



Sustainability Report 2024

Jan 1 – Dec 31, 2024



Letter to Stakeholders



Dear Stakeholders,

As the CEO of Haier Europe, I am proud to present our comprehensive 2024 sustainability report, which marks another pivotal year in our transformation journey towards becoming the first consumer choice for smart home solutions.

Haier Europe has always been committed towards growth and innovation, and in 2024 we consolidated our high-end strategy and brand ecosystem with a focus on sustainability and energy savings.

In 2024 the landscape has evolved with new complexities. The continuous evolution of EU legislation remains a significant challenge for manufacturers. The introduction of the Ecodesign for Sustainable Products Regulation (ESPR) and the Energy Labelling Regulation (EU) 2017/1369, as well as growing concerns over data privacy and security, present us with complex challenges. Inflationary pressures remain a concern while the high energy costs continue to impact production processes across industries.

Our connected products are designing “The new era of living”. In 2024 we placed a strong focus on reducing energy consumption and guiding customers towards a more sustainable lifestyle. To this end, we have forged strategic partnerships that could seamlessly integrate with our smart appliances. These collaborations were designed not only to enhance energy efficiency but also to empower users with greater control over their consumption habits. For example, we have partnered with several energy providers and integrated our hOn platform with their



Letter to Stakeholders

systems, giving users full control over their consumption and costs. Through these collaborations, we aim to guide customers towards energy models and utility solutions that enable smart appliances to operate more efficiently and sustainably.

In 2024, Haier Europe reduced its total energy consumption by 12% compared to 2023, thereby reducing the environmental footprint of its operations. This reduction is a testament to the success of our ongoing energy efficiency initiatives and our increased reliance on renewable energy sources. We have made significant progress on our sustainability journey, achieving a 45% usage of renewable energy in 2024 through a combination of solar installations and Power Purchase Agreements (PPAs). This brings us closer to our goal of using 60% renewable energy by 2025.

People at the core. Haier Europe has been awarded a Bronze certification by Inclusive Employers for the Inclusive Employer Standard 2024, in recognition of our commitment to creating an inclusive workplace. We have benchmarked our practices against industry standards, identified areas for improvement, and set new goals to embed inclusivity at all levels of our organization. This recognition marks a significant milestone in Haier's efforts to foster a culture where all employees feel valued and respected. In the UK, Haier Europe has once again been recognized as a Top Employer for 2024. This prestigious certification recognizes the company's dedication to fostering a positive work environment, continuous development and well-being for its employees.

Workplace safety is a top priority at every level of the organization.

We are committed to providing a safe and healthy working environment for all, and 63% of our factories are certified under ISO 45001 — the global standard for occupational health and safety management. This has enabled us to reduce workplace injuries and incidents significantly over time. In 2024, despite an increase in working hours, the number of injuries decreased by more than 50% compared to 2023. The severity index has also reduced significantly, by 66%, showing that the main types of injuries are due to minor accidents.

Looking ahead to 2025 and beyond, Haier Europe remains committed to creating the most attractive IoT ecosystems to generate value and deliver an exceptional user experience. Only by being close to our customers with our “Zero distance to consumer” philosophy and by listening to their needs are we able to make their lives easier.

I want to express my gratitude to all our employees, partners, and stakeholders for their contributions to making 2024 a remarkable year for Haier Europe. Together, we will continue to innovate and build a sustainable future.

Neil Tunstall
CEO, Haier Europe



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Who we are

Haier Smart Home



200
markets served globally by Haier Smart Home



The world's only IoT Ecosystem Brand
to get recognized in Kantar BrandZ Top 100 List for six years in a row



1 billion
user families around the world



€34.3 billion
sales revenue achieved in 2024, with a 4.29% year-on-year growth



100,000+
employees that are part of Haier Smart Home



163
manufacturing centers, supported by 10 R&D centres, 71 research institutes and 35 industrial parks

Established in 1984 in Qingdao, China, Haier Smart Home is a global leader in the home appliance manufacturing industry and is listed on both the Shanghai and Frankfurt Stock Exchanges.

The Company designs, develops, manufactures and sells a wide range of smart home appliances, including refrigerators, freezers, washing machines, air conditioners, water heaters, small domestic appliances and comprehensive smart home solutions.

Haier Smart Home markets its products under 7 distinct brands, including the scenario brand THREE WINGED BIRD, which offers bespoke home appliance solutions. Additionally, the Company operates **COSMOPlat**, an industrial IoT platform with independent intellectual property rights in China, enabling full-process user engagement and experience.

Premium Brands
High value service





Scenario Brands
Solutions for the whole scene



Ecosystem Brands
Endless experience



Our 2024 in brief

Sustainability is a key focus for businesses. As a leader in the household appliances sector, Haier Europe leverages connectivity and the Internet of Things (IoT), the Company is developing innovative solutions to optimize resource consumption and extend products’ lifespan. Aligned with the United Nations Sustainable Development Goals (SDGs), Haier Europe is looking to transform into an ecosystem of co-creation and IoT communities, committed to engaging consumers and stakeholders in its values through its Zero Distance approach, focusing on sustainability and well-being.



WHO WE ARE Haier Europe

Haier Attitude
in 3 pillars: Entrepreneurship & Innovation, Zero Distance, IoT & Ecosystem Thinking

Our Purpose
designing the new era of living

Global Leadership
#1 Company Globally in Major Appliances



OPERATIONS: efficiency is our bottom line

45% Green Energy
through a combination of solar panel installations and Power Purchase Agreements in our manufacturing facilities

Carbon Footprint Analysis
assessing Scope 1, Scope 2 and selected Scope 3 emissions to reduce our environmental impact

98% waste recovery rate
thanks to separation and recycling of components and material and Zero Waste to landfill certification obtained for the Turkish facilities



PEOPLE: anyone can be an Entrepreneur

90% Injury reduction
since 2020

Up to 14 h of training for employee
thanks to our online learning platform

Top Employer
in the UK for the second consecutive year



SMARTABILITY: smart and innovative solutions delivered to customers

Best-in-Class Energy Efficiency
100% of Haier washing machines, as well as Candy and Haier ovens offered on the market are A energy class

IoT for energy
smart solar systems for users offered in partnership with Tate, Yale, Ostron, Hive Power and Edison

Life Cycle Assessments
performed on four products in each category to analyze the carbon footprint and water footprint



DATA MANAGEMENT: responsible Data Strategy in the IoT Era

hOn app
Haier Europe’s app to leverage IoT and connectivity serving efficiency durability

4.3
Haier Europe’s hOn app rating

Safe connectivity



Haier Smart Home

Present across all 5 continents, Haier Smart Home counts 10 R&D centers, 71 research institutes, 35 industrial parks, 163 manufacturing centers and a sales network of 230,000 nodes around the world. **In 2024, the Company reached €34.3 billion operating revenue, marking a year-on-year growth of 4.29%.**

Haier Smart Home History:

from domestic refrigerator manufacturer to global leader in home appliances and smart home solutions

Establishment in Qingdao, China, as Qingdao Refrigerator Co. to manufacture refrigerators for the domestic market.

Major restructuring, **product diversification** through **acquisition of domestic businesses** and name change to Haier Group.

Internationalization and entrance on the **Shanghai Stock Exchange**, becoming a publicly listed company.

Global branding and consolidation of R&D, manufacturing, and marketing activities.

Launch of the **“Zero Distance to the Customer”** initiative, aiming to improve customer service and satisfaction by flattening the traditional organization into a network in which **employees act as entrepreneurs** directly responding to user requests.

1984

1991

1998

2005

2006

2009

Establishment of the open innovation platform **“Haier Open Partnership Ecosystem”** reaching out to the broader innovation community.

2012

Acquisition of Fisher & Paykel Appliances, premium home and kitchen appliance manufacturer, and entry into the high-end appliance market.

2016

Acquisition of the home appliances division of **General Electric**, becoming **the third-largest appliance manufacturer globally**.

2019

Acquisition of Candy-Hoover Group, specialized in home appliances, and coverage of the **entire European domestic appliances market**.

2020

Adoption of the **Ecosystem Brand Strategy**.

2022

Haier Smart Home is once again listed on the **Fortune Global 500** and is awarded the **2022 ESG Award and BSO Environmental, Social, and Governance Reporting Awards**.

2023

Haier Smart Home was once again honored as the **Most Admired Company by Fortune Magazine**, while its US subsidiary earned recognition as a **Great Place to Work**.

2024

Haier Smart Home proudly celebrated its **40th anniversary: four decades of excellence, innovation, and global leadership**.



Haier Smart Home

In 2024, Haier Smart Home received several international recognitions and achievements.

BrandZ Top 100 Most
Valuable Global Brands

KANTAR BRANDZ
2024 MOST VALUABLE
GLOBAL BRANDS

Haier, the world's **only IoT ecosystem brand** on the list for **6 consecutive years**.

Euromonitor International
Ranking



Haier has been the No.1 brand of major household appliances in the world in retail sales for **consecutive 15 years**.

Fortune's Most Admired
Companies



Haier Smart Home was named once again one of the Fortune's **Most Admired Companies in the world** for 2024.

Fortune Global 500



In 2024, Haier Smart Home was once again listed on the **Fortune Global 500**.

"ESG" International
Awards



Haier Smart Home was selected amongst the recipients of the 2023 Terra Carta Seal.

Haier Europe in 2024

"Designing the new era of living"



54

subsidiaries operating across Europe and China



5,900

employees in 2024 of which 70% male and 30% female



LEED

certified EU headquarters recently inaugurated in Vimercate Energy Park



8

manufacturing sites located across 5 countries



22

warehouses belonging to the Company present globally



2,700

worldwide suppliers of components and services

Candy S.p.A.¹ (also known as "Haier Europe" or "the Company") **was acquired by Haier Europe Appliance Solution S.p.A. in 2019**, with its first headquarters established in Brugherio, Italy. Haier Europe operates within the domestic appliances market, offering a diverse range of products that span from ultra-premium to entry-level options. This broad brand positioning enables the Company to cater to all consumer segments.

¹ Candy Hoover Group S.r.l. is subject to management and coordination by Candy S.p.A. and is part of Haier Group.



Haier Europe in 2024

The Company manufactures solutions in the **Washing, Cooking and Built-in, Refrigeration, Heating, Ventilation and Air Conditioning (HVAC), and Small Domestic Appliances (SDA)** categories.

Haier Europe’s categories and product lines



Home laundry

High-capacity washing machines, tumble dryers, and washer dryers



Refrigeration

Multidoor and high-capacity fridges, upright and top freezers



Wine cellars

Wine fridges and freestanding coolers



Heating, ventilation and air conditioning

Residential and commercial air conditioning solutions



Dishwasher

Free-standing and built-in



Large cooking

Cookers, ovens and hobs



Small Domestic Appliances

Vacuum Cleaners, kettles, fryers, toasters, microwaves

Haier Europe’s operates through three distinct brands: **Candy, Hoover and Haier.**

CANDY

offers innovative but simple and easy to use solutions and products, with an accessible positioning



delivers high-quality products, designed to ensure high-performing and reliable home appliances

Haier

aims to deliver superior design products, that are tailor made and integrate unique and advanced technologies

In 2021, Haier Europe acquired **Fisher & Paykel Appliances Italia (F&P)**, a company based in Borso del Grappa, Veneto, with over 70 years of experience in manufacturing cooking appliances. F&P owns the Elba brand and markets De’Longhi household appliances under license. These brands are now part of Haier Europe’s portfolio, enhancing its range of high-quality home appliances.

The value chain of Haier Europe encompasses all the activities involved in designing, manufacturing, and delivering products to customers and each step is subject to the Company’s commitment to improving the sustainability performance of its activities.



Haier Europe in 2024

Haier Europe’s value chain

Upstream



Research & Development: designing, prototyping and testing new and energy efficient products and less impactful material and packaging solutions, considering customers’ evolving needs, legal requirements, and the drive towards more circular products.



Procurement: acquiring raw materials, semi-and finished components from global suppliers starting to integrate ESG criteria in the selection process.

Operations



Manufacturing: transforming raw materials and components into finished products through assembly, testing and quality control at Haier Europe’s manufacturing plants.



Packaging: finding alternative packaging solutions through research and development activities by testing these solutions on the Company’s products to determine most viable and less impactful options.

In 2024, Haier Europe operated in production sites located across Italy (Brugherio and Borso Del Grappa), Turkey (Eskişehir), Romania (Ploiești), China (Jiangmen) and Russia (Kirov), with offices distributed across the region. Initially headquartered in Brugherio, most functions, except for manufacturing, and R&D were relocated in early 2023 to a new office in Vimercate Energy Park.



Marketing: creating brand awareness, advertising the products, conducting promotions, and managing distribution channels.



Sales: selling products directly to customers (D2C) or businesses through retail stores, online marketplaces, and authorized dealers.



Distribution, logistics and installation: transporting, storing, and distributing products to retail stores, online marketplaces, and authorized dealers, and where necessary installing products.

Downstream



Product use: use of products by the end consumers in the residential sector.



Customer service and support: providing after-sales service, customer support, warranty services, repairs, and spare parts delivery.



End of life: product disposal once it reaches the end of its lifespan.



Haier Europe in 2024



Focus on: Haier Europe's Visionary Hub - A Sustainable and Innovative Headquarters in Vimercate



Haier Europe's new headquarters in Vimercate Energy Park is a state-of-the-art facility covering over 2,600 m² across three floors and placed within an eco-sustainable technology park in the Brianza area. **The facility operates in an entirely plastic-free environment and is certified to the highest standards of energy and environmental resource management, having achieved the prestigious Leadership in Energy and Environmental Design (LEED) Platinum certification.**

This certification highlights the building's efficiency, low carbon footprint and cost-saving features, including photovoltaic panels installed on the roof, which began operating in 2023 to power the building.

The building features ventilated wall facades, solar shading, best-in-class cooling and heating systems. Additionally, rainwater collection systems are in place to reuse water for toilet drains and irrigation. The office also features a dedicated area for product displays where stakeholders can experience IoT and connectivity in real-life kitchen, laundry and living scenarios. Moreover, it is strategically located for accessibility, offering electric vehicle charging stations, ample parking and convenient public transportation options.

The headquarters serves as a dynamic hub for over 500 employees, fostering a culture of entrepreneurship, creativity and collaboration. **The office spaces are designed to be flexible, promoting a balance between work and relaxation**, with areas dedicated to informal collaboration, physical activity, and open-air relaxation.



Haier Europe in 2024

Haier Europe’s vision is to become the global leader in Internet of Things (IoT) serving sustainable household smart solutions and customers’ first choice for smart home appliances. The Company is dedicated to breaking barriers and designing a **new era of living** where **innovation and connectivity enhance quality of life**, while contributing to sustainability through better environmental monitoring and education.

