreneurship, innovation, and excellence among young people in medicine, life sciences, and public health. It cultivates young medical talent and channels medical resources to communities. The initiative promotes charity work related to public health and medical cooperation

and exchanges among countries and regions along the Belt and Road Initiative.

We are committed to using the fund to build a robust innovation platform, support research institutions, contribute to advancing global medicine, and make people healthier.



Cultivating Young Talent – Launch of the Young Talent in Life Sciences Programme with China Agricultural University



The signing ceremony of the Young Talent in Life Sciences Programme

Haier Biomedical used the "China Foundation for Youth Entrepreneurship and Employment and INCAIER Charity Fund" to work with the China Agricultural University, launching the "Young Talent in Life Sciences Programme." The programme aims to progress in life sciences and biotechnology through industry-university-research collaborative innovation and build a joint demonstration project for a world-class intelligent laboratory.

Inspiring industry-university-research potential - the 1st "Haier Biomedical Kunpeng" Scholarship Award Ceremony



Group photo of the Haier Biomedical Kunpeng Scholarship Award Ceremony

Haier Biomedical worked with the Wuhan Institute of Virology and the Chinese Academy of Sciences to build an intelligent microbial preservation project that aligns with the needs of the national biosafety strategies and contributes to building China's biosafety system. On 6 April 2023, we held the 1st Haier Biomedical Kunpeng Scholarship Award Ceremony at the Wuhan Institute of Virology, Chinese Academy of Sciences. Twenty-three outstanding postgraduate students received the scholarship.

Empowering partners

Haier Biomedical closely cooperates with industry partners to empower industry advancements. During the reporting period, we offered over 40 hazardous chemical safety trainings and organized over 30 emergency drills for universities, research institutes, medical service organisations, and public health organisations. The participants included the Kunming Institute of Botany of the Chinese Academy of Sciences, Kunming Institute of Zoology of the Chinese Academy of Sciences,

Shandong University, Ocean University of China, China University of Petroleum, Tongji University, Jinan University, Shihezi Centre for Disease Control and Prevention (CDC), the Affiliated Hospital of Qingdao University, and others. The activities helped these organisations improve their ability to manage chemicals and respond to fire threats, contributing to sustainable public health development.

Transferring our experience - Haier Biomedical helps Shihezi CDC conduct emergency drills for hazardous chemical leakage and fire accidents

On 27 September 2023, Haier Biomedical assisted Shihezi CDC in organising and conducting emergency drills for laboratory hazardous chemical leakage and fire accidents. The company has advanced experience in safely using and managing hazardous chemicals. As such, we helped the Shihezi CDC

by offering lab safety education and training, designing an emergency drill plan, and running drills with their employees. This allows the organisation to manage hazardous chemicals and protect itself from fires.



Hazardous chemicals training at the Shihezi CDC



04

Ecosystem: Building a Green Planet

Haier Biomedical is dedicated to refining its internal environmental management structure and collaborating with external partners to cultivate a sustainable value chain. At Haier Biomedical, we are committed to forging a path toward sustainable development by implementing a comprehensive green growth strategy. This strategy includes establishing robust environmental compliance systems and driving innovation in green technologies and products. We strive to cultivate an ethos of environmental awareness within our corporate culture, aiming to efficiently use energy and resources while stringently managing emissions and waste.



Key Indicators

2,860_{hours}

Spent on environmental governance

12,915.81_{MWh}

of electricity consumed

1,547.65_{MWh}

of electricity consumed came from renewable energy resources

11.98%

of electricity consumed came from renewable energy resources

252.07_{tonnes of CO₂e}

Direct greenhouse emissions (Scope 1)

6,559.99_{tonnes of CO₂e}

Indirect greenhouse emissions (Scope 2)