Haier Europe’s Zero Distance Philosophy focuses on supporting customers through the entire product lifecycle in a sustainable way. This approach allows Haier to identify customer needs, promote sustainable habits and make product maintenance more accessible, extending product lifespan and reducing resource demand. To achieve “zero distance” with consumers, the Company turned its organization into a dynamic network that empowers employees to act as entrepreneurs, aligning their goals with user value, following the “RenDanHeyi” principle of innovation, value creation, and integration.

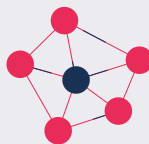
Guided by the RenDanHeyi, the “Haier Attitude” was developed on 3 traits that characterize employees of Haier Europe where sustainability is built into their experience:



Entrepreneurship & Innovation: self-driven, open-minded risk takers that are passionate with results, measuring impact and capturing innovation.



Zero Distance: relentless learners, fueled by customers’ satisfaction, oriented towards a start-up mentality and a disintermediated relationship with customers.



IoT & Ecosystem Thinking: A change agent. Thrives for idea contamination with a hyper-collaborative approach that breaks silos internally and externally.



Haier Europe's Governance

Organizational structure and Corporate Governance

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-15]

Haier Europe has established a governance structure founded on the principles of good faith management and transparent information. Haier Europe's corporate structure is composed of governance bodies and specific documents such as the **Code of Ethics** and the **ESG Business Code of Conduct** that define their functioning.

Board of Directors

The Board of Directors is comprised of a President (or Chairman), a Managing Director and three additional Directors. Haier Smart Home in China appoints the President and one of the Directors, ensuring that their independence and expertise are thoroughly evaluated during the nomination process. This evaluation aims to balance commercial and financial skills effectively. Consequently, the chair of the highest governance body holds a senior executive position within the organization. The Company also implements measures to prevent any conflicts of interest.

Senior Leadership Team

The Senior Leadership Team (SLT) shapes the Company's vision and strategy while overseeing all European operations. This team consists of 15 executive members, each representing essential functions within the company, including finance, operations, technology, marketing, and product lines.

Board of Statutory Auditors

The Statutory Board comprises independent individuals responsible for overseeing the financial reporting process, audit procedures, and the company's compliance with laws and regulations. It is composed of three members and two alternate auditors, namely a President, two effective auditors and two alternate auditors.

The ESG Business Code of Conduct and the Code of Ethics

[GRI 2-15] [GRI 2-23] [GRI 2-24] [GRI 2-25]

Haier Europe operates according to the ESG Business Code of Conduct, which was updated in July 2023, which outlines the ESG principles, values and standards all suppliers and business partners are required to comply with. The ESG Business Code of Conduct is inspired by the principles of the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises, encouraging individuals to report any violations anonymously through a compliance hotline or a dedicated email address. This document works in conjunction with the Code of Ethics, which defines the rules, principles, standards of ethical behavior and values to be observed by all recipients. **The latest update includes integrating the three main traits of the Haier Attitude: Entrepreneurship & Innovation, Zero Distance and IoT & Ecosystem Thinking.**



Haier Europe's Governance

The Code also incorporates ESG principles and reaffirms the Company's commitment to controlling gas emissions, waste, substances of concern and social responsibility. **The Board of Directors is responsible for its application and the implementation of sanctions in case of breaches.** The Code of Ethics also outlines the process for preventing conflicts of interest, specifying that employees must avoid situations where their personal interests may conflict with those of the Company.

Organization, Management and Control Model 231

[GRI 2-16] [GRI 2-27]

Pursuant to Italian law, each Company belonging to Candy Hoover Group S.r.l., controlled by Candy S.p.A. has adopted the Organization Management, and Control Model in accordance with Legislative Decree No. 231 of 2001 (Model 231). Said Model defines the operational procedures that must be followed by all individuals working with and for the Company with the aim of minimizing the risk of engaging in any misconduct associated with business activities.

To ensure the Model is respected, each Company appoints its own Surveillance Body, endowed with autonomous powers of initiative and control and in charge of supervising the operation of and compliance with the Model, as well as seeing to its updating. To ensure adherence to the Model 231, in 2024, **Haier provided training to all new hires, for a total of 300 people involved** – with a 63.7% of completion rate – **and soon the course will be extended to all Haier Europe population.**

The Model is available to all employees in Italy through the Company's website and Intranet.

Violations can be reported through dedicated channels established by Haier Europe's Whistleblowing Policy, lastly amended in 2024, in response to Legislative Decree 24/2023, according to which the scope of individuals eligible to benefit from the system has been expanded. Protection is now extended not only to company personnel but also to those who have had any form of relationship with the Company including collaborators, consultants, freelancers, volunteers, interns, job applicants and shareholders. Employees are encouraged to report concerns or potential violations also regarding the Company's ESG Business Code of Conduct and Code of Ethics. The updated Policy establishes a confirmation response to all reports 7 days from the date of receipt, to inform whistleblowers on the status of their report and an escalation mechanism to the supervisor. The channels made available to employees guarantee the anonymity of the whistleblower and include:

- an IT platform and hotline, which allows reports to be made electronically and by telephone;
- the e-mail address of the Chairman of the Surveillance Body;
- transmission by mail, in a sealed envelope, to the attention of the Surveillance Body Chairperson.



Haier Europe's Governance

Anticorruption and antitrust system

Haier Europe also adopted the Anti-Corruption Risk Management Standards Policy, aimed at preventively managing any risk of bribery or corruption through a framework aimed at ensuring compliance with the Anti-Corruption laws of the countries in which the Company does or intends to do business.

Starting from 2023, the Company established the Antitrust Compliance Program, including the Antitrust Code of Conduct and the Antitrust Guidelines. Haier Europe also appointed an “Antitrust Compliance Officer” responsible for the introduction and maintenance of the Program. To ensure employees are aware on antitrust and competition law, Haier also provided training on antitrust to all employees in Italy, Türkiye, UK and Ireland, Romania, France, Benelux, South Europe and Overseas, DACH, North East Europe, Spain and Italy, for a total of 1,876 people involved of which 44.3% have completed it. Following the same process for the Model 231 training, this course will be extended to the entire workforce.

Internal Audit

Haier Europe has a dedicated Internal Audit function (HEIA), that provides **independent auditing and consulting services** aimed at improving business operations and processes. Through a systematic evaluation of risk management, internal controls, governance and compliance, it helps identify and mitigate risks, ensuring compliance with policies and safeguarding assets. Additionally, HEIA plays a key role in supporting Haier Europe's sustainability goals by promoting effective internal controls and risk management related to environmental, social and governance (ESG) factors. The head of HEIA reports directly to the Haier Europe CEO and to the Chief Audit Executive of Haier Group; it has no operational management responsibilities.

HEIA also coordinates the company's Enterprise Risk Management (ERM) approach. Twice a year, a structured risk assessment takes place involving key managers of the company and is focused on risks that would affect the realization of the company's objectives. The assessment includes identifying risks, rating them on impact and likelihood, and defining additional actions to mitigate selected key risks. Consolidated results are reported into the ERM system of Haier Group.

In 2024, insight and monitoring of risks and improvement actions have been improved by using an integrated system, combining improvement actions from other functions like Internal Control and Quality into one approach.



Haier Europe’s Governance

ESG Governance

[GRI 2-17]

The Company established an ESG governance framework with roles and responsibilities to integrate sustainability into its decision-making processes and align sustainability goals with business objectives.

At the core of this framework is the Lean Central Team, which operates within the Corporate Communication team and collaborates with subject matter experts (SMEs) on strategy, communication and reporting to map out key sustainability priorities based on self-assessments, regulations, stakeholder expectations and competitive landscape influences.

The Sustainability Board Committee, composed of four members (two male and two female), meets quarterly with the Lean Central Team to review and approve the sustainability roadmap, ensuring that strategic decisions and significant business impacts are addressed. **The Board of Directors, responsible for overseeing ESG matters, meets on a quarterly basis.** The board includes the CEO, Communication and Sustainability Director, Legal Director, CFO and HR. In exceptional cases, functions from operations are also involved.

The **Cross Functional Executive Sustainability Committee (CFESC)** meets monthly and is tasked with delivering on the sustainability roadmap by **developing initiatives, deploying resources and embedding sustainability into the business agenda, particularly in the areas of products, operations and supply chain.**

Governance Structure

Commitment begins at the top



CEO



Sustainability Board Committee

Strategic decision making on sustainability topics that sets the direction for the business



Cross Functional Executive Sustainability Committee

Engages leadership across business units



Sustainability Working Groups

Owners of priority topics / carry out / engage employees



Haier Europe’s Governance

These monthly meetings include key people such as ESG market leaders, ESG procurement leads, risk managers, and ESG leads from product lines. Additionally, representatives from IoT, Service, and HR responsible for Diversity and Inclusion (D&I) are also involved, ensuring a comprehensive approach.

Agile Sustainability Working Groups (SWGs), consisting of relevant team members, focus on executing specific tasks, such as emissions reduction and integrating sustainability into the Company’s products and supply chain. These working groups, many of which have evolved from existing efforts, continue to adapt and develop as needed. The focus areas for these groups include key projects such as Sustainable Packaging, compliance with the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), and the focus on Haier Europe’s sustainability plan objectives.

Certified management systems

Haier Europe has implemented a **Quality, Health and Safety, Environment and Energy Policy** to ensure a safe, hazard-free workplace for employees, provide consumers with secure products and services and operate with a commitment to environmental preservation.

Haier Europe’s certified management system

Certification	Description	Production site
	ISO 9001 is a globally recognized standard for product and service quality management.	All Haier Europe’s production sites in Italy, Turkey, Romania, China and Russia
	ISO 14001 standard sets out the requirements for an environmental management system.	China, Romania and Turkey
	ISO 45001 for occupational health and safety management systems.	China, Romania and Turkey
	The Zero Waste certification according to DIN SPEC 91436 is awarded to organizations that have achieved a high level of waste reduction and diversion from landfill.	Turkey



Haier Europe’s Governance

Materiality analysis

[GRI 2-29] [GRI 3-1] [GRI 3-2]

Sustainability reporting, in line with the most widely used standards, involves providing stakeholders with the necessary information to understand the key characteristics of an organization and specific details on its most significant environmental, economic and social impacts.

Haier Europe carried out its materiality analysis in 2020. **This involved a thorough assessment of the sustainability context and Haier Europe’s peers. A long list of potentially relevant topics was identified and examined, ultimately leading to the definition of 14 key issues.** These topics were validated through consultations with 20 external stakeholders, selected for their expertise and relevance to the company’s activities.

A dedicated workshop was organized during which the stakeholders shared their views on the priority of the issues of greatest relevance. Based on the diversity of experiences, skills, values, a debate led to define a ranking of priority issues. The results of the meeting were in turn examined by the top management, which carried out final evaluations, drawing the materiality threshold, the cut-off point beyond which a topic is sufficiently important and identifying the **6 material topics** on which to focus the reporting activity. For each material topic, Haier Europe has set medium- to long-term goals, targeting 2030, to enhance sustainability in areas such as smart home solutions, production processes, employee well-being, and data management. Since then, Haier Europe has updated such analysis in line with the Global Reporting Initiative (GRI) 2021 Standards, to find that no necessary modifications were needed.

Aware of the evolution of current reporting standards and particularly, with the introduction of the European Sustainability Reporting Standard (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG), the Company’s next materiality assessment will align with the double materiality requirements.

Haier Europe’s material topics

1

Resource productivity in circular economy and clean solutions

Encouraging sustainable consumption by achieving energy efficient products that are designed according to circular principles.

2

Digital consumer journey

Deploying 4.0 technologies as levers for environmental sustainability, developing digital ecosystems to enhance the customer experience.

3

Climate action and energy efficiency

Satisfying consumption needs with clean energy sources and increasing efficiency in energy and resource use while decarbonizing products and operations.

4

Responsibility along the supply chain

Ensuring sustainable procurement through the introduction of criteria on environmental, social and labor standards for suppliers, surveying, auditing, evaluating and engaging suppliers.

5

People attitude and well-being

Guaranteeing equality and inclusion while promoting diversity, ensuring the health and wellbeing of employees, and providing training for the upskilling of employees.

6

Cybersecurity and data privacy

Accelerating technological change by leveraging Artificial Intelligence and the Internet of Things, ensuring data protection and cybersecurity.



Smartability



Haier Europe
Sustainability



Key challenges: the context in which we operate

Smart Innovation

Pioneering a future of smart sustainability by ensuring that our products not only reduce food waste, water and energy consumption but also actively contribute to a circular economy. Committed to educating our connected users on sustainable consumption, integrating smart technology with sustainable practices to create a smarter and more responsible future.

Regulatory pressures

A key challenge facing manufacturers is the continuous evolution of **EU legislation**, such as the **Ecodesign for Sustainable Products Regulation (ESPR)**² and the **Energy Labelling Regulation (EU) 2017/1369**. The ESPR will apply from June 2025 and aims at improving the sustainability of products by setting mandatory requirements across the product lifecycle, from design to disposal. It focuses on enhancing product durability, reparability and recyclability, reducing environmental impact and promoting circular economy principles. Additionally, stricter energy efficiency standards took effect on March 1, 2024, under the Energy Labelling Regulation, which applies to washing machines, refrigerators, freezers and dishwashers. Both Regulations impose rigorous performance criteria for appliances, requiring manufacturers to significantly enhance the energy and resource efficiency of their products.

Locally, France took specific regulations to enhance circular economy with AGECL law published in 2020. AGECL law created repair index for washing machine, and vacuum cleaners in 2021, adding dishwashers in 2022. This

² Regulation (EU) 2024/1781.

repair index is a score out of 10 calculated on reparability criteria such as duration of availability of spare parts, type of tools and number of steps to repair. In April 2025, this repair index will be replaced by a durability index for washing machines. Durability index is a combination of repair criteria already existing in the repair index, and reliability criteria such as the number of cycles or easy and accessible information for the consumer to maintain its appliance.

IoT and Data challenges

The rise of the **Internet of Things (IoT)** in home appliances enables real-time monitoring and control, offering potential energy savings, reduced waste and optimized performance. Such potential is to be balanced with the following risks and opportunities:

Data privacy and security concerns: connected appliances collect vast amounts of user data to optimize efficiency. Ensuring compliance with General Data Protection Regulation (GDPR) and addressing consumer privacy concerns is key. This should be coupled with information security in light of increasing cybersecurity threats.

Technological innovation: developing AI-driven features, such as intelligent auto-dosing, proactive maintenance alerts and real-time monitoring of energy consumption, requires constant R&D resources both in terms of capital and labour.



Key actions: our contribution to the Sustainable Development Goals (SDGs)

SDGs

Our contribution



- Educating consumers on sustainable use and habits through IoT and connectivity
- Personalized tips for consumers to optimize energy and water usage through the hOn app

SDGs

Our contribution



- Providing connected products and services
- The hOn app promotes preventive maintenance and reparability, helping users maintain appliances over time while reducing waste

SDGs

Our contribution



- Partnerships, such as with Tate and Ostrom, help consumers optimize their energy use by scheduling appliances during low-cost, sustainable energy periods
- Expanding product efficiency by increasing the range of products with A class energy ratings

SDGs

Our contribution



- Enhancing longer product life cycles through preventive maintenance, reparability, and the reduction of waste
- Development of first AI-driven washing subscription service that optimizes detergent use with intelligent auto-dosing
- Conducting LCAs on its products to calculate and then reduce environmental footprint



Key targets: our ambition for the future

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Pillar and Material Topic	Goal	Target	Progress in 2024
1. Resource productivity in circular economy and clean solutions	Providing connected products and services that reduce the burden on the environment	>5% of sales (i.e. 250.000 machines/year) in auto-dose washing machines by 2025	Reached
		Life cycle assessment on at least one product per category in MDA and SDA covering water + carbon	Reached in 2024
		100% of products that can be connected to the hOn app	In Progress
	Improve circularity, recyclability, durability and energy efficiency	8 million users connected with the hOn application by 2028	In Progress
		7.500 issues solved with remote updates, 7.500 avoided technical interventions and 7.500 shipments avoided by 2025	Reached
		Energy upgrade for dishwashers to A class for Haier and Candy brands by 2024	Reached
		50% increase in engaged active users via digital channels by 2025	Reached
		Direct to Consumer (D2C) models for MDA and SDA by 2025 50% increase in engaged active users via digital channels by 2025	In Progress
2. Digital consumer journey	Empowering consumers on sustainable use and habits	Direct to Consumer (D2C) models for MDA and SDA by 2025	In Progress

Product Leadership at Zero Distance

Haier Europe invests in the development of innovative products designed to meet the rapidly changing needs of its customers. The Company's product leadership is driven by a focus on energy-efficient solutions and the integration of IoT technology as a key enabler of sustainability and its zero-distance philosophy.

Haier Europe's range of smart solutions includes 30 smart product families, available across 27 app languages, showcasing the company's global reach and adaptability to diverse markets.

To achieve this, the hOn app was developed to create connected ecosystems and smartly manage Candy, Hoover and Haier appliances, particularly by optimizing energy performance and reducing their environmental impact.



With over 8.8 million registered users on all the apps, the hOn app empowers users to monitor, manage and delegate their household appliances with ease.

By providing comprehensive energy and water usage insights, the app helps optimize appliance performance, ensuring efficiency and longevity. Users can schedule operations during periods of lower carbon intensity, allowing appliances to work in harmony to minimize energy and resource consumption. **The hOn app also serves as an educational resource for users.** It provides personalized tips and suggestions to help improve energy efficiency, enhance appliance performance, and promote sustainable usage. Whether it's advice on reducing water consumption in your washing machine or optimizing energy use in your refrigerator, the

hOn app offers valuable insights that empower users to get the most out of their appliances.





Product Leadership at Zero Distance

In addition to these features, hOn supports **preventive maintenance** to help identify issues early, reducing waste and troubleshooting effectively. The app also promotes **reparability** by offering assistance for repairs, ensuring that appliances remain functional over time. Indeed, the hOn service app enhances Haier Europe's assistance network by enabling technicians to connect to compatible products and efficiently manage repairs. Technicians can access product control boards, review error histories, detect anomalies and update software remotely, improving the speed and quality of service. With the hOn app, they can:



View **control board details** and software versions;



Consult **real-time error histories**;



Perform troubleshooting and quickly resolve issues;



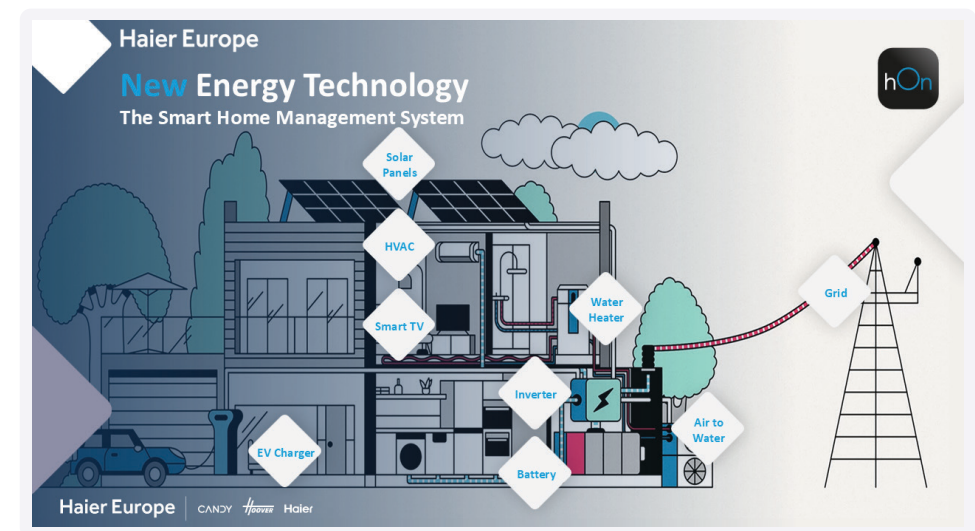
Install updates remotely via smartphone;



Access and download technical information for convenient offline use.

Home - Energy Management

In 2024, the Company placed a strong focus on reducing energy consumption and guide customers towards a more sustainable lifestyle. To achieve this, Haier Europe actively developed strategic partnerships that could seamlessly integrate with its smart appliances. These collaborations were designed not only to enhance energy efficiency but also to empower users with greater control over their consumption habits.



Through the hOn platform, **the Company collaborates with a wide range of partners across different sectors to offer an ecosystem of optimized services for its users.** These partnerships span various industries, including utilities, food and beverage, smart home, e-mobility.



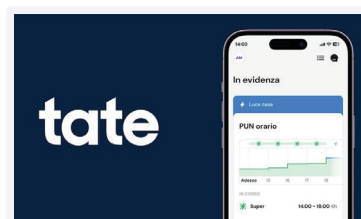
Product Leadership at Zero Distance

Powering Smarter Living Through Strategic Energy Partnerships

One of Haier Europe's main goals is to **ensure that customers consume as little energy as possible** while saving on their electricity bills.

By **partnering with multiple energy providers, we integrated our hOn platform with their systems** to give users full control over their consumption and costs. Through these collaborations, we aim to guide customers toward energy models and utility solutions that allow smart appliances to operate more efficiently and sustainably.

As an example, **Haier Europe has partnered with Tate, an Italian digital electricity and gas supplier**, to manage households' energy consumption. This partnership introduced a new time-of-use tariff model (PUN), enabling users to pay for electricity at its real-time market price rather than relying on average monthly rates. **Thanks to next-generation smart meters, the PUN tariff updates every hour, allowing consumers to take advantage of fluctuating energy prices.** Through this real-time pricing model, users can monitor energy prices via the Tate app, receiving suggestions for optimal usage times. **Appliances connected to the hOn platform**—such as washing machines, tumble dryers and dishwashers—**can be programmed to run during off-peak hours, when energy is cheaper and more sustainable.** This results in considerable savings. By aligning with renewable energy peaks and minimizing the use of more polluting sources, the partnership supports eco-friendly energy habits, encouraging consumers to shift their usage patterns.



Haier Europe has also partnered up with Ostrom, a leading provider of dynamic electricity tariffs in Germany. This collaboration allows Haier's devices, controlled via the hOn app, to access real-time electricity price data from Ostrom. As a result, appliances like refrigerators, dishwashers and tumble dryers can now operate during the most cost-effective times, optimizing energy efficiency and reducing overall electricity costs.

One of the standout features is the Smart Tariff Scheduling system, which allows users to save on their energy bills by intelligently scheduling appliance usage based on real-time energy prices.

This feature is powered through:



Energy Provider Integration: the smart tariff function is activated by linking the user's account with an energy provider in their specific country.



Account Linking: the user connects their hOn app with the energy provider's application, which uploads the current tariffs, ensuring that users get accurate energy time suggestions.



Schedule Optimization: the partner's app and the hOn platform work together to suggest the optimal times to run appliances based on energy prices, thereby ensuring that the devices operate when energy costs are lower or when renewable energy usage is highest.



Savings: by following these optimized schedules, users can effectively reduce their energy consumption and lower their energy bills.

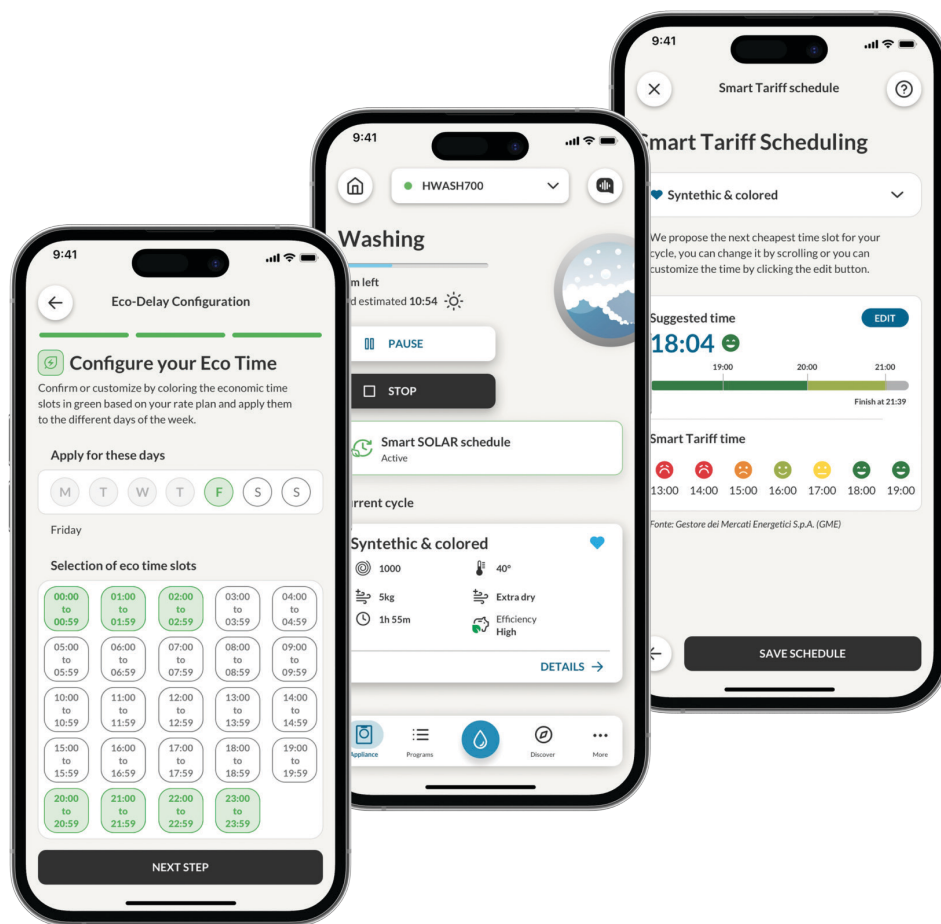


Product Leadership at Zero Distance

Survey results show that 55% of users already take advantage of delay start functions to run appliances during cheaper time slots, and 70% are eager for an automatic feature like Eco Schedule to manage their energy consumption efficiently.

Additionally, **through a partnership with Edison Energia**, customers with an Edison-connected solar system can utilize the innovative Smart Solar function. This feature **automates the operation of appliances, allowing users to save up to 70% on energy consumption by scheduling their devices to run when energy production is optimal**. This includes managing appliances and heating systems based on solar energy availability, maximizing efficiency and minimizing grid reliance.

In addition to existing partnerships, Haier Europe is actively working with leading energy providers such as **Iberdrola in Spain** and **EDF in France** to develop similar **integrated systems aimed at maximizing energy efficiency**. These collaborations focus on aligning smart appliance usage with real-time energy pricing and the availability of renewable sources, ensuring that consumers benefit from lower costs and reduced environmental impact. By expanding our network of partnerships across Europe, we continue to enhance the capabilities of the hOn platform, offering users a seamless, intelligent experience that supports smarter, greener living.





Product Leadership at Zero Distance

Empowering Households to Move Beyond Gas

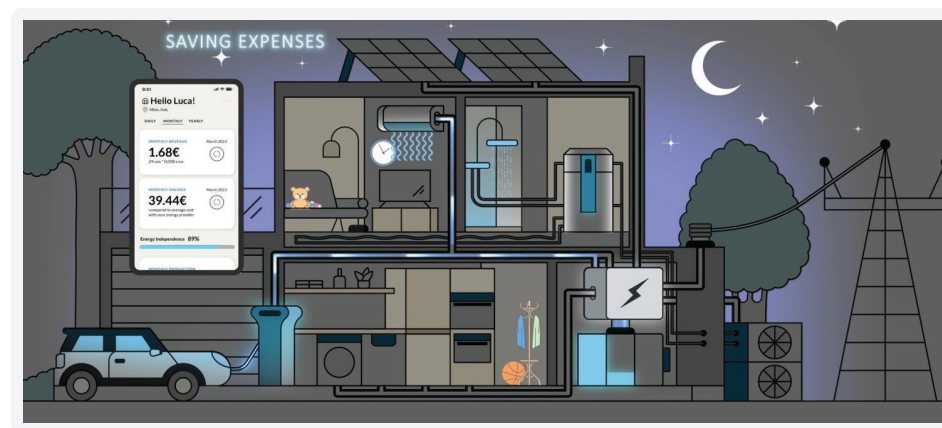
Reducing reliance on fossil fuels and lowering overall emissions are key priorities for Haier Europe in its commitment to a more sustainable future. In line with this vision, the Company has started cooperating with **major Italian utility provider on a large-scale national project aimed at encouraging households to shift from gas usage for cooking to induction cooktops**. This initiative will promote cleaner, more efficient energy use by replacing traditional gas systems with smart electric alternatives. Set to launch soon, the project will offer consumers dedicated support, incentives, and advanced features through the hOn platform, helping them make the transition smoothly while optimizing their energy consumption and reducing their carbon footprint.

Bringing Clean Technology to New Homebuyers

Recognizing the importance of integrating sustainability into the very foundation of modern living, **Haier Europe has started working with major Italian banks and mortgage intermediaries to support people purchasing new homes**. Through these partnerships, future homeowners **will be able to access flexible financing solutions for the installation of solar panels, heat pumps, and other cutting-edge energy technologies**. These offerings will make it easier for individuals to build energy-efficient homes from day one—ensuring long-term savings, increased comfort, and a lower environmental footprint. By working hand-in-hand with the financial sector, Haier is accelerating the transition to greener housing across Italy.