824.46_{tonnes}

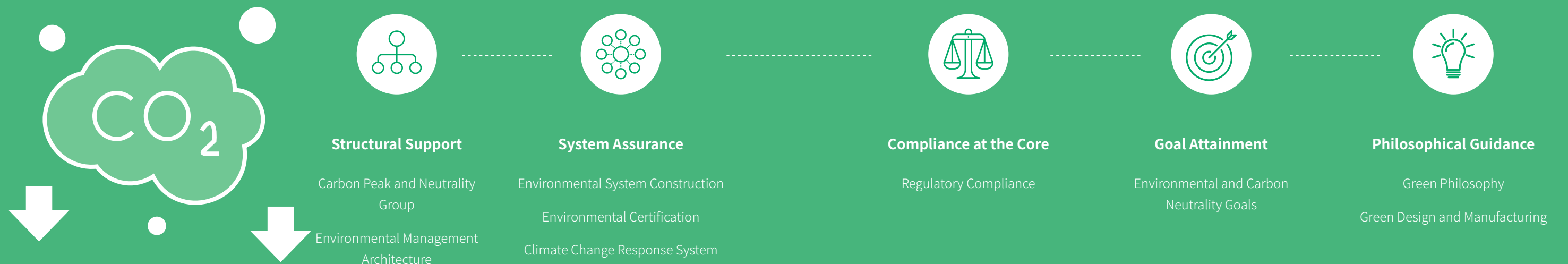
Waste processed

6.98_{tonnes}

Hazardous waste processed

Carbon peak by 2030 for Scope 1&2 GHG emissions

Carbon neutrality before 2060 for Scope 1 & 2 GHG emissions





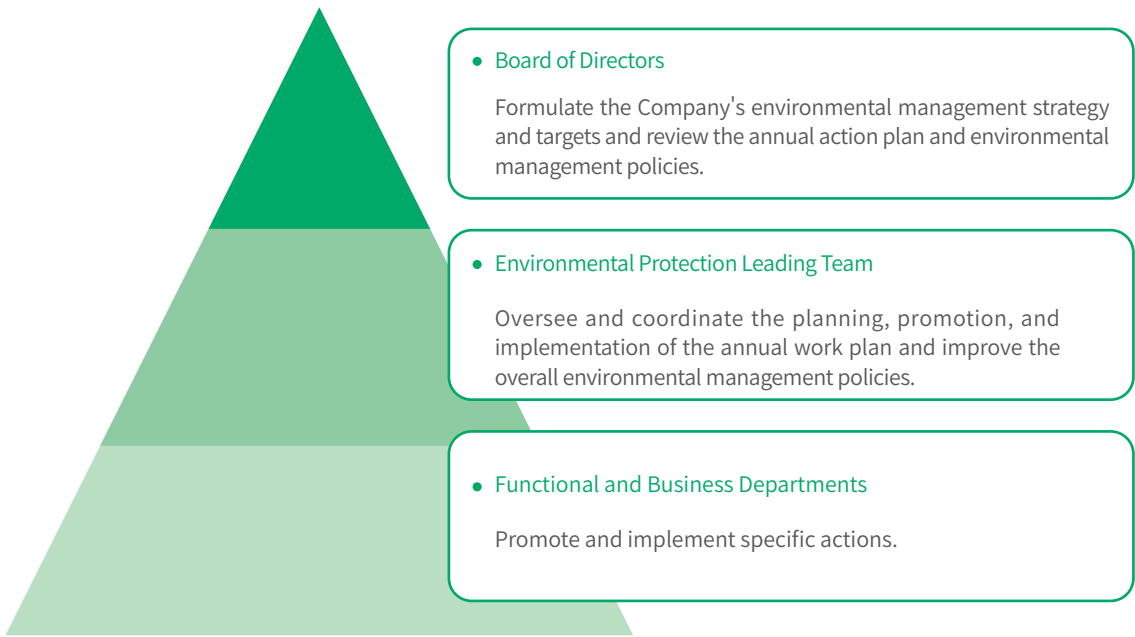
Building a Green Ecosystem

Haier Biomedical fosters its growth on the principle of harmonious coexistence between people and nature. We are constantly iterating our green development strategy, enhancing our compliance framework, promoting green design in our products, and taking comprehensive measures to combat climate change. Through these initiatives, the company aims to spearhead the green transformation of our industry and contribute to the vision of beautiful China with green mountains, clear waters, and clean air prevail.

Green Development Strategy

Haier Biomedical has woven the philosophy of environmental protection into the fabric of its corporate operations. We employ a structured approach where we have set environmental governance and management objectives and actively advance initiatives to achieve carbon neutrality goals. This approach reinforces our commitment to saving energy and reducing emissions, forging a sustainable path for Haier Biomedical.

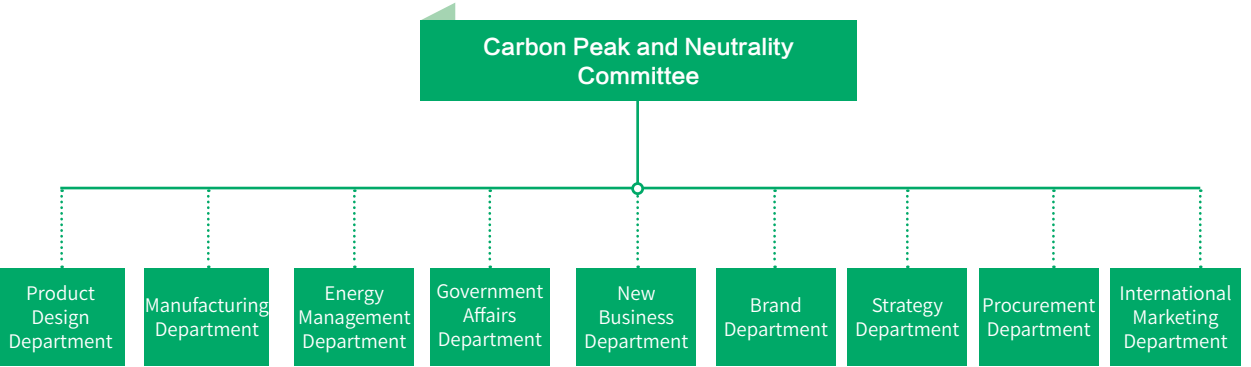
The Company profoundly values its journey towards green development, consistently enhancing its internal management systems. We have established an environmental management structure that ensures the thorough execution of our environmental initiatives. It comprises the Board of Directors, an Environmental Protection Leading Team, and various functional and business departments. In the reporting period, the Company dedicated 2,860 hours and allocated RMB 305,400 towards environmental governance efforts. We have not faced any administrative sanctions from environmental authorities.



Haier Biomedical Environmental Management Structure



To align with China's national carbon peak and carbon neutrality strategy and ensure its thorough implementation, the Company has designated senior executives as the champions of this initiative. We have formed the Carbon Peak and Neutrality Committee, selectively pooling distinguished talent from design, R&D, manufacturing, marketing, and procurement departments. This committee devises actionable carbon reduction strategies customised to our unique business contexts and regional specifics, ensuring that these plans are both practical and grounded in reality.



Governance System of the Carbon Peak and Neutrality Committee

To effectively evaluate the implementation of our environmental protection measures, we have set environmental governance goals encompassing operational compliance, energy and resource conservation, and emission reduction.

Environmental Target	Goal	Progress
Compliant Operations	100% compliance with laws and regulations and relevant requirements	Achieved
	0 potential chemical leakage incidents	Achieved
	0 potential fires	Achieved
Energy and Resource-saving	Enhanced energy efficiency	Our lifecycle energy saving and carbon reduction actions have achieved an average consumption intensity ² of 56.63 kWh/RMB 10,000
Emissions Reduction	100% compliance in waste disposal	Achieved
	100% compliance in exhaust emissions at factory boundaries	Achieved
	100% compliance in noise emissions at factory boundaries	Achieved

²Energy consumption intensity statistics cover the operational factories and office buildings at Haier Biomedical's Qingdao headquarters

Green Compliance Framework

Haier Biomedical stringently follows the *Environmental Protection Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*, among other pertinent statutes, regulations, and industry norms. By applying classification principles, we have pinpointed 249 environmental compliance mandates, encompassing laws, administrative regulations, and local legislation. Following these, we have established internal environmental management policies to consistently regulate pollutant management, averting potential risks due to mismanagement and reducing the environmental footprint of our manufacturing and operational processes. In 2023, we achieved certification under the ISO 14001 environmental management system.



ISO 14001 Certification

In alignment with national ecological and environmental protection standards, such as the *Technical Specification for Two-dimensional Code Identification of Pollutant Discharge Outlet of Pollutant Discharge Unit*, the Company has developed a robust management system for pollutant discharge. This initiative strengthens the digital supervision and management of emissions, setting standards and guidance for the Company to manage pollutant discharge points.

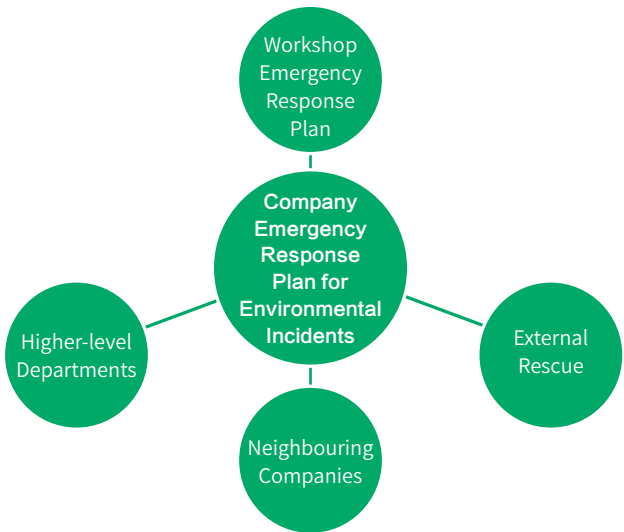
Monitoring protocol

In our pursuit to meticulously monitor and govern the efficacy of the environmental management infrastructure, the Company has instituted an *Environmental Surveillance and Metrics Control Protocol*. The protocol aims to address deficiencies within our existing environmental and safety protocols and help us achieve our environmental ambitions. It specifies the roles and operational philosophies of internal divisions, including but not limited to production and administrative sectors.