Turning Data into Actionable Energy Insights

To further support consumers in making informed and efficient energy choices, Haier Europe has started cooperating with companies that develop advanced home energy monitoring devices. These technologies track real-time energy usage across the home, offering valuable insights into consumption patterns. By leveraging this data, Haier will be able to help users identify potential savings that could be achieved by switching to higher energy-class appliances. Through targeted simulations, detailed information, and personalized recommendations, we plan to guide consumers toward smarter purchasing decisions—empowering them to reduce their environmental impact and cut energy costs with greater confidence.



Product Leadership at Zero Distance



WASHING

In the washing product category, Haier Europe offers washing machines, tumble dryers, and dishwashers. Leading the market with 100% of its washing machines in A class, Haier’s innovations including auto-dose, softer pillow drums, water and heat recirculation, connectivity, and efficient heat pump inverters.

95%

of Candy and Hoover washing machines will achieve a B class or higher energy efficiency rating within the next three years

100%

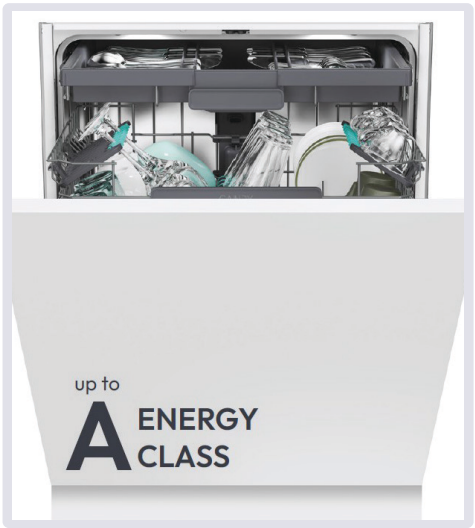
of Haier-branded washing machines offered on the market already have an A class energy efficiency rating

In 2024, efforts to improve the energy efficiency of the washing product portfolio across all brands continued. Alongside the launch of the first A Class dishwasher, several washing machines and dryer ranges saw significant energy upgrades. For example, **Candy Rapidò and SmartPro Inverter models improved from A and B ratings to -15% vs A class** and -30% vs A class, respectively. Similarly, Hoover H-Wash 700 and 300 models achieved -30% vs A class (compared to A) and -10% vs A class (compared to B).

On the dryer side, notable improvements were made to Candy SmartPro range, which introduced the Save&Dry Cycle, and Hoover H-Dry 250, which now features the Energy Saving Cycle.

Haier Top loaders all have auto dose with auto clean, increasing the durability of the machine and reducing maintenance.

Our Heat pump Tumble dryers have the new adaptive anti tangling algorithm making the drying process of big loads more effective avoiding extra drying time, preventing loss of efficiency working only when needed.



Packaging weight reduction of 20% by reducing expanded polystyrene (EPS) density. The Eskişehir, Turkey, tumble dryer factory, operational since 2021, achieved notable sustainability milestones in 2024:



Solar Panel Integration: The facility expanded its solar panel array, covering 20% of its energy needs, reducing CO2 emissions by 1,200 tons annually.



Zero-Waste Certification: Achieved zero-waste-to-landfill status through 95% material recycling and waste-to-energy processes.



Product Leadership at Zero Distance

Haier X-Series 11 Washing Machine

In 2024, Haier Europe launched the first -40% vs A class efficiency X-Series 11. A standout feature of the X-Series 11 is the **Ultra Fresh Air technology**, which keeps clothes fresh and clean for up to 12 hours after washing avoiding an extra washing cycle. By drawing in and circulating fresh air within the drum, it helps prevent the growth of mould, bacteria and unpleasant odors. **Equipped with Artificial Intelligence**, this washing machine can identify fabric types and load sizes, optimizing wash cycles for the best results.



Additionally, the **auto-dose system**, available by default in all models of this range, measures the required amount of detergent and fabric softener based on load weight, minimizing waste. The **Direct Motion Motor technology** reduces the number of moving parts, increasing durability and contributing to quieter performance while lowering water and energy usage.

Haier A Class WashPass

Haier offers the **A Class WashPass**, the first AI-driven washing subscription service that brings a professional laundry experience directly to customers' homes. This monthly service includes installation, repair and maintenance. Key features include:



Disaggregated chemistry: optimizes detergent selection using four Nuncas detergents, tailored to washing temperatures, stains and fabrics.



Intelligent auto-dosing 2.0: through the hOn app, the Intelligent auto-dosing 2.0 system doses just the right amount of detergents to address the issue of the customer, minimizing chemical waste and environmental impact.



Automatic refill: AI detects low detergent levels, triggering automatic reorders and home delivery.



Direct Motion Motor for long lasting efficiency: ensures long-lasting performance with greater energy efficiency and durability, outlasting traditional motors.





Product Leadership at Zero Distance

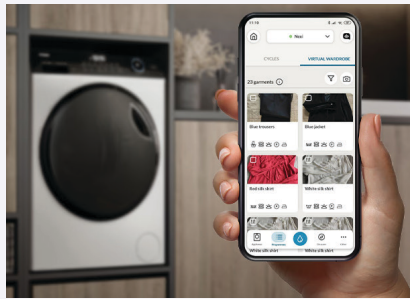
A Comparative LCA screening showed that the WashPass model has a lower environmental impact compared to traditional washing machines.

Defective machines are collected for component recovery, material recycling and appliance refurbishment where possible. Its automatic dosing system, using four pumps for precise detergent delivery based on the selected program, reduces water, energy and detergent consumption.

The WashPass model emits 26% less CO₂eq and has an 43% lower land-use impact compared to a traditional washing machine, resulting in an overall 3% reduction in environmental impact across all measured indicators (single Score).

IoT enabled features

In terms of IoT features for the latest washing machines ranges³, consumers receive alerts to clean filters or advice on the level of maintenance required. Integration with weather services allows the app to warn in case of rain and through smart scheduling features, customers can customize the timing of product use without burdening the power grid or having to increase the meter power. The **Snap & Wash feature** was introduced also for washing machines: thanks to AI, consumers upload a picture of their laundry and receive suggestions on the best program to choose from for a more efficient wash.



³ H-Wash 700, H-Wash 350, I-PRO 7 and I-PRO 5.

Other AI and connectivity solutions developed for washing machines and tumble dryers include:



Live over-the-air updates that allow for preventive maintenance monitoring and troubleshooting, making it easier for users to ensure optimal product health and prevent service calls.



Live energy and water monitoring during use helping the user understand the impact of different cycle options.



Smart Grid scenario, a peak energy scheduler that allows users to seize low carbon intensive times to run the cycle, leading up to 50% payback of the washing machine in 3 years.



The Smart AI Cycle, optimizes water, energy, and detergent usage by adjusting washing programs based on fabric type and load weight, enhancing cost efficiency.



The SYNCRO function, which proactively adjusts the drying duration based on the type and amount of laundry washed and its starting humidity level to set the right cycle and reduce energy demand. The tumble dryer Syncro feature synchronizes the washer and dryer, automatically setting the drying program based on load size and humidity levels. **This results in substantial energy savings, reducing consumption by 100 kWh per year.**



Preventive maintenance feature such as periodical reminders to maintain filters for tumble dryers will increase durability of the product.



Product Leadership at Zero Distance



Focus on: partnership with Procter and Gamble

Haier Europe is continuing its partnership with Procter & Gamble, featuring brands such as Dash, Ariel, Lenor and Fairy. Through the hOn app, users gain access to eco-friendly tips that enhance appliance efficiency while reducing environmental impact. These include optimizing cycles to save water, minimizing energy use, and promoting the correct use of detergents.

Additionally, **the app's development now includes tailored and low temperature cycles designed to maximize efficiency across different wash loads, helping users further reduce waste.** Visitors to the hOn website can also explore the Sustainability section, where articles based on P&G research share insights on practices like low-temperature washes and water conservation by eliminating unnecessary rinsing.





Product Leadership at Zero Distance



REFRIGERATION

The refrigeration category includes fridges and freezers. With regards to these products, the sustainable approach of Haier Europe focuses on two main directions: **optimizing energy consumption** and enhancing food preservation with the purpose of **reducing food waste**. Both objectives are pursued through cutting-edge design and technology and with a strong contribution of smart features.

In terms of energy efficiency, the Company has proactively upgraded its product range to meet regulatory requirements well before deadlines. For instance, Haier Europe phased out F Class products ahead of their legal phase-out date.

The approach is also considering the specificity of Haier Europe brands, delivering a customized experience for Haier and Candy end consumers.

The **Haier brand** sustainable vision is well summarized by the claim **“More than A class”**. The pure achievement of the highest performance is always accompanied by other leading features making the low consumption models even more attractive to consumers. For example the A class Side by Side series 7 and **3D Bottom Mount**



series 7 are also adding a **leading storage capacity** of more than 600 lts and more than 400 lts respectively, guaranteeing maximum usability even for large amount of food. The 3D configuration is also equipped with the **direct access drawer**, providing an additional 30% energy saving during the loading activity of the refrigerator. Finally, on the Bottom Mount **2D series 7** configuration the energy consumption is reduced by an **additional 20%** versus the A class standards measurement. The “More than A class range” is completed by special products as Wine Coolers and Freezers.

Haier vision of sustainability, in full consistency with the brand values, goes beyond energy consumption and includes also relevant contribution to **minimizing food waste**. The entire Bottom Mount and Multidoor range are equipped with **advanced preservation features**. These refrigerators ensure optimal food preservation through specialized cooling zones and innovative technologies. The **Haier Air Surround Fresher Tech** circulates air throughout the fridge, preventing direct airflow that can dry out food. This system maintains the taste of food for up to 99% freshness after seven days. Users can easily customize temperatures with the **My Zone feature for tailored freshness**, while the **Humidity Zone keeps fruits and vegetables at an ideal 90% humidity**.



Product Leadership at Zero Distance



Focus on: Preventing food waste via Smartness

Haier Europe continues to innovate in **food preservation and waste reduction through its hOn app**. One of the main features is the **Proactive Temperature setting**, powered by integrated AI. This technology ensures optimal food freshness by automatically adjusting fridge temperatures based on factors such as weather, shopping habits, and user behavior. This leads to longer-lasting freshness and reduced food waste. The app also includes a **Smart Food Locator**, offering precise **advice on the ideal storage location for each type of food, further prolonging freshness and reducing spoilage**. Moreover, the hOn app provides real-time monitoring, **including a Blackout Alert feature** that notifies users of power outages, allowing them to take necessary actions to protect food quality. **By implementing these intelligent solutions, families can reduce their food waste by approximately 65 kg per year, the equivalent of 22 daily meals.**



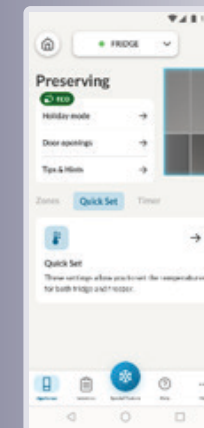
Product Leadership at Zero Distance

Other key launches throughout 2024 for Haier, include the new **Titanium integrated refrigerator** with an overall energy rating (class D,C and B) well above the market standards for the category. Also, the Titanium range is benefiting from the functions of the hOn application, transferring also to the Built-in segment all the sustainable features of Freestanding.

Concerning **Candy brand**, in 2024 the entire Built-in for Candy was renewed under the **Fresco range**. This includes both 55 and 60 cm dimensions. Featuring Total No Frost Circle+ technology, Adaptive Humidity Area and innovative connectivity solutions, it is designed to adapt to any lifestyle and **keep food fresh up to 40% longer**, no matter where it is stored.



The hOn app-controlled connectivity includes an Eco Box with Eco-oriented features and tips on how to improve user behavior saving energy and the environment. The **Eco Box** is a dedicated area of the app including eco-oriented features regarding Door openings behaviors with suggestions to improve, the Holiday mode to remotely set and disable the fridge operativity, saving time and energy and finally with some **“tips and hints”** on how to have a responsible fridge use.



Moreover, thanks to **Fridge Blackout Alert** consumers are informed when a connection break occurs to advise quick checks and actions, preventing unnecessary food waste. The app functions also include Proactive Temperature, setting the best temperature according to shopping, weather and consumer habits and Quick Set with access to different settings that automatically set the fridge and freezer temperature, according to specific needs.

Thanks to the full set of physical and digital features the Fresco range was also awarded the Red Dot design award.

The Candy roadmap foresees a progressive enlargement to these features to the Built-in range and to additional platforms in different dimensions.



Product Leadership at Zero Distance



COOKING AND BUILT-IN

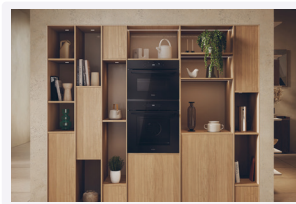
Haier Europe's 2024 cooking and built-in portfolio emphasizes energy efficiency, smart connectivity, and innovative design to promote sustainable cooking habits. The "ready to cook" philosophy underpins the product range, integrating advanced technologies to minimize energy and resource use while enhancing user experience. Key 2024 launches include the **ID SERIES** connected ovens and hobs and the **CHEF@HOME SERIES 6**, alongside updates to the **Candy** brand's cooking appliances.



Haier Ovens

ID SERIES Connected Ovens (A++ Energy Class)

- **Bionicook™ Technology:** A standout feature, Bionicook™ uses adaptive learning to tailor cooking parameters to individual user preferences and culinary styles, optimizing energy use over time. This self-evolving system reduces unnecessary energy consumption by adjusting settings based on past usage.
- **No Preheat Technology:** Eliminates preheating, **saving up to 30% in cooking time and 25% in energy compared to conventional ovens.** This is achieved through powerful heating elements that rapidly reach high temperatures.
- **Full Menu Multi-Level Cooking:** Allows simultaneous cooking on four cavity levels, **reducing cooking time by up to 60% and energy use by 40%** by streamlining multiple dishes into a single cycle.



- **Indoor Cameras:** Monitor food without opening the oven door, **preventing heat loss and optimizing cooking cycles** by detecting food types to set efficient parameters.

Candy Ready to Cook Ovens (A++ Energy Class)

- Incorporate similar No Preheat and multi-level cooking features, with a redesigned Italian aesthetic and enhanced connectivity for recipe access and **energy monitoring via the hOn app.**



Hobs & Hoods

Built-In Hobs with Integrated Hood

- A novel 2024 introduction, these hobs combine induction cooking with an integrated hood, **reducing kitchen clutter and optimizing energy use** through synchronized operation.
- **Power Management:** Allows users to set energy consumption limits, ensuring **hobs operate within efficient parameters**, a feature that enhances control beyond standard induction hobs.
- **Sync Hob-Hood Technology:** Automatically adjusts hood suction speed based on hob activity, **preventing excessive energy use** by the hood and improving overall kitchen efficiency.



Induction packaging is 100% cardboard made from recycled paper, reducing the use of plastic (PPS).



Product Leadership at Zero Distance



Dishwashers

Haier Europe’s 2024 dishwasher lineup builds on the 2023 **I-Pro Shine Series 7** with enhancements to energy efficiency, AI-driven optimization, and design flexibility. The **Candy Ready to Wash Dishwashers** also debuted in 2024, featuring A-class energy ratings and innovative features tailored for sustainability.

I-Pro Shine Series 6 & 7 Dishwasher (A Energy Class)

- **Brushless Inverter Motor:** Enhances durability, reduces noise, and improves energy efficiency, maintaining the A-class rating with lower consumption than standard motors.



AI-Driven Optimization:

- **Snap and Wash:** Developed with Politecnico di Milano and Accenture, this AI tool analyzes load photos to recommend optimal washing programs, **reducing water and energy use by up to 20%** compared to manual cycle selection.
- **Smart Dosing:** Measures detergent based on load weight, **minimizing chemical waste** and ensuring precise usage.
- **Intelligent Sensors:** Adjust water and energy consumption dynamically for each load, tailoring cycles to actual needs rather than default settings.

- **Half-Load Pro:** Targets specific baskets, **saving over 25% in energy and water** compared to the ECO cycle, ideal for smaller loads.
- **Eco-Friendly Drying:** Automatically opens the door post-cycle for natural airflow drying, **eliminating the need for additional energy**-intensive drying phases.
- **Maxi Tub Design:** The largest tub on the market, it accommodates more items per cycle, **reducing the frequency of washes** and conserving resources.
- **Cutlery Shine Plus:** Uses five rotating nozzles and an upper spray arm for thorough cleaning, achieving up to 60% better results than standard models, **reducing the need for re-washing**.

Candy Ready to Wash Dishwashers (A Energy Class)

- **Maxi Tub:** Offers large load capacity, enabling **fewer wash cycles** and lower resource use.
- **35-Minute Wash and Dry Program:** A rapid cycle that maintains A-class efficiency, **reducing energy and water use** for time-sensitive users.
- **hOn App Connectivity:** Provides consumption insights and cycle recommendations, **empowering users to select the most resource-efficient options**.





Product Leadership at Zero Distance

Distinctive Features

The **Snap&Wash AI tool** is a pioneering feature, offering unmatched precision in cycle optimization compared to standard sensor-based dishwashers. The **Maxi Tub** design maximizes load capacity, **reducing wash frequency beyond** what competitors typically offer. The **35-minute cycle** in Candy dishwashers combines speed with A-class efficiency, a rare combination in the market.



Sustainable Packaging Updates

Haier Europe has advanced its sustainable packaging efforts in 2024, aligning with its broader environmental goals:



Reduced Plastic Use: Packaging for hobs and dishwashers for the most demanding customers now incorporates up to **90% recycled cardboard**, with minimal plastic components, reducing reliance on virgin materials.



All packaging is 100% recyclable, with clear labeling to guide consumers on proper disposal, **enhancing circularity**.



Eco-Friendly Inks: Use of water-based, non-toxic inks for packaging printing, reducing chemical pollution during production and disposal.

Sustainability Achievements from Cooking Built-in Factories

Haier Europe’s manufacturing facilities in Eskişehir, Turkey, which produce cooking appliances (since 2007) and dishwashers (since 2022), have made notable sustainability strides in 2024:



I-REC Certification (September 2024): The Turkish factories received the International Renewable Energy Certificate, recognizing their **use of renewable energy sources**, such as solar panels installed at the dishwasher factory, to power operations. This reduces the carbon footprint of manufacturing processes significantly.



Solar Panel Integration: The new dishwasher factory, is equipped with **solar panels**, contributing to a lower environmental impact and aligning with Haier’s commitment to sustainable production.



High Automation and Efficiency: The dishwasher and cooking factories employs **100% automatic measuring systems, leakage detection, and full traceability** of components, minimizing material waste and ensuring resource-efficient production.



Zero Distance Philosophy: By positioning Turkey as Haier’s largest production and export hub in Europe, the company **reduces transportation emissions by producing closer to European markets**, enhancing supply chain sustainability.

Product Leadership at Zero Distance



SMALL DOMESTIC APPLIANCES

The Small Domestic Appliances (SDA) range includes **handstick vacuums, canisters, handheld vacuums, kettles, fryers, blenders, and toasters**. The **focus was on enhancing durability and quality**, highlighted by the launch of a **premium line of handsticks, led by the Hoover HFX**. This flagship product features a redesigned, shorter airpath that **improves efficiency by 40% compared to traditional models** and comes with a 5-year warranty to ensure long-lasting performance. The entire premium range now benefits from the plastic-free Box project, which promotes sustainable packaging.

The Haier Series 5 Air Fryer, had a sales boost in 2024 and it features a front glass window that allows users to monitor cooking progress without opening the appliance. This design prevents heat and air from escaping, significantly enhancing cooking efficiency and reducing energy loss.

The Haier Series 7 Kettle, has been enriched with the fully connected **series 7 range** boasts advanced vacuum insulation that effectively retains heat, allowing it to keep water warm for up to 12 hours. This feature reduces **energy consumption and boiling time by up to 80%, maximizing efficiency**. User-friendly design is a key highlight of this model: it includes a fully removable lid for easy maintenance and an automated cleaning program, making it both eco-friendly and convenient.

Haier Europe integrates connectivity to deliver a seamless physical and digital experience for small domestic appliances (SDA). **Through the hOn app, users can remotely control their Haier series 7 appliances**, set optimal programs, monitor usage and energy savings, and receive personalized tips and troubleshooting, all of which help increase efficiency and reduce over-consumption.





Innovation and design

Research and Development

Haier Europe operates over 10 dedicated research centers, blending technology, connectivity, and design. Supported by a team of 300 R&D engineers, the Company continuously drives innovation across its product range. In addition to its research centers, Haier Europe has established a specialized product design hub and fosters innovation through its microenterprise ecosystem and strategic investments in high-growth ventures.



Milan Experience Design Center

Haier Europe drives innovation and design year-round at its Milan Experience Design Center, a strategic hub located at the Brugherio site in Italy. Established in 2020, the Center focuses on creating customer-centric product experiences that enhance connectivity and bring consumers closer to the brand. The team consists of 20 professionals from 8 nationalities, with an average age of 30, specializing in experience strategy, interaction, and product design. By integrating design with IoT and R&D, the Center ensures that customer feedback is at the heart of the design process, resulting in high-quality products tailored to users' needs.



Product circularity

Product circularity

Haier Europe is taking steps to enhance circularity across the product lifecycle, addressing the evolving regulatory landscape and the needs of stakeholders including customers, distributors and end-users. Haier Europe has undertaken a series of **Life Cycle Assessments (LCAs)** to assess the environmental impact of its products and determine how to reduce it, **while also integrating eco-design principles** into all new products. In the **use phase**, Haier Europe is focused on creating **more energy-efficient smart solutions**, enhancing product durability through preventative maintenance, and educating consumers on sustainable appliance use. Additionally, **the hOn app provides preventive maintenance alerts**, helping consumers address issues autonomously while monitoring product health through sensors.

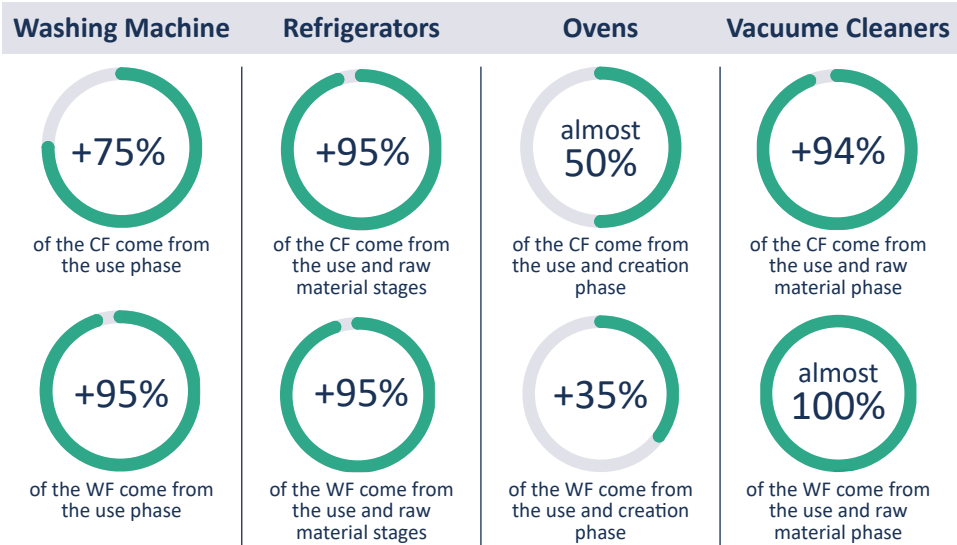
Life Cycle Assessments

In 2024, **Haier Europe has undertaken Life Cycle Assessments targeting one representative product from each category line.** Based on sales data and their contributions to CO2 emissions, the four products selected amounted to a **washing machine, an oven, a built-in refrigerator and a stick vacuum cleaner.**

Primary data was collected for the main life cycle stages of these products: **raw material extraction, manufacturing, distribution, use and end-of-life disposal.** The assessment⁴ identified several key areas where improvements can be made, with a focus on both carbon and water footprints.

⁴ The analysis assessed both carbon and water impacts of the products according to ISO standards, PEFCR, and PEF1 rules. Water usage was evaluated using the water scarcity footprint indicator.

The analysis shows that the **use phase** contributes the majority of the **Carbon Footprint (CF)** and **Water Footprint (WF)** across all products, particularly driven by **electricity consumption and associated materials**, highlighting the importance of improving energy efficiency and sustainable practices in product design. For **washing machines**, over 75% of the CF and 95% of the WF come from the use phase, mainly driven by electricity and water consumption. **Refrigerators** see over 95% of both CF and WF from the use and raw materials stages, with 62% of the CF and 74% of the WF linked to electricity usage. In **ovens**, the use and creation phases together account for nearly 50% of the CF and over 35% of the WF, with steel parts being the largest contributor. For **stick vacuum cleaners**, more than 94% of the CF and almost 100% of the WF come from the use and raw material stages, with electricity consumption and battery production being key factors.





Product circularity

Bringing second life to products

Haier Europe's circularity plan goes beyond product components and packaging; it emphasizes the longevity and reliability of its appliances.

Haier Europe is working to expand these solutions to other key European markets, aiming to establish robust refurbishment programs across its largest countries.

Moreover, Haier Europe is **developing new competencies at its Brugherio factory to refurbish returned products.**

This initiative gives damaged appliances a second life, preventing them from being scrapped and having a positive impact on both the environment and the economy. In France, the Company is partnering with local businesses to sell "as-is" damaged products. In 2024, approximately 7300 units reintroduced to the market this year.



FOCUS ON: applying the Loi Anti-Gaspillage pour une Économie Circulaire (AGEC law) in France

A more tangible application of circularity in products is visible in France. In response to the AGEC Law, Haier Europe has already adopted the repairability index on washing machines, dishwashers and vacuum cleaners. **To date, the Candy, Hoover, Haier and Rosières brands provide a repairability index on over 210 products: of these 95% fall in the score range between 6 and 7,9 out of 10 and 5% obtained a score above 8 out of 10.** Washing machines saw their score increase from 7,2 to 7,5 and vacuum cleaners from 5,3 to 7,0 by implementing solutions such as the

availability of spare parts (14 years for washing machines and dishwashers and 13 years for vacuum cleaners), remote repairs and technical documentation.

With regards to second life products, in France Haier Europe has been working for several years with a selected partner to collect defective products and repair and refurbish them.

In 2024, around 6,000 units were repaired and sold in their 5 second life shops in France, and 1200 were placed in a recycling flow to be dismantled and put back on the market recycled materials coming from those units.



Aside from reparability, the AGEC Law also requires companies to report on the recyclability and incorporation of recycled material in products, the presence of rare earths, precious metals or dangerous substances, their compostability and durability. **In the French market Haier Europe submitted 1,239 stock keeping units (SKUs) in the AGEC database: 43% of products issued in France are either composed with over 30% recycled materials or reusable packaging, while 5% have compostable packaging.**

Further to the repairability index, the AGEC law created the durability index. In 2025, this index will replace the repairability index for washing machines. The durability index will combine the repairability criteria already displayed in the repairability index, with criteria evaluating the reliability of the product.



Product circularity

Product sustainable packaging

Haier Europe is investing resources to reduce packaging and its associated waste, aiming for more sustainable solutions.

To enhance sustainability without compromising product protection during transport, Haier Europe is transitioning to cardboard packaging across product lines.

Ongoing research and development efforts focus on phasing out EPS and plastics in favor of cardboard alternatives, with in place for identified areas of improvement.



In 2023, **the Supernova project was launched for various product lines, starting with induction hobs, utilizing fully cardboard packaging.**

Future iterations may incorporate advanced materials like paper pulp and honeycomb for improved sustainability, with plans to expand to other hob types by early 2025.

For ovens, a similar approach is being taken with a **packaging solution featuring cardboard and shrink film**, while also exploring mixed materials such as Expanded Polypropylene (EPP) for better recycling rates. **Dishwashers have seen the introduction of folded cardboard components**, paving the way for the inclusion of paper pulp supports in future designs. Research is also underway to shift dryer packaging to cardboard solutions.



Focus on: Packaging Validation Laboratory

Haier Europe's Packaging Validation Laboratory, located in Brugherio, serves as a key hub for quality, R&D, and logistics functions. It focuses on researching and developing sustainable packaging solutions at the design stage, standardizing them across the company, and conducting supplier audits.

Equipped with advanced testing capabilities, including compression, vibration, and stack tests, the lab ensures high packaging quality. Haier has set a roadmap for sustainable packaging, focusing on:

- **Reuse & Recycle:** Transitioning to plastic-free packaging solutions.
- **Reduce:** Minimizing packaging weight, optimizing logistics, and reducing emissions.
- **Sourcing recycled materials:** Aiming for 100% recycled packaging across all product lines.
- **Researching new materials:** Testing alternatives to maintain product protection while ensuring packaging is fully recycled, recyclable, and non-fossil fuel-based.



Upholding highest quality standards

[GRI 416-1] [GRI 416-2] [GRI 417-1] [GRI 417-2]

The company has implemented a set of procedures that formalize its approach to quality and safety, which are regularly updated to incorporate industry best practices and ensure a preventive approach.

All of Haier Europe's factories are ISO 9001 certified, guaranteeing compliance with international quality management standards. A dedicated **quality team** oversees product certification, audits and new product introduction (NPI) processes, working across all business areas to ensure rigorous standards. Products are covered by a **2-year warranty** for defects, with an additional **3-year warranty** on select home appliances. Moreover, **the Company offers essential spare parts for up to 14 years, depending on the product category and brand**. For small domestic appliances like Hoover and Candy, spare parts are available for **13 years**. Large domestic appliances in the cooling, cooking, and laundry categories have parts available for **11 to 14 years**. Additionally, it provides spare parts for other brands' large domestic appliances for up to 5 years.