The monitoring protocol rigorously tracks and measures emissions following the latest regulations pertaining to various emission types, including solid waste, noise, exhaust gases, and wastewater. Using standardised detection methodologies ensures precision and compliance. Additionally, we conduct routine assessments to ensure alignment with both national and local regulatory requirements.

Emergency incident management

To proactively mitigate and respond to sudden environmental crises, Haier Biomedical's pertinent departments and entities have formulated the *Emergency Response Plan for Sudden Environmental Incidents*. The plan prioritises personnel safety and asset protection. It comprehensively categorises environmental incidents into four levels based on severity and urgency. It mandates the prompt execution of tailored emergency response strategies for each incident, while emphasising seamless collaboration with external stakeholders; this includes soliciting external assistance, fostering synergy with neighbouring entities, and promptly reporting to higher authorities when necessary.



Emergency Response Plan

Green Product Concept

Haier Biomedical continually refines its system for green and low-carbon innovation, prioritising both process innovation and the application of low-carbon technologies. We are committed to embedding the green product philosophy across the entire spectrum of research, development, and operations. We adhere strictly to principles of minimal energy and resource consumption, minimal ecological footprint, and maximal use of renewable resources. This entails adjusting product structures and actively pursuing the development of environmentally friendly products with high value-add and low emissions.

Embracing a Green and Low-carbon Strategy

We consistently uphold green development as a strategic direction, initiating energy-saving and low-carbon design schemes from the inception of product design. We prioritise both process innovation and the application of low-carbon technologies.

Advancing Green Technological Innovation

We establish a philosophy of green management throughout the product lifecycle, constructing a holistic green design mechanism encompassing "research and development design - material selection - production manufacturing - logistics transportation - recycling and circulation."

Promoting Green Achievements

We aim to enhance our products' competitiveness and market influence internationally, offering a Chinese solution for global green development.

Guiding the Development of Industry Green Standards

We advocate for and spearhead the formulation of energy-saving standards and technical specifications for products, guiding the industry towards green, low-carbon, and high-quality development.

Haier Biomedical Green Product Philosophy

We have attained a multitude of green innovation milestones by cultivating a world-class talent pool, robust platform support, and cutting-edge technology. Our ultra-low temperature storage cabinets and medical refrigerators are industry pioneers in obtaining the first-ever energy-saving and environmental certifications. Over the past three years, 46 products have received certifications from the U.S. Energy Star program. Also, 71 different product models have achieved 107 energy-saving and environmental certificates. Additionally, our green innovation breakthroughs have been deployed across more than 80 countries and regions along the Belt and Road initiative, catalysing the establishment of a sustainable Green Silk Road.



Hengyun Medical Refrigerator Energy-saving Certificate

At the same time, we work to elevate the market share of our green products. Haier Biomedical focuses on our excellence domains, life sciences and medical innovation, to deliver digital, eco-friendly products and holistic smart solutions to our users. This initiative propels the industry towards a new pinnacle of high-quality development, contributing to Haier Biomedical's prowess to establish a robust green, low-carbon, and circular economic framework in China. Moreover, we contribute to national carbon peak and neutrality objectives by harnessing the ingenuity and commitment of Chinese innovative enterprises.

Medical Refrigerator with Hydrocarbon Energy-saving Refrigeration Technology

Uses 60% less energy than traditional products

Hydrocarbon Refrigeration Technology

Improves refrigeration efficiency by 30%, promoting 50% energy savings in the ultra-low temperature refrigerator industry

Stirling Refrigeration Technology

Uses helium as the refrigerant, using 50% less energy than compressor-based refrigeration while achieving 100% reliability

Solar Direct Drive Cold Storage Technology

Without the use of batteries, our technology requires only 1/3 of the cold storage materials to achieve 1.6 times the insulation efficiency of leading international brands



Hengyun Medical Refrigerator
Selected for the Qingdao City Key Energy-Saving Technology, Products, and Equipment Promotion Catalogue (Sixth Batch)



Yunxin Variable Frequency Medical Ultra-Low Temperature Preservation Refrigerator Series
Received the China Quality Certification Center (CQC) Energy Conservation Certification and the U.S. Energy Star Certification (EPA)



Energy Core Series Ultra-Low Temperature Refrigerator
Received the industry's first ultra-low temperature refrigerator energy conservation certification



Stirling Refrigerator



Hydrocarbon Environmental Deep Low-Temperature Refrigerator



Solar Direct Drive Refrigerator

Climate Change

Climate change is one of the most significant challenges facing the world today. The prevalence of extreme weather events and the rise in global temperatures have adversely impacted property security and health. Recognising our role as responsible corporate citizens, Haier Biomedical understands the need to balance green development with business growth objectives. As such, we have incorporated climate change risks into our Company's framework for green co-construction management. We are committed to embracing green, low-carbon practices and integrating strategies to address climate change into our company's sustainable development planning.

The Company has begun to identify climate change risks and integrate climate-related risk factors into Haier Biomedical's risk assessment model. We have formulated corresponding response measures and established disaster prevention and emergency response plans for typical acute physical risks such as typhoons, floods, and extreme temperatures. Furthermore, to address transition risks like national policy and regulatory requirements, Haier actively pursues research and development of green products and technologies, explores renewable energy sources, and voluntarily discloses energy consumption and carbon emission data. Haier Biomedical has been driving our green and low-carbon transformation, propelling us towards a net-zero carbon economy.





Resource Optimisation and Emissions Reduction

We are dedicated to increasing the efficiency of our resource and energy usage and establishing mechanisms for low-carbon and low-consumption operations. We have fostered a sustainable, low-carbon operational framework by meticulously managing energy emissions, efficiently using resourcing, and advocating for green office practices. Our efforts promote a green developmental transition, contributing significantly to constructing a low-carbon society.

Energy Consumption Management

The Company has defined the *Energy Management Policy* to regulate and strengthen our energy management practices. This policy specifies the roles and responsibilities associated with energy management, energy-saving targets and plans, energy consumption statistics, and energy-saving technologies. This approach methodically advances Haier’s efficiency in bioenergy management.

Our primary energy sources include electricity, natural gas, and heating, with a significant portion of our electricity sourced from a photovoltaic project developed on our site. During the reporting period, this project produced 1,547.65 MWh of electricity, representing 13.46% of our total electricity usage³.



Photovoltaic Panels at the Haier Biomedical Industrial Park

Haier Biomedical's energy consumption and greenhouse gas emissions for 2023 ⁴		
KPI	Value	Unit
Total indirect energy consumption	12,915.81	MWh
Total consumption of non-renewable energy	11,368.16	MWh
Total consumption of renewable energy	1,547.65	MWh
Renewable energy consumption	11.98	%
Total energy usage for facilities making products for UNICEF	535.8	MWh
Scope 1 greenhouse gas emissions	252.07	tonnes of CO ₂ e
Scope 2 greenhouse gas emissions	6,559.99	tonnes of CO ₂ e
Total greenhouse gas emissions	6,812.06	tonnes of CO ₂ e
Greenhouse gas emissions intensity	29.87	kg of CO ₂ e /RMB 10,000

³ Electricity consumption and total electricity usage statistics cover the operational factories and office buildings at Haier Biomedical's Qingdao headquarters

⁴ Energy and carbon emission statistics cover the operational factories and office buildings at Haier Biomedical's Qingdao headquarters

We are actively engaged in supporting China's carbon peak and neutrality goals. To this end, we have initiated a series of energy conservation and emissions reduction projects throughout various stages of business operations.