To ensure maximum product safety, Haier Europe employs a thorough testing process during the manufacturing phase. This includes **reliability tests, field inspections and Failure Modes and Effects Analyses (FMEA)** to proactively identify and resolve potential issues. In addition, **100% of products are evaluated for health and safety impacts and 100% of Haier Europe's product categories at the EU level are assessed for compliance with these procedures**, including energy labelling.

Haier Europe's approach to customer service

Haier Europe is committed to supporting customers throughout the entire lifecycle of their products, ensuring sustainability and ease of use.

The Company provides a wide range of services, from traditional in-field repairs to more advanced digital and premium offerings, all designed to make product installation, troubleshooting, repair, and maintenance as efficient as possible.

Haier Europe's Growth Through Stars (GTS) program focuses on improving customer ratings and satisfaction.

By systematically analyzing reviews at the SKU level, the Company identifies the root causes of low ratings and implements targeted actions to improve product performance and customer satisfaction. The goal is to first reach a growth horizon and ultimately achieve a best-in-class rating level.





Upholding highest quality standards

Comprehensive Service Programmes

Haier Europe offers multiple service channels, including traditional in-field repairs and soft services delivered through apps and digital platforms. Its **Field Service Engineers (FSEs)** handle repairs through a network of branded service partners, with extensive coverage in the UK and Germany. The approach combines tailored solutions with standardized repair processes for optimal efficiency.



For customers seeking enhanced support, Haier offers a **Premium Service Programme**, providing:

- **Priority Line:** a dedicated helpline available from 8am to 10pm on weekdays and 10am to 7pm on Saturdays, supported by live chat and a callback option.
- **Premium Assistance Scheduling:** technical support within two days of a request or scheduled at the customer's convenience.
- **Dedicated Consultants:** a team of specialists ready to answer product-related queries and technical issues.
- **Care & Maintenance:** technicians offering expert advice on appliance care, cleaning, and sanitation.

Digital and Connected Services

The **hOn app** offers connected users smart troubleshooting for washing, cooling, and cooking products in 19 languages. When an error appears on the product display, the app captures the error code, initiates troubleshooting, and connects users to customer support, allowing technicians to remotely diagnose and resolve issues before visiting the customer. Haier Europe has upgraded its **hOn Service app** to enhance diagnostic capabilities. The new version supports **Bluetooth Low Energy (BLE)** technology, improving connectivity and data transmission between appliances and the app. Technicians can now provide faster, more secure assistance through a serial code search, reducing appliance replacements and unnecessary service calls. The updated app also:

- **Ensures a faster,** more secure user experience.
- **Reduces duplicate interventions,** increasing first-visit repair success.
- **Monitors app usage** to improve future functions.
- **Decreases intervention time** while covering both connected and non-connected appliances.

Results and Continuous Improvement

Haier Europe has successfully **leveraged its Online Technical Assistance (OTA) to enhance product performance and reliability.** By remotely updating software and firmware, the company has ensured that its products remain efficient and up-to-date, minimizing the need for physical repairs and improving customer satisfaction.



Operations



Haier Europe
Sustainability

Key challenges: the context in which we operate

Efficiency is our bottom line

Committed to operational excellence, embedding sustainability and efficiency at the core of our processes. We are driving an agenda that harnesses renewable energy, fosters circular innovation, and advances sustainability across our operational framework. Our vision is a future where every factory operates at the highest environmental standards, maximizing resource recovery, minimizing carbon footprint, and setting new benchmarks for industry-wide sustainability.

Decarbonization

The **Corporate Sustainability Reporting Directive (CSRD)**⁵ requires companies to deliver transparent and comprehensive reporting on both direct and indirect emissions, making precise carbon accounting essential.

A central focus is on Scope 3 emissions, which encompass the downstream value chain and represent the largest portion of total emissions in the household appliances industry—**estimated to be as high as 93%**⁶. The CSRD not only sets clear targets for reducing the overall carbon footprint but is also aligned with the broader objective of achieving carbon neutrality by 2050, as outlined in the European Green Deal.

As a result, **companies are under greater pressure to develop and implement more effective measures to reduce their Scope 1 and 2 emissions**. Furthermore, organizations are expected to establish transition plans that detail their strategies for climate change mitigation and that are based on science. To meet these requirements, **companies must adopt innovative technologies, enhance energy efficiency and invest in renewable energy sources**.



⁵ European Commission (2023).

⁶ The European House – Ambrosetti, Own elaboration of industry data (2023).

Key actions: our contribution to the Sustainable Development Goals (SDGs)

Sustainable Packaging

Approved in April 2024, the **European Packaging Regulation⁷** sets ambitious targets including achieving 100% recyclable packaging by 2030, reducing overall packaging by 5% by 2030, 10% by 2035 and 15% by 2040, alongside banning certain single-use packaging types. Additionally, the Regulation mandates a minimum recycled content requirement for plastics and introduces standardized labelling to facilitate proper disposal, ensuring a comprehensive approach to reducing environmental impact.

Supply chain management

The **Corporate Sustainability Due Diligence Directive (CSDDD)⁸** introduces stricter requirements for supply chain management, compelling companies to ensure that their entire supply chain adheres to environmental and human rights standards. This regulation increases the accountability of companies for the practices of their suppliers, promoting transparency and responsible sourcing across all levels of production.

SDGs	Our contribution
	• Strengthening ESG due diligence of supply chain • Assess ESG risks in the ERM process

	• Energy efficiency projects across facilities resulting in significant savings • Solar energy expansion with the installation of a 5.25 MW solar power plant in Turkey and a 6.3 MW system in Jinling (expanded in 2024) • Carbon emissions: With the renewable energy source, both from solar and iRECS certificates, the source of non-renewable energy has almost halved in 2024
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	• R&D development on plants and infrastructural enhancements • Centralized system to track energy consumption across all sites
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⁷ European Parliament, Revision of the Packaging and Packaging Waste Directive (2024).
⁸ Directive (EU) 2024/1760.



Key targets: our ambition for the future

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Pillar and Material Topic	Goal	Target	Progress in 2024
3. Climate action and energy efficiency	Decarbonizing our operations and supply chain	60% of energy consumption from 100% renewable energy by 2025	With solar and iRECS certificates we reached 46% of electricity from renewable sources
		96% of waste recovery by 2025	Target Reached: in 2024 we are at 98% recycling rate on average with Turkey industrial park certified waste to landfill in 2025
		70% of water recovered and reused in most water intensive factories by 2025	60% water use reduction compared to 2020
		100% factories ISO 14001 certified by 2025	71% of the facilities covered by ISO 45001 and 14001 certification
		At least 50% of vehicles in the corporate fleet hybrid or fully electric by 2025	In progress
4. Responsibility along the supply chain		Set minimal ESG requirements to be accepted and signed by all suppliers by 2025	Target Reached
		Formalize HE Suppliers Code of Conduct by 2025	Target Reached
		Implement an auditing / due diligence system by 2025	Target Reached: Implemented the new tool Due Diligence including ESG called Orbis powered Moodys
		Integrate the in-house portal with ESG requirements by 2025	Target Reached: in-house portal integrated with minimal ESG requirements for new suppliers to be rolled out in all regions in 2024
		All suppliers screened using environmental criteria	In progress: The Company started to evaluate the suppliers with the new ESG Due Diligence tool Orbis powered Moodys

Our products sites

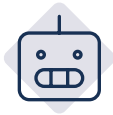
In 2024, Haier Europe had 8 production sites across Europe and Asia.

Haier Europe's plants		
Brugherio, Italy Brugherio washing machine plant, manufacturing of washing machines and dryers	Borso Del Grappa, Italy ELBA Plant, production of cooking hobs and ovens	Eskişehir industrial park, Turkey, comprised of: Renta dishwasher Plant, production of dishwashers Renta tumble dryer Plant, production of dryers, Doruk Hobs & Ovens Plant, production of cookers, hobs, ovens, built-in and free-standing
		  
Ploiești, Romania Haier Tech Plant, production of refrigerators	Kirov, Russia Vesta front loading washing machine Plant, manufacturing of washing machines and dryers	Jingling, Jiangmen China Jingling FL & TL Plant, manufacturing of washing machines
		

The Renta factories are designed to achieve maximum energy efficiency, waste reduction and productivity by adhering to the most advanced Industry 4.0 standards rooted in lean manufacturing principles. The Renta

Dishwasher plant stands as Haier Europe’s largest production and export hub in Europe, with an impressive annual production capacity of 1 million units, serving both European and global markets. This state-of-the-art facility integrates 100% automated measurement systems, advanced leakage detection, and complete traceability of critical components, ensuring the highest levels of quality and efficiency.

Haier Europe is advancing digitalization across its operations to enhance traceability, performance, speed, and waste reduction. Italy and Turkey have already achieved full digital maturity, with Romania, Russia and China making steady progress. Key initiatives include:

- **Track and Trace system:** allows to track down appliances (sub-) components with serial labels and process parameters;
- **Robotics:** integration of remote-controlled robots to boost production precision, speed, and cost efficiency.
- **Prometeo:** manages preventive, corrective, and predictive maintenance by analyzing detailed site data to create schedules, dashboards, and equipment log.

Reducing our impact

Energy management

[GRI 302-1] [GRI 305-1] [GRI 305-2]

In 2024, Haier Europe’s total energy consumption was 473,559.09 GJ, reflecting an 12% decrease from the 535,545.79 GJ recorded in 2023. This reduction highlights the success of ongoing energy efficiency initiatives and a greater reliance on renewable energy sources.

Haier Europe has made significant strides in its sustainability journey, achieving 45% renewable energy usage in 2024 through a combination of solar installations and Power Purchase Agreements (PPA). This milestone brings the company closer to its target of 60% renewable energy usage by 2025.

GRI 302-1 | Energy consumption within the organization

Indicator	Units of measure	2024	2023	2022	2021
Diesel consumption	liters	949,990.00	992,168.00	757,530.40	839,758.00
Petrol consumption	liters	424,700.00	174,178.00	85,613.72	91,888.00
Natural gas consumption	Smc	6,014,710.00	6,518,572.00	3,986,493.00	5,459,259.00
Indicator	Units of measure	2024	2023	2022	2021
Solar Power	kWh	12,797,961.00	854,087.00		
Renewable energy Consumption (iRECS)	kWh	15,390,595.00			

Purchased electricity	kWh	32,868,899.00	74,451,688.00	62,353,784.00	66,084,354.00
Electricity from photovoltaic	kWh	12,797,961.00	854,087.00		
Total energy consumption ⁹	GJ	473,559.09	535,545.79	392,863.50	460,131.20

In the UK, Haier Europe increased the number of electric cars in its fleet by nearly 20% in 2024, while reducing the number of diesel cars, reinforcing its commitment to lowering transportation-related emissions.

Natural gas consumption also declined in 2024. This decrease was driven by optimized heating systems, including the adoption of smart thermostats and heat pumps at key facilities such as the Brugherio plant.

Haier Europe continued to advance its energy efficiency initiatives in 2024, building on efforts from previous years. The Brugherio R&D facilities completed their exit from the Emissions Trading System (ETS) in 2024, as planned, following the removal of 24 MW boilers in 2023. In Romania, the Ploiesti plant implemented energy-saving measures in 2024, including variable frequency drives (VFDs) on high-energy machinery, improving energy intensity (kWh/pc) by 15%. Enhanced insulation in production areas also reduced gas consumption intensity (m3/pc) by 18%, yielding annual savings of 1,250,000 kWh with an investment of €75,000.

⁹ Conversion factors used for Diesel: 0,038 GJ/liters (DEFRA 2023); Petrol: 0,032 GJ/l (DEFRA 2023); natural gas 0,034289 GJ/sm3 (Italian Greenhouse Gas Inventory 1990-2020- National Inventory Report 2023).

Reducing our impact

At the Jinling plant in China, automated energy management systems for injection machines improved energy intensity (kWh/pc) by 8%, while a new heat exchanger system enhanced gas consumption intensity (m3/pc) by 10%. Central energy monitoring project

Fully deployed across all Haier Europe factories in 2024, the Central Energy Monitoring Project (CEMP), launched in 2023, provides real-time energy consumption insights. In 2024, CEMP reduced energy waste by 5% by optimizing machinery downtime and minimizing idle usage. Key features include:

- **Holistic utilities monitoring:** Offering a comprehensive view of energy usage across all sites.
- **KPI standardization:** Providing consistent metrics to track energy reduction goals.

Measurement of savings: Accurately quantifying the impact of efficiency measures. Haier Europe’s Solar Energy initiatives

In 2024, Haier Europe advanced its solar energy projects, supporting its renewable energy ambitions. The 5.25 MWp solar power plant in Turkey, operational since August 2023, generated 6.8 million kWh in 2024, meeting 28% of the facility’s energy needs. At the Jinling plant in China, the existing 3.3 MW solar panel system was expanded by 3 MW, increasing the total capacity to 6.3 MW. This enhanced system now produces 6.8 million kWh

annually, covering 15% of the plant’s energy consumption and supporting its manufacturing. Haier Europe remains on track to meet its renewable energy and efficiency targets. In addition, the company committed to setting decarbonisation goals aligned with the Science Based Targets initiative (SBTi) by 2025, reinforcing its dedication to ambitious sustainability objectives.

Carbon emissions

Haier Europe's 2024 emissions are 11.016.162 tCO2 equivalent, a reduction of approximately **8%** from the baseline Year 2021.

Our Decarbonization targets from 2021 to 2030 have been submitted to SBTi for approval with -50% emissions for Scope 1+ Scope 2 and -42% emissions for Scope 3.11.

To be in line with SBTi standards, we have updated our carbon emissions, excluding our Russian factory from the baseline on since it has been moved outside of our company perimeter.