► Heat Recovery from Compressed Air Systems

Thermal recovery units have been installed on our compressed air systems to recuperate heat generated during operation. The recovered heat is used to raise the temperature within ducts to meet specific production criteria, facilitating the cyclical use of thermal energy and preventing heat loss. This retrofit is projected to yield annual electricity savings of 75,000 kWh.



Heat Recovery Retrofit for Air Compressors



► Timed Switches on Door Systems

We used to operate our heating systems overnight because specific production processes require the pre-activation of heating systems to reach operational temperatures.

We retrofitted workshop doors with timed switches to reduce electricity consumption during non-operational periods. These switches activate the heating systems three hours before daily operations, significantly reducing energy waste. The modification is expected to save approximately 150,000 kWh of electricity annually.



Electrical Upgrades on Workshop Doors

To advance our work in supporting carbon peak and neutrality objectives, Haier Biomedical sponsored three employees to participate in a foundational training program for greenhouse gas verifiers organised by the China Quality Certification Center. All three participants completed the program and obtained certification, enriching our reserve of qualified greenhouse gas verification professionals.

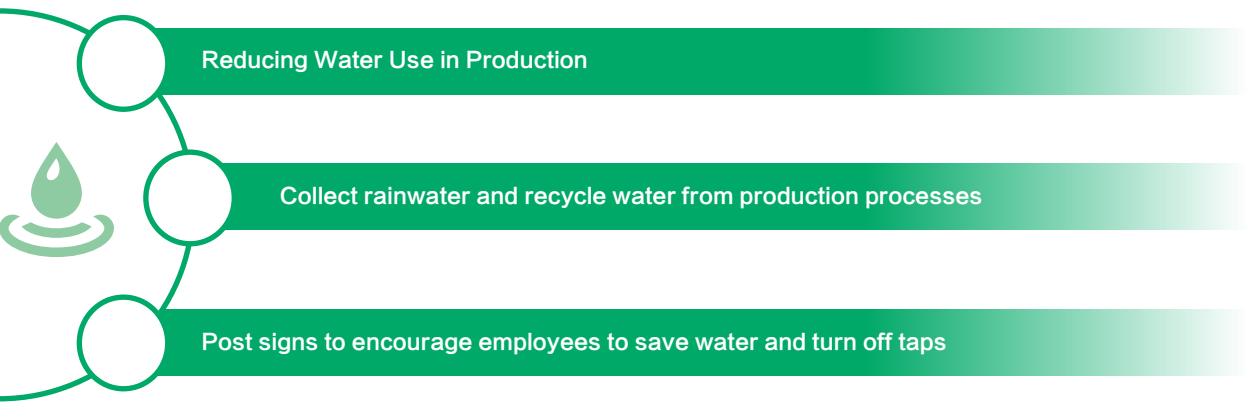
Production Resources

The Company is dedicated to optimising resource use across production operations. We have established standardised operating procedures to manage resources, including regulating water and packaging materials. We advocate recycling to enhance resource efficiency and actively pursue the development of innovative materials that reduce environmental impact.

Water resources

Haier Biomedical has implemented a *Water Resource Management System* to standardize the use and enhance the efficiency of water resources. Our operational and domestic water supply originates from municipal sources. During the reporting period, the total water drawn amounted to 76,265 m³, with water consumption totalling 53,385.5 m³, and a water use intensity of 0.33 m³ per ten thousand RMB of revenue⁵.

Throughout our production and operational processes, we also adhere to stringent water management protocols to meticulously control water usage at all stages of production, promote water recycling, and prevent wastage.



Water-Saving Initiatives

Packaging materials

Haier Biomedical is committed to adopting and developing eco-friendly packaging materials and environmentally-conscious packaging solutions while ensuring packaging reliability during transportation and storage. During the reported period, Haier Biomedical only used packaging made from either biodegradable or recyclable materials. None contained any harmful substances such as Polyvinyl Chloride (PVC), Polystyrene (PS), or mercury.

Reducing Packaging Waste

- Adopt more sustainable materials.**

Biodegradable honeycomb cardboard has replaced EPE or EPS foam as the cushioning material for new models. 90% of the cushioning components use biodegradable materials.

EPS bases have replaced wooden bases for vaccine cabinet products, using about 2,000 fewer wooden bases annually.
- Sustainable Solution Design**

Our dustproof design for ultra-low temperature product pallets eliminates the need for dust bags, reducing PE plastic use by 37,500 m².

The optimised structural design of foam boxes does not require adhesive tape, reducing the daily consumption of EPE tape by 2,000 m².

⁵Water usage statistics cover the operational factories and office buildings at Haier Biomedical's Qingdao headquarters

Office Resources

Haier Biomedical is dedicated to cultivating a sense of responsibility and environmental awareness among its employees, aiming to make a green, low-carbon lifestyle a natural and spontaneous behaviour for everyone. Starting with the small details of employees' daily lives, the company initiates green campaigns for paper usage, electricity consumption, dining, and transportation. These initiatives support energy conservation and carbon reduction through a green, low-carbon office model.

Saving Paper

- Double-sided printing and using blank space to take notes
- Paperless office
- Paperless communication
- Paperless contracts



Green Electricity

- Turning the air conditioning off when leaving the office
- Switching off any unnecessary lights and making the most of natural light
- Upgrading lighting system and energy-efficient lightbulbs



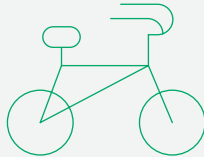
Green Dining

- Ordering meals on demand to reduce waste
- Clean Plate campaign



Green Transportation

- Choosing eco-friendly modes of transport
- Charging stations for employees' electric vehicles



Green Office Initiatives at Haier Biomedical



Green Production and Compliance with Emissions

Haier Biomedical considers environmental protection its duty. The Company adopts proactive measures to enhance environmental management and reduce pollutant emissions. It employs third-party inspection firms to measure the emissions of waste, wastewater, exhaust gases, and noise. These efforts help us continuously reduce the negative environmental impacts of our production and operations.