Reducing our impact

GRI 305-1, 305-2 | Direct GHG emissions (Scope 1), Indirect GHG emissions (Scope 2)

Total emissions (t CO ₂ eq)	2021	2023	2024
Scope 3.1 (purchase of goods and services)	2,585,479	2,587,320	2.857.887
Scope 3.11 (use of sold products)	9,031,033	8,306,795	8.158.276
Other Scope 3 (other Scope 3 emissions)	167,824	197,270	166.403
Scope 1 (direct emissions)	18,883	17,209	17.030
Scope 2 Market Based (purchase of electricity)	38,834	34,332	19.589

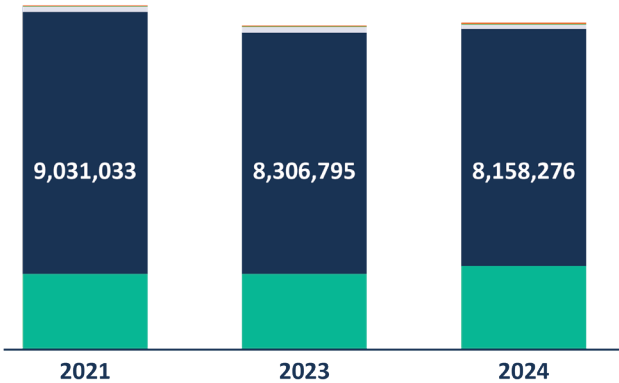
For **Scope 1**, the company reduced overall emissions by **10%**, primarily driven by Elba's 30% reduction and **Candy Hoover HQ's 22%** reduction by shifting to electric heating with heat pumps and using energy-efficient technologies in production. In **Eskisehir**, gas consumption has increased due to the new cooking facility. Diesel consumption decreased 4% due to the move to Hybrid and Hybrid plug-in cars, with a significant increase in Electric vehicles too.

In **Scope 2**, energy consumption decreased 2% despite the ramp-up of the new cooking factory in Eskisehir. Emissions decreased 50% from 2021, considering the ramp-up of the solar installations in Italy, Turkey, and China, thanks to the I RECS certificates covering the energy purchased from the grid in Turkey, which has only used green electricity since 2024.

Jingling solar production now covers 11% of the electricity, and the solar installation power doubled with an impact in 2025. Since 2025, the

remaining supplied electricity will be covered by iRECS certificates, like in Turkey, driving us toward our SBTi goal of 50% direct emissions reduction by 2030.

Haier Europe Carbon Emission Trend



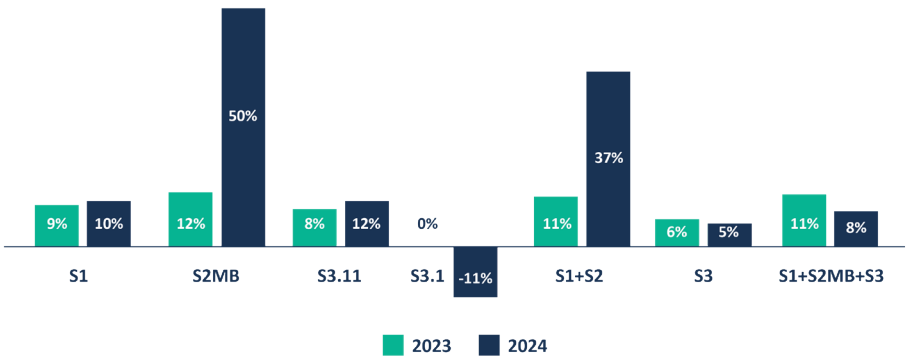
	2021	2023	2024
Scope 2 Market Based (purchase of electricity)	38,834	34,332	19.589
Scope 1 (direct emissions)	18,883	17,209	17.030
Other Scope 3 (other Scope 3 emissions)	167,824	197,270	166.403
Scope 3.11 (use of sold products)	9,031,033	8,306,795	8.158.276
Scope 3.1 (purchase of goods and services)	2,585,479	2,587,320	2.857.887



Reducing our impact

For **Scope 3**, emissions saw a 5% decrease, largely due to a **10% reduction in Scope 3.11** use of sold products, with a significant increase in sales volumes of high-class products, primarily in the **Cooling** product line, with a **21% reduction** and **wash and dry** products that improved **28%**. The Scope 3.1 emissions for purchased goods and services worsen **11%** due to increased purchases of PCBs, electronic components and steel that are highly emission-intensive.

CO2 Emissions Improvements vs Baseline 2021



Water management

[GRI 303-3] [GRI 303-4] [GRI 303-5]

In 2024, Haier Europe’s water consumption totaled 435.22 megaliters (ML) of fresh water, a 5.8% decrease from the 461.92 ML consumed in 2023, despite a slight increase in overall operational demand. This reduction is a testament to the company’s ongoing water conservation efforts. Water is sourced entirely from third-party suppliers, with 14.3% (62.4 ML) originating from a water-stressed area near the Eskişehir plants. Since 2021, water withdrawal has decreased by 43%, dropping from 763.02 ML to 435.22 ML, driven by enhanced recycling and reuse initiatives. The slight increase in water use in 2024 is attributed to the new Cooking 2 facility, which entered production in 2024. This state-of-the-art facility, located in Europe, incorporates advanced water and energy conservation technologies, significantly mitigating the environmental footprint of the expanded operations.

GRI 303-3 | Water withdrawal

GRI 303-4 | Water discharge

GRI 303-5 | Water consumption

Water withdrawal by source and from areas with water stress (ML)	2024	2023	2022	2021
From third-party water ¹⁰	435.22	461.92	524.00	763.02
In water-stressed areas	62.4	61.71	62.74	64.75

¹⁰ Municipal water service providers and wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transportation, treatment, disposal, or use of water and wastewater discharges



Reducing our impact

Water discharge by destination (ML)	2024	2023	2022	2021
In all areas	435.22	461.92	524.00	763.02
Third-party water	62.4	461.92	62.74	64.75
Water consumption (ML)	2024	2023	2022	2021
In all areas	435.22	461.92	524.00	763.02
In water-stressed areas	62.4	61.71	62.74	64.75

A key achievement remains the water recirculation system at the Brugherio and Jingling plants, which recycles used water and reduces freshwater demand. Since 2020, Haier Europe has achieved a 60% reduction in overall water usage, supported by innovative cooling systems that eliminate water dependency. The Jinling Plant continues to account for 67% of total water consumption due to its status as the largest facility, producing over two million products annually. At Jinling, water used in testing processes is recovered and recycled, enhancing conservation efforts.

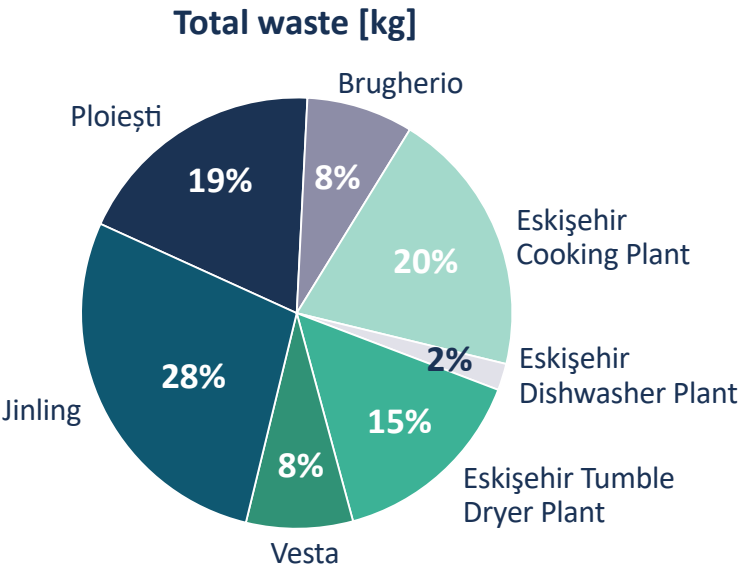
In 2024, water withdrawal from third-party sources was 435.22 ML, down from 461.92 ML in 2023, with 62.4 ML withdrawn from water-stressed areas, a slight increase from 61.71 ML in 2023. Total water discharge in 2024 was 435.22 ML, aligning with withdrawal, with 62.4 ML discharged to third-party water systems, including water-stressed areas. The Cooking 2 facility’s advanced technology, including smart water management systems and efficient production processes, has minimized the impact of its operational start, ensuring Haier Europe maintains its commitment to sustainable water use. The company continues to prioritize local ecosystem needs and collective action with other water users, aligning with evolving sustainability standards.

Waste management

[GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

The main types of waste Haier Europe produces in its offices and production plants amount to paper and wood, and metal and plastic associated to the packaging of products.

The Company keeps track of generated waste, to identify those sites where the greatest impact is caused. The plant generating the greatest share of waste is Jingling in China (28%). **The total waste generated by Haier Europe in 2024 amounted to 22,337 tons achieving the best result since 2021.** Of the waste produced, 99% was non-hazardous and attributable to paper, wood, metal and plastic, while the remaining 1% classified as hazardous, in line with previous years.



Reducing our impact

GRI 306-3 | Waste generated

Total waste generated	2024	2023	2022	2021
Waste generated (t)	22,337	24,571	23,437	23,074
Of which non-hazardous	22,585	24,094	23,022	22,615
Of which non-hazardous (%)	99%	98%	98%	98%
Of which hazardous	242.32	477	415.18	460.27
Of which hazardous (%)	1%	2%	2%	2%

Haier Europe’s waste management process begins with an initial assessment by the Purchasing Office, selecting suppliers from qualified national registers. The Health, Safety & Environment (HSE) Team then monitors compliance with specific requirements. Once waste collection operators are chosen, they are required to provide a declaration detailing the waste’s destination and the percentage allocated for recycling.

Thanks to the Company’s efforts in ensuring the separation and recycling of individual components and other material, Haier Europe is able to recycle over 98%, of the waste generated. Our Turkish industrial park achieved the Zero Waste to Landfill certification from TUV Sud.

In 2024, the amount of waste directed to landfills amounted to 489.63 tons, halving compared to 2023.

GRI 306-4, GRI 306-5 | Waste diverted from disposal, Waste directed to disposal

Weight of waste diverted from disposal (t)	2024	2023	2022	2021
Total weight of waste diverted from disposal	22,337.96	23,622.94	22,141.71	21,260.00
Of which hazardous waste	0	0.00	0.00	0.00
Of which non-hazardous waste sent to recycling at an external site	22,337.96	23,622.94	22,141.71	21,260.00

Weight of waste diverted from disposal (t)	2024	2023	2022	2021
Landfilling	489.63	948.11	880.55	1,355.00
On site	0	0.00	0.00	0.00
Offsite	489.63	948.11	880.55	1,355.00



Responsibility along the supply chain

Our suppliers

[GRI 204-1] [GRI 308-1]

Haier has integrated ESG criteria into the supplier selection process, from pre-qualification to ongoing partnerships. By updating its **ESG Business Code of Conduct**, the Company ensures that its suppliers adhere to high standards in governance, human rights, workplace safety, environmental protection, anti-corruption and social development, in line with Haier Europe's ethical values. This approach reinforces the Company's commitment to sustainability throughout its supply chain.

Rare minerals and conflict minerals sourcing

Haier Europe commits to responsible minerals sourcing, adopting an ethical approach that safeguards the human rights of everyone in the Company's global supply chain while preserving the environment. The Company strictly prohibits any association between the materials used in its products and activities that fuel armed conflict or human rights abuses. This includes the trade of tin, tantalum, tungsten, and gold (3TG), which can finance armed groups, lead to forced labor and support corruption.

To ensure responsible sourcing, **Haier Europe requires all suppliers to provide complete and accurate information about the minerals supplied for its products and to conduct thorough due diligence on their origins.**

Suppliers are also expected to extend these requirements to their own supply chains, ensuring compliance with Haier Europe's ESG Code of Conduct, which includes commitments to responsible sourcing and the prohibition of forced labor.

Chemicals and persistent organic pollutants

Suppliers of components, materials and substances are required to declare if they exceed the threshold of restricted chemicals indicated through the various regulations set out by the EU. **In February 2023, the European Chemicals Agency (ECHA) proposed a comprehensive ban on around 10,000 per- and polyfluoroalkyl substances (PFAS) under the EU's REACH Regulation.** This proposal aims to restrict the manufacturing, market placement, and use of PFAS due to their harmful effects on human health and the environment. The ban, expected to be implemented by 2026 or 2027, will significantly impact industries reliant on these substances, requiring them to find alternatives swiftly. This regulation marks one of the broadest and most stringent measures under REACH to date, reflecting the EU's commitment to addressing the risks posed by **"forever chemicals."**

Haier Europe recently conducted a preliminary survey among its suppliers regarding PFAS in their commodities. The survey aimed to gauge awareness and actions taken concerning PFAS usage. The results indicated that while most suppliers are aware of the issue, 90% have not taken any action, primarily because they consider it not applicable to their products. Among those suppliers who do have PFAS-related products, they are already actively addressing the issue.



Responsibility along the supply chain

Prioritizing a local supplier base

Haier Europe is actively advancing its 5-year action plan, initiated in 2022, to transition towards a “local for local” supply chain strategy. This approach focuses on sourcing materials and components closer to its production facilities, with the dual aim of reducing emissions associated with logistics and resource distribution and enhancing the company’s resilience to geopolitical risks and global supply chain disruptions. By capitalizing on regional synergies, particularly between its plants in Turkey, Europe, Russia, and China, Haier Europe is creating a more sustainable and secure supply chain.

Currently, 76% of Haier Europe’s procurement budget is allocated to local suppliers to its production sites. China leads in this effort, with 99% of the procurement spend going to local suppliers, followed by Italy, where 76% of the suppliers are local. This strategy not only supports environmental goals but also strengthens the company’s operational stability and responsiveness to global challenges.

GRI 204-1 | Proportion of spending on local suppliers

Proportion of spending on local suppliers	2024	2023	2022	2021
Italy	76%	73%	74%	81%
Turkey	65%	66%	65%	62%
Romania	44%	45%	56%	55%
Russia	na	38%	41%	55%
China	99%	98%	99%	99%
Total	76%	73%	76%	76%

Haier Europe is advancing its integration of ESG factors into the selection and evaluation of suppliers through distinct approaches for existing and new partners.

For existing suppliers, the Company has initiated a pilot due diligence process, leveraging a platform provided by a well-recognized insurance company. This assessment categorises risk profiles based on factors such as product category, supplier dependency, and country of operation, with additional considerations for climate risks, natural disasters, and human rights conditions as reported by organizations like Human Rights Watch. Suppliers are then prioritized for action based on their risk category.



Responsibility along the supply chain

Simultaneously, Haier Europe has launched an **online vendor portal for new suppliers**. The registration process is divided into three phases:

- 1 Pre-qualification phase**, where suppliers provide general data and complete an ESG questionnaire to assess their maturity on various ESG topics;
- 2 Qualification initialization phase**, where terms are negotiated and financial due diligence, as well as screenings against international sanctions, are conducted;
- 3 Qualification completion phase**, which finalizes the contract with approvals from the Procurement and Accounting departments.

In 2024, 15% of all new suppliers responded to the ESG topics. Haier Europe is currently exploring ways to increase this response rate and plans to extend the ESG questionnaire to existing suppliers. The ESG due diligence process includes continuous screening to enhance coverage, support the company’s decarbonization efforts, and deepen supplier engagement. A full decarbonization plan will be established within the next two years.