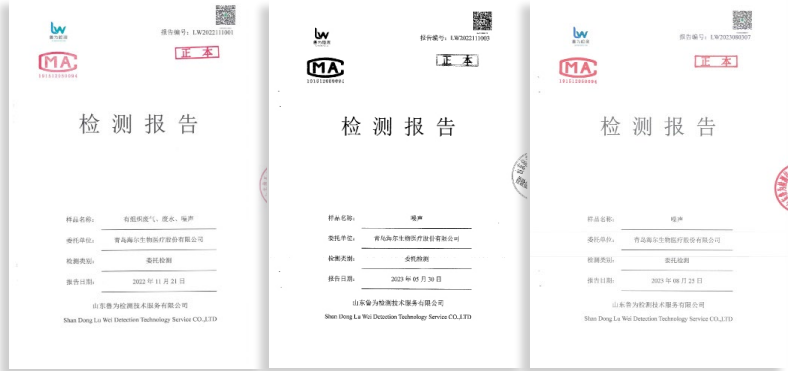
Waste Management

The Company strictly adheres to legal and regulatory requirements such as the *Standardized Management System for Hazardous Waste* and the *Technical Guidelines for Solid Waste Treatment and Disposal*. We continuously refine our internal management processes and systems to standardise our waste management practices.

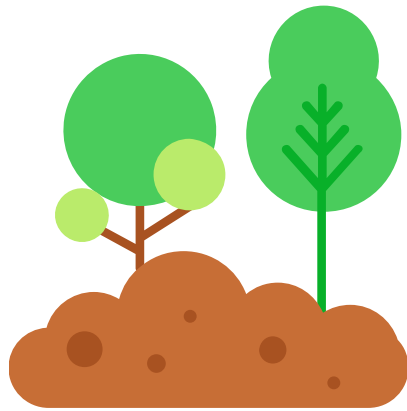
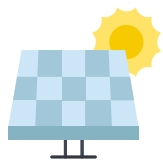
Haier Biomedical has established a comprehensive waste management process that follows national and local regulations for waste classification. The method uses labelling and maintains complete records to ensure compliance throughout the entire waste generation, storage, transportation, and disposal lifecycle.

During this reporting period, the company generated a total of 930.45 tons of general waste and 8.6 tons of hazardous waste. We disposed of 824.46 tons of waste and 6.98 tons of hazardous waste. General waste primarily consisted of wastepaper, scrap iron, and waste wood, encompassing 29 categories. Hazardous waste included nine categories, such as waste circuit boards and spent activated carbon. We segregate waste to facilitate recycling or disposal. We legally entrust qualified third parties to handle the disposal of waste that the Company cannot process internally.

Haier Biomedical mandates that different departments are responsible for the waste generated during their respective production and operational processes. We ensure clear internal delineation of responsibilities for segregation, handling, and disposal requirements.



Haier Biomedical 2023 Report on Emissions of Exhaust Gases, Wastewater, and Noise



Production Department

Responsible for the segregated collection and sealed packaging of waste produced during manufacturing processes. After central collection, waste is delivered to the scrap storage area for categorised storage.

After-Sales Repair Department

Handles returned market products and prototype machines for development testing. Waste materials such as casings, doors, glass, and metal from disassembled units must be managed through recycling vendors to ensure that waste is segregated and controlled without mixing.

Equipment Department

Manages the disposal, repair, damage, obsolescence, and updating of various types of idle equipment. Waste products such as used oil, oil drums, oil-soaked rags, and old fluorescent tubes generated during these processes are stored in hazardous waste storage areas, strictly prohibiting mixing with general waste.

Waste Management Process Across Departments

Emissions Management

The Company is acutely aware of the potential pollution caused by emissions and actively implements measures to control operational emissions. The primary sources of emissions include gases and smoke produced from welding, foaming processes, and adsorption, as well as kitchen fume emissions. The Company employs different control methods for organised and unorganised emissions to effectively manage air quality.

Control Methods for Unorganised Emissions

- Maintain good ventilation in workshops
- Control the operation of roof exhaust fans and factory windows

Control Methods for Organised Emissions

- Use photo-oxygen catalytic equipment and baghouse filters
- Install collection hoods and exhaust ducts
- Install combustible gas detection and alarm systems
- Regularly inspect and maintain exhaust fans

Catalytic Combustion for Emissions Control

We have built an enclosed structure to treat emissions, featuring three exhaust vents at the top of the enclosure. The design exhaust volume is 20,000 m³/h. The emissions are treated using a dual-stage filtration system, activated carbon adsorption/desorption (concentration), and catalytic combustion. This process achieves an emissions control efficiency of over 95%, with an annual VOC (Volatile Organic Compounds) emissions reduction of up to 26,300 tons.



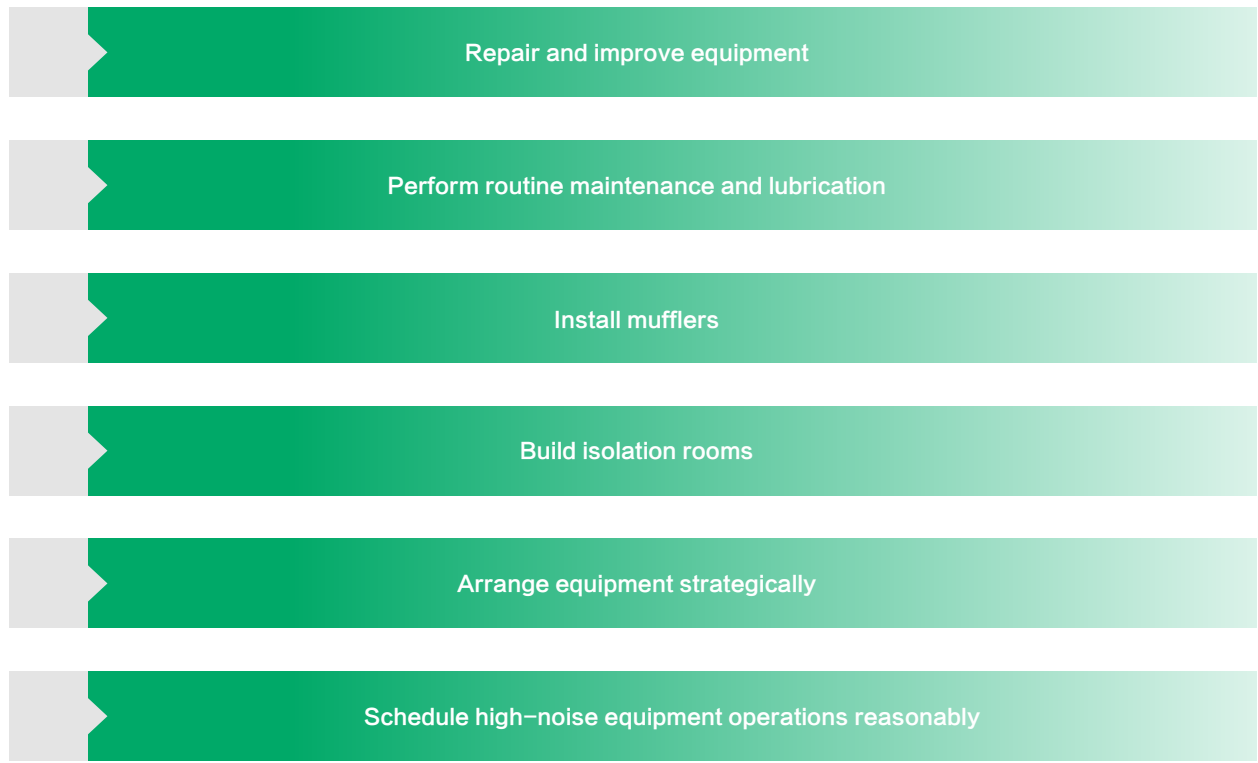
Equipment for Catalytic Combustion in Emissions Control

Wastewater Management

We prioritise wastewater management. We primarily generate domestic sewage from canteens, dormitories, and offices, which is discharged through the municipal sewer system. Wastewater containing oil from the canteen is stored in grease traps before being discharged, and it is regularly cleaned, recovered, and disposed of by qualified third parties. The company mandates that a dedicated department manage wastewater treatment in new construction or expansion projects, ensuring compliance with national environmental management laws and regulations.

Noise Management

Haier Biomedical has adopted proactive strategies to manage the noise generated during our operations and mitigate its impact on our employees and surrounding communities. We select equipment with reduced noise levels while meticulously planning and implementing infrastructure enhancements to isolate equipment emitting higher decibels. We collaborate with independent third-party auditors each year to monitor noise levels within our workshops and along the plant boundaries. Following these assessments, we analyse whether the acoustic environment complies with the established occupational noise standards. If deviations are identified, we diligently investigate the sources of excessive noise and initiate appropriate corrective measures to ensure compliance and maintain a conducive environment.



Noise Management Approaches

Biodiversity Conservation

At Haier Biomedical, we are committed to fostering biodiversity through cutting-edge technological innovation. Drawing on our inherent business strengths and advanced digital capabilities, including the Internet of Things (IoT), big data, artificial intelligence (AI), and 5G, we seamlessly integrate these technologies into conserving biological resources. We aim to preserve and enhance ecological, species, and genetic diversity, creating a robust technological shield for biodiversity.

Natural Ecosystem Conservation

Haier Biomedical is conscientious about respecting local natural ecosystems. In undertaking new projects, we strive to minimise disturbances to wildlife habitats, prevent soil erosion, and avoid deforestation. Our guidelines ensure that new projects do not encroach upon the core and buffer zones of nature reserves, areas within the South-to-North Water Diversion Project basin, drinking water source protection areas, or primary ecological functions areas within natural attractions and historical sites.

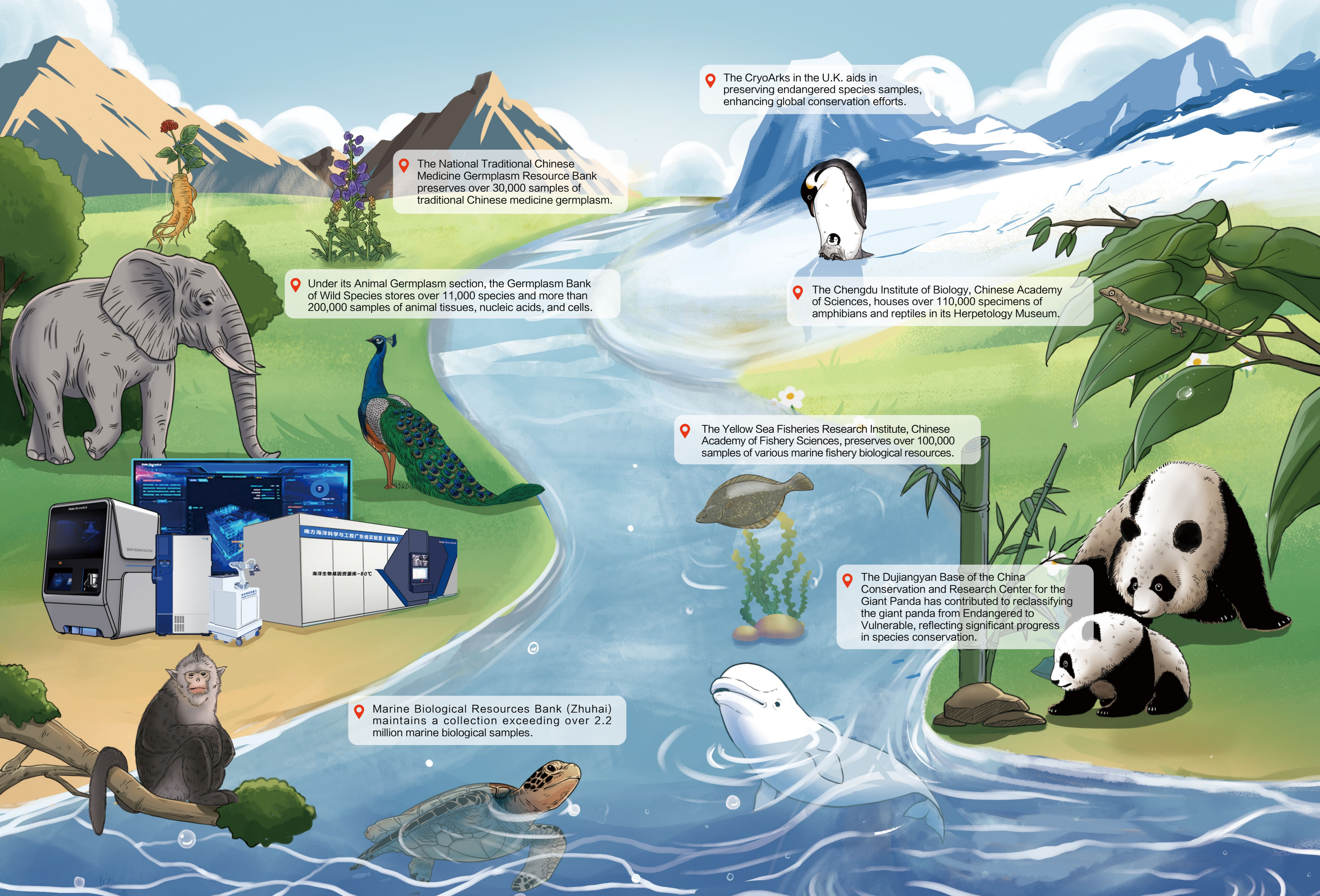
Fostering Diverse Species

Haier Biomedical practices a philosophy of respecting, adapting to, and preserving nature. We work with external partners to protect biodiversity. We have initiated numerous conservation programs focusing on a variety of flora and fauna. These projects drive our efforts to foster a symbiotic coexistence between humanity and nature, thus protecting our common biosphere.

Preserving Genetic Diversity

Genetic diversity forms a vital underpinning of biodiversity. Haier Biomedical's cutting-edge digital and smart technologies are deployed across multiple germplasm repositories, including the Germplasm Bank of Wild Species, the Marine Biological Resources Bank, the National Aquatic Biological Resource Center, and the CryoArks in the U.K. These contributions have fortified the conservation efforts for millions of species' genetic materials, bolstering global biodiversity preservation endeavours.





📍 The National Traditional Chinese Medicine Germplasm Resource Bank preserves over 30,000 samples of traditional Chinese medicine germplasm.

📍 Under its Animal Germplasm section, the Germplasm Bank of Wild Species stores over 11,000 species and more than 200,000 samples of animal tissues, nucleic acids, and cells.

📍 The CryoArks in the U.K. aids in preserving endangered species samples, enhancing global conservation efforts.

📍 The Chengdu Institute of Biology, Chinese Academy of Sciences, houses over 110,000 specimens of amphibians and reptiles in its Herpetology Museum.

📍 The Yellow Sea Fisheries Research Institute, Chinese Academy of Fishery Sciences, preserves over 100,000 samples of various marine fishery biological resources.

📍 The Dujiangyan Base of the China Conservation and Research Center for the Giant Panda has contributed to reclassifying the giant panda from Endangered to Vulnerable, reflecting significant progress in species conservation.

📍 Marine Biological Resources Bank (Zhuhai) maintains a collection exceeding over 2.2 million marine biological samples.

Appendix

ESG Key Performance Indicators

Economic performance		
Indicators	Unit	2023
Operating income	One hundred million RMB	22.81
Net profit	One hundred million RMB	4.06

Environmental performance			
Indicators	Unit	2022	2023
Environmental protection input			
Investment in environmental protection	Ten thousand RMB	105.02	30.54
Energy ¹			
Total energy consumption	MWh	13,095	12,915.81
Direct energy	MWh	/	1,869.86 ¹
Indirect energy	MWh	11,254	11,045.95
Purchased electricity	MWh	9,965	9,949.83
Purchased heat	MWh	1,289	1,096.12
Total consumption of renewable energy	MWh	1,489	1,547.65
Renewable energy consumption	%	13	11.98
Total energy use in facilities that produce products for UNICEF	MWh	535	535.8
Energy intensity	kWh/ten thousand RMB	45.72	56.63

¹In 2023, we corrected the energy consumption statistics. We incorporated the Photovoltaic power generation into the direct energy statistics.

Environmental performance			
Indicators	Unit	2022	2023
Water			
Total water consumption	m ³	46,000	76,265
Water intensity	m ³ /ten thousand RMB	0.16	0.33
Greenhouse gas ²			
Total GHG emission	Ton CO ₂ e	6,798.62	6,812.06
Scope 1	Ton CO ₂ e	63.625 ²	252.07
Scope 2	Ton CO ₂ e	6,734.995	6,559.99
GHG intensity	kg CO ₂ e/ten thousand RMB	23.74	29.87
Waste			
General waste	Ton	767.06	930.45
Hazardous waste	Ton	7.34	8.6

Social performance			
Indicators	Unit	2022	2023
Product and service			
Domestic customer satisfaction	%	99.83	99.94
Customer complaint resolving rate	%	100	100
Total patents	item	795	1,321
New invention patents application	item	131	146
Total software copyrights	item	114	296
Number of suppliers			
China	/	437	559
Other countries and regions	/	6	9

²In 2022, we count CO₂ emissions from stationary combustion.

Social performance			
Indicators	Unit	2022	2023
Employment			
Number of employees	/	2,690	2,636
Male	/	1,944	1,898
Female	/	746	738
By region			
China	/	2,661	2,607
Other countries and regions	/	29	29
By age group			
Under 30	/	1,074	810
30-50	/	1,513	1,700
Over 50	/	103	126
By function			
Technical	/	897	933
Sales	/	569	680
Finance	/	31	33
Administration	/	234	97
Production	/	959	893
Number of new hires	/	778	573
Male	/	687	418
Female	/	91	155
Training for employees			
Average training hours	Hour/person	33.24	34.32
Training coverage	%	100	100

Social performance			
Indicators	Unit	2022	2023
Training coverage by gender			
Male	%	/	72
Female	%	/	28
Average training hours by gender			
Male	Hour/person	33.54	34.61
Female	Hour/person	32.49	33.59
Anti-corruption training coverage	%	100	100
Fair competition training coverage	%	100	100
Occupational health and safety			
Coverage of health and safety training	%	100	100
Number of work-related fatalities	/	0	0
Number of working days lost due to work-related injury	/	0	0
Lost time injury frequency rate LTIFR ³	%	0	0
The completion rate of risk rectification	%	100	100
Emergency response rate	%	100	100

³Employee lost time injury frequency LTIFR= Number of work-related injuries X1000000/ Total working hours X100%

GRI Standards

Disclosure Item	Disclosure Title	Sections
Universal Standards		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	About Haier Biomedical - Company profile
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	There were no restatements of information during the reporting period
2-5	External assurance	There were no external assurance obtained for the report
Activities and workers		
2-6	Activities, value chain and other business relationships	About Haier Biomedical - Company profile
2-7	Employees	3.1.1 Employment compliance
2-8	Workers who are not employees	3.1.1 Employment compliance
Governance		
2-9	Governance structure and composition	2.1.1 Corporate governance
2-10	Nomination and selection of the highest governance body	See our 2023 Annual Report
2-11	Chair of the highest governance body	Tan Lixia
2-12	Role of the highest governance body in overseeing the management of impacts	2.1.1 Corporate governance
2-13	Delegation of responsibility for managing impacts	Sustainability Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
2-15	Conflicts of interest	See our 2023 Annual Report
2-16	Communication of critical concerns	Sustainability Governance
2-17	Collective knowledge of the highest governance body	Sustainability Governance
2-18	Evaluation of the performance of the highest governance body	See our 2023 Annual Report
2-19	Remuneration policies	See our 2023 Annual Report

Disclosure Item	Disclosure Title	Sections
2-20	Process to determine remuneration	See our 2023 Annual Report
2-21	Annual total compensation ratio	Omitted due to confidentiality constraints
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Chairman's Statement
2-23	Policy commitments	2.1.2 Business ethics
2-24	Embedding policy commitments	2.1.2 Business ethics
2-25	Processes to remediate negative impacts	2.1.2 Business ethics
2-26	Mechanisms for seeking advice and raising concerns	2.1.2 Business ethics
2-27	Compliance with laws and regulations	See sections of the Report for details
2-28	Membership associations	Chairman's Statement
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Governance
2-30	Collective bargaining agreements	Union coverage 100%
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Governance
3-2	List of material topics	Sustainability Governance
3-3	Management of material topics	See tables below
Topic Standards		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	See 2023 Annual Report for financial information. Some data are omitted due to confidentiality constraints
201-2	Financial implications and other risks and opportunities due to climate change	4.1.4 Climate change
201-3	Defined benefit plan obligations and other retirement plans	3.1.3 Caring for employees
201-4	Financial assistance received from government	Not applicable
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Omitted due to confidentiality constraints

Disclosure Item	Disclosure Title	Sections
202-2	Proportion of senior management hired from the local community	Omitted due to confidentiality constraints
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	2.2.1 Supplier management
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	2.1.2 Business ethics
205-2	Communication and training about anti-corruption policies and procedures	2.1.2 Business ethics
205-3	Confirmed incidents of corruption and actions taken	2.1.2 Business ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.1.2 Business ethics
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	4.2.3 Production resources
301-2	Recycled input materials used	4.2.3 Production resources
301-3	Reclaimed products and their packaging materials	4.2.3 Production resources
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	4.2.1 Energy consumption management
302-2	Energy consumption outside of the organization	4.2.1 Energy consumption management
302-3	Energy intensity	4.2.1 Energy consumption management
302-4	Reduction of energy consumption	4.2.1 Energy consumption management
302-5	Reductions in energy requirements of products and services	4.1.3 Green product concept
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared Resource	4.2.2 Production resources
303-2	Management of water discharge-related impacts	4.2.2 Production resources
303-3	Water withdrawal	4.2.2 Production resources
303-4	Water discharge	4.2.2 Production resources
303-5	Water consumption	4.2.2 Production resources
GRI 304: Biodiversity2016		
304-1	Operational sites owned, leased,managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.4 Biodiversity conservation

Disclosure Item	Disclosure Title	Sections
304-2	Significant impacts of activities, products and services on biodiversity	4.4 Biodiversity conservation
304-3	Habitats protected or restored	4.4 Biodiversity conservation
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.4 Biodiversity conservation
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	4.2.1 Energy consumption management
305-2	Energy indirect/Scope 2 GHG emissions	4.2.1 Energy consumption management
305-3	Other indirect/Scope 3 GHG emissions	Not applicable
305-4	GHG emissions intensity	4.2.1 Energy consumption management
305-5	Reduction of GHG emissions	4.2.1 Energy consumption management
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
GRI 306: Effluents and Waste 2016		
306-1	Waste generation and significant waste-related impacts	4.3.1 Waste management 4.3.2 Wastewater management 4.3.3 Emissions management 4.3.4 Noise management
306-2	Actions taken to prevent waste generation	4.3.1 Waste management 4.3.2 Wastewater management 4.3.3 Emissions management 4.3.4 Noise management
306-3	Composition of waste generated	4.3.1 Waste management
306-4	Recovery operations used to divert waste from disposal	4.3.1 Waste management
306-5	Disposal operations	4.3.1 Waste management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	2.2.2 Responsible supply chain
308-2	Negative environmental impacts in the supply chain and actions taken	2.2.2 Responsible supply chain
GRI 401: Employment 2016		
401-1	New employee hires and employee Turnover	3.1.1 Employment compliance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1.3 Caring for employees
401-3	Parental leave	3.1.1 Employment compliance

Disclosure Item	Disclosure Title	Sections
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not applicable
GRI 403: Occupational Health and safety 2018		
403-1	Occupational health and safety management system	3.1.4 Occupational health and safety
403-2	Hazard identification, risk assessment, and incident investigation	3.1.4 Occupational health and safety
403-3	Guidance for Disclosure	3.1.4 Occupational health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	3.1.4 Occupational health and safety
403-5	Worker training on occupational health and safety	3.1.4 Occupational health and safety
403-6	Promotion of worker health	3.1.4 Occupational health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.1.4 Occupational health and safety
403-8	Workers covered by an occupational health and safety management system	Applies to all employees
403-9	Work-related injuries	3.1.4 Occupational health and safety
403-10	Work-related ill health	3.1.4 Occupational health and safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	3.1.2 Talent development
404-2	Programs for upgrading employee skills and transition assistance programs	3.1.2 Talent development
404-3	Percentage of employees receiving regular performance and career development reviews	100% Covered for all staff
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Disclosure 405-1 Diversity of governance bodies and employees	3.1.1 Employment compliance
405-2	Ratio of basic salary and remuneration of women to men	Omitted due to confidentiality constraints
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	There were no relevant incidents during the reporting period
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no relevant incidents during the reporting period
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	There were no relevant incidents during the reporting period

Disclosure Item	Disclosure Title	Sections
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no relevant incidents during the reporting period
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	3.2.1 Universal healthcare
413-2	Operations with significant actual and potential negative impacts on local communities	3.2.1 Universal healthcare
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	2.2.2 Responsible supply chain
414-2	Negative social impacts in the supply chain and actions taken	2.2.2 Responsible supply chain
GRI 415: Public Policy 2016		
415-1	Assessment of the health and safety impacts of product and service categories	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Political contributions	2.3.1 Optimising user experience
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.3.1 Optimising user experience
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	2.3.2 Responsible marketing practices
417-2	Incidents of non-compliance concerning product and service information and labeling	2.3.2 Responsible marketing practices
417-3	Incidents of non-compliance concerning marketing communications	2.3.2 Responsible marketing practices
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.2 Business ethics

UNGC Principles

Human rights	Corresponding chapter
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	3.1.1 Employment compliance
Principle 2: make sure that they are not complicit in human rights abuses	3.1.1 Employment compliance
Labor	Corresponding chapter
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	3.1.1 Employment compliance
Principle 4: the elimination of all forms of forced and compulsory labor;	3.1.1 Employment compliance
Principle 5: the effective abolition of child labor; and	3.1.1 Employment compliance
Principle 6: the elimination of discrimination in respect of employment and occupation	3.1.1 Employment compliance
Environment	Corresponding chapter
Principle 7: Businesses should support a precautionary approach to environmental challenges;	4.1.1 Green development strategy 4.1.2 Green compliance framework
Principle 8: undertake initiatives to promote greater environmental responsibility; and	4.1.4 Climate change 4.2.1 Energy consumption management 4.2.2 Production resources 4.2.3 Office resources 4.3.1 Waste management 4.3.2 Wastewater management 4.3.3 Emissions management 4.3.4 Noise management 4.4 Biodiversity conservation
Principle 9: encourage the development and diffusion of environmentally friendly technologies	4.1.3 Green product concept
Anti-Corruption	Corresponding chapter
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	2.1.2 Business ethics

Reader Feedback

Dear readers:

Thank you for reading "Haier Biomedical 2023 Sustainable Development Report ". In order to provide you and other stakeholders with more professional and valuable corporate sustainable development information, please help us to complete the relevant questions in the feedback form, so as to help us further improve social responsibility and sustainable development management in the future.

Please rate the following questions on a scale of 1 to 5 (1 is the lowest, 5 is the highest).

1.Your general comments on this report.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

2.Do you think this report reflects the significant impact of Haier Biomedical on the economy?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

3.Do you think this report reflects the significant impact of Haier Biomedical on the environment?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

4.Do you think this report reflects the significant impact of Haier Biomedical on society?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

5.Do you think this report can reflect the corporate govemance of Haier Biomedical?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

6.Your overall evaluation of the degree of information disclosure in this report:

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

7.Your overall evaluation of the literal expression in this report:

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

8.Your overall evaluation of the design style in this report:

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

9.What issues in this report concern you most?

10.Do you have any other comments or suggestions on this report?

Name: _____

Telephone: _____

Email address: _____

Company: _____

Fax number: _____

You can call, email or send feedback to us, our contact information as follows:

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