GRI 308-1 | Supplier Environmental Assessment

New supplier environmental assessment	2024	2023	2022	2021
Number of new suppliers	1,873	2,086	1,145	657
New suppliers screened using environmental criteria (%)	15%	20%	17%	17%



Focus on: ethical audit in the supply chain

Sedex | Member

Since 2019 Haier Europe has been a member of Sedex, a leading ethical trade organization, businesses can affiliate with. Except for the plant in Russia, all of Haier Europe’s sites have been audited by third-party certifiers such as TUV, Intertek and Verisio with valuable data being

automatically gathered online to increase transparency and accountability. Amongst these, SMETA (Sedex Members Ethical Trade Audit) is leveraged as a social auditing methodology, ensuring businesses assess working conditions across their supply chains. The SMETA audit is then uploaded on the SEDEX file sharing platform as well as forwarded to clients requesting it.



People



Haier Europe
Sustainability

Key challenges: the context in which we operate

Anyone can be an entrepreneur

Committed to a future where everyone has the opportunity to be an entrepreneur, driving innovation and inclusivity throughout the organization. We are dedicated to increasing the representation of women in leadership, cultivating inclusive communities that draw out the best in every individual, and providing transformative training opportunities for all employees. At the core of this vision is a steadfast commitment to ensuring the safety and dignity of every team member.

Equal opportunities.

In 2024, globally women held 33.1% of senior leadership roles, a slight increase from 32.2% in 2023, yet significant efforts are still needed to achieve gender balance. The World Economic Forum's Global Gender Gap Report 2024 estimates it will take 134 years to close the global gender gap, reflecting persistent challenges in economic participation and leadership representation. Women remain underrepresented in STEM fields, with only 28.2% of the STEM workforce compared to 47.3% in non-STEM roles, and a pronounced "drop to the top" in senior STEM positions (42% C-suite-to-entry-level ratio versus 46.3% in non-STEM).

The EU's Pay Transparency Directive (EU 2023/970), part of the 2020-2025 Gender Equality Strategy, requires companies to disclose detailed pay information for men and women in equivalent roles and mandates corrective action if the pay gap exceeds 5%. The Gender Balance Directive (2022/2381) mandates that publicly listed companies ensure at least 40% of non-executive board members or 33% of all director positions are from the underrepresented gender by June 30, 2026. Some EU Member States extend these requirements to executive directors, aiming for equitable representation across all leadership levels.

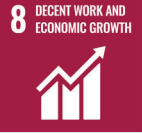




Key actions: our contribution to the Sustainable Development Goals (SDGs)

Talent acquisition and training. In Italy, 62% of companies reported difficulties in recruiting personnel in 2024, up from 58% in 2023, with 47.1% citing a lack of specific skills as the primary barrier. The workforce skills and qualifications gap widened to 39.8%, with 21.5% of workers overqualified and 18.3% underqualified. To address this, 64% of companies invested in training programs, and 32.7% of industrial firms engaged in local initiatives to connect with students. Continuous skills development remains critical, with 83% of Gen Z workers prioritizing training opportunities when selecting employers. Globally, the World Economic Forum’s Future of Jobs Report 2025 highlights skill gaps as the top barrier to business transformation, cited by 63% of employers, emphasizing the need for reskilling to align with technological advancements like AI.

Well-being. In 2024, 87% of young workers globally viewed flexibility as essential for work-life balance, up from 85% in 2023. In Italy, 63% of workers aged 15–24 would decline job offers that compromise flexibility. Employee well-being and flexible work arrangements are increasingly strategic priorities. According to PwC’s Global Workforce Hopes and Fears Survey 2024, 71% of organizations implemented flexible work measures, and 70% of HR leaders ranked employee well-being as a top business priority. In Italy, Confindustria’s 2024 data underscores that fostering a culture of well-being and resilience is critical to attracting and retaining talent in a rapidly changing workplace.

SDGs	Our contribution
	- Developing a comprehensive Diversity, Inclusion, and Belonging (DI&B) framework, while an operational Working Group gathers region-specific feedback to execute company-wide initiatives. - Conducting a DEI assessment and launching initiatives like the Women Empowerment Programme and Race Equality Week in UK - In the UK&I, we also developed a DEI Strategy in 2024 with KPIs and 3 pillars: Empower, Data Driven & Zero Distance. We also collect DEI Data through our HR System.
	Offering full-time contracts and competitive remuneration and safety programs to guarantee stable employment
	- Fostering a culture of health and safety through initiatives like the AI Digital Ergonomic Risk Assessment - Prioritizing employee well-being through mental health initiatives with programs like Moka.Care and access to health services - Introduced wellbeing champions in DACH, France, Spain. Healthy Mind Champions (Mental Health First Aiders in the UK&I). Manager Training on Mental Health & Wellbeing. Employee Assistance Programmes in UK&I, DACH, Spain & Italy.
	- Investing in continuous learning and skills development, ensuring a well-trained workforce - Offering more than 45.000 hours of training for employees with programs such Young Leaders Program training in Turkey

Key targets: our ambition for the future

P E O P L E	Pillar and Material Topic	Goal	Target	Progress in 2024
	5. People attitude and well-being	Investing in the capabilities of our workforce through digital training and RenDanHeyi philosophy	Foster inclusion and promote a balanced and diverse workforce that represents our diverse consumer base and ensure growht	In Progress
			Design and offer well-being initiatives – including benefits and perks- managed both centrally and locally- to meet the needs of Haier employees and work-life balance	
			Develop and provide training focused on continuous learning, skill enhancement, and effective use of digital tools. Develop and provide	
			Training focused on continuous learning, skill enhancement, and effective	
	Ensuring the safety and well-being of our workforce and all stakeholders in our value chain	40% reduction in occupational accidents by 2025	63% reduction in occupational accidents by 2030	Target Reached: with a reduction of 88% compared to 2020
		100% of factories to be certified with an ISO 45001 occupational health and safety management system by 2025Integrate the in-house portal with ESG requirements by 2025	Achieving an occupational accident rate of at least 2 by 2030 from 2.5 in 2020	In progress: 71% certified
				Target Reached: The rate stands at 0.73 for lost time injury rate



Our Team

[GRI 2-7] [GRI 401-1] [GRI 405-1] [GRI 405-2]

Our Team



100%

employees receive a 6-month probation period proceeding to full-time contracts



99%

workers have a full-time contract and 96% are permanent employees



1%

of part-time contracts, implemented to meet employees' specific needs based on individual requirements



4%

of the total workforce is represented by temporary workers



+13%

of women in the Board, +25% increase in women blue collar workers



37%

of new hires in 2023 are female vs 63% men and out of the total 45% are below 30

As of December 31, 2024, Haier Europe successfully achieved its results thanks to the contribution of 5,945 employees.

At the regional level most of the workforce is located in Turkey and Overseas, then in Italy and in China.

GRI 2-7 | Employees by gender and region¹¹

	2024		
	Female	Male	Total
China	282	729	1,011
Germany, Austria & Switzerland (DACH)	63	91	154
France & Benelux	91	120	211
Italy	377	706	1,083
South Europe	17	32	49
Spain and Portugal	81	110	191
East & North Europe ¹²	372	275	648
United Kingdom (UK)	186	488	674
Overseas (Argentine, Morocco, Turkey, UAE)	215	1,607	1,922
Total employees	1,784	6,295	5,945

¹¹ Said data is reported in head count. The regions identified represent the official financial cluster classification used which aggregate multiple countries in the same geographic area. No relevant fluctuations were registered during the reporting period.

¹² East Europe: Croatia, Czechia, Hungary, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia, Ukraine. North Europe: Denmark, Finland, Norway, Sweden.

Our Team

GRI 405-1 | Diversity of governance bodies by gender and age

	2024			2023			2022			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior Leadership Team (SLT) ¹³												
< 30 years	0	0	0	0	0	0	0	0	0	0	0	0
30-50	0	6	6	0	6	6	0	3	3	2	4	6
> 50	2	9	11	2	8	10	0	10	12	0	11	11
Total	2	15	17	2	14	16	2	13	15	2	15	17

GRI 405-1 | Diversity of employees by gender and age¹⁴

	2024		2023		2022		2021	
	Female	Male	Female	Male	Female	Male	Female	Male
Executives	2%	3%	1%	3%	1%	3%	1%	2%
Managers	8%	9%	5%	8%	5%	8%	4%	5%
Office employees	53%	29%	35%	25%	37%	24%	40%	25%
Factory employees	38%	59%	59%	63%	57%	65%	55%	68%

	2024			2023			2022			2021		
	< 30 y	30-50	> 50 y	< 30 y	30-50	> 50 y	< 30 y	30-50	> 50 y	< 30 y	30-50	> 50 y
Executives	0%	2%	8%	0%	3%	5%	0%	2%	6%	0%	2%	6%
Managers	1%	10%	13%	2%	10%	8%	1%	9%	8%	1%	6%	7%
Office employees	33%	36%	40%	35%	33%	25%	28%	30%	28%	26%	30%	34%
Factory employees	66%	52%	39%	82%	66%	54%	72%	59%	58%	74%	61%	53%

As of 2024, 30% of new hires were female, compared to 70% male. Overall, the Company achieved a hiring rate of 26% in 2024.

	2024			2023			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
< 30 y	188	749	937	413	954	1,367	503	1160	1,663
30-50 y	138	403	541	607	824	1,431	818	981	1,799
> 50 y	5	36	41	107	119	226	150	168	318
Total hiring	331	1188	1519	1,127	1,897	3,024	1,417	2,309	3,780
Total hiring rate	26%			28%			38%		
< 30 y	195	705	900	374	1,031	1,405	271	1,023	1,294
30-50 y	363	670	1033	648	1,066	1,714	439	762	1,201
> 50 y	133	181	314	134	210	344	75	164	239
Total hiring	691	1556		1,156	2,307	3,463	785	1,949	2,734
Total hiring rate	38%			32%			28%		

¹³ In case of overlap for the same member due to succession planning, the STL member who spent the majority of time in the position was considered.
¹⁴ Percentages reported below are calculated on the total numbers of female and male employees for the first table and on the total number of <30; 30-50; >50 years of age employees.



Haier Europe’s remuneration policy

[GRI 2-19] [GRI 2-20] [GRI 2-21]

Remuneration

At Haier Europe, our remuneration policy is crafted to inspire and reward all employees equally, from top leadership to our broader workforce, fostering a culture of fairness and shared success. Anchored in competitive market practices and an internal grading system, we ensure salaries that shine in every market. Our comprehensive compensation package includes a solid base salary, a dynamic target bonus tied to a percentage of the base salary, and, for Senior Leadership Team (SLT) members and select talent, Long-Term Incentives (LTI) through Restricted Stock Units (RSUs) with a three-year vesting period, reflecting a percentage of the base salary. Termination agreements are thoughtfully negotiated, aligned with collective agreements or applicable laws, and may include clawback provisions. Retirement benefits are designed in harmony with collective agreements or local legislation.

Our pay review and Management by Objectives (MBO) processes celebrate individual achievements and drive excellence. Pay reviews, applied universally, blend personal performance evaluations with market competitiveness to ensure fairness. MBO empowers employees with

clear qualitative and quantitative goals, alongside company and individual financial KPIs, engaging everyone in Haier’s success. For our sales teams, the Sales Incentive Plan (SIP) ignites motivation through key metrics like Net Sales Value (NSV), Sell Out, First Margin, and Direct Delivery Percentage. With quarterly KPI evaluations, this plan offers faster, more rewarding payouts compared to the previous annual structure, keeping our sales force energized and aligned.

The CEO’s compensation is set by Haier Global Headquarters (HQD), while Long-Term Incentives for Haier Europe Senior Leadership Team members are approved by HQD, guided by their strategic vision. Haier Europe operates without a compensation committee, and remuneration policies are shaped without stakeholder voting, ensuring streamlined decision-making and global alignment.

GRI 2-21: Annual total compensation ratio¹⁵

	2024	2023	2022	2021
	Ratio	Ratio	Ratio	Ratio
Annual total compensation	49.51%	53.77%	167.30%	163.86%
Percentage increase	-14%	-23%	117%	280%

¹⁵ For the purposes of the computation of the highest paid compensation package the base salary, STI paid in the year (cash principle), LTI paid in the year (cash principle) were considered. No reference was made to any benefit paid to the employee or any relevant gross up recognized in relation to any expat treatment or assignment from a foreign location. For the purposes of the median of all the rest of Haier Europe population, the base salary of every employee in each Haier Europe country was considered in addition to the relevant STI at target. The midpoint was then calculated, ordering the numbers from the lowest to the highest, excluding only the highest paid individual. Data for 2021 has not been provided because incomplete.



Welcome home, entrepreneur

Haier Europe has fully digitalized its talent acquisition process with the implementation of Workday, a comprehensive human capital management system. The digital transformation has streamlined the management of payroll, benefits, HR and employee data while simplifying recruitment for both internal and external candidates. The platform features two key components: the Job Posting portal, which allows employees to explore and apply for internal opportunities, and the Company's Referral Program, which provides a transparent and user-friendly process for employees to refer candidates.

To equip new employees with the information and resources they need to succeed from day one, the Company has developed a tailored **Orientation Program**, that introduces new hires to essential guidelines, tools, rules and policies about Haier Europe. This program helps newcomers familiarize themselves with the company's working environment.



As part of the **onboarding experience**, new employees are also introduced to the company's core values, wellbeing initiatives, and various learning resources available to them. To further enhance this framework, Haier Europe has recently launched the Buddy Program, where new starters are paired with a colleague who serves as their primary point of contact to ensure a smooth and successful integration into the company.



As an innovative business, Haier Europe focuses on attracting and converting early STEM talents, Gen Z and millennials to build the best solutions for society's future needs. To meet the high demand for these professionals, the Company has redesigned its talent acquisition process, leveraging social media, physical events and strategic partnerships with universities, business schools, digital startups, and online communities. Haier Europe's attraction strategy includes collaborations with academic institutions, partnerships with innovative companies, engagement with student networks, and influencer marketing. The Company hosts online and onsite activities such as career days, hackathons, webinars, and company visits, providing hands-on experiences and connecting with top talent in STEM, IT and business fields.



Training and skills development

[GRI 404-1] [GRI 404-2]

The Company’s approach to training is multifaceted, focusing on continuous learning, skill enhancement, and effective use of digital tools. Central to Haier Europe’s training strategy is the implementation of the Docebo Learning Management System (LMS). This new LMS is designed to enhance the user experience through a more intuitive interface, improved functionalities, and streamlined access to resources such as mandatory training, onboarding modules and a comprehensive LinkedIn Learning catalogue.

Haier Europe has implemented its LMS in a phased approach, starting with a Functional Analysis Update and followed by the integration of new features. Post-launch, the company continues to refine the platform based on user feedback and is exploring additional features like competency mapping. The training initiatives are aligned with Haier’s strategic goals, offering tailored learning.

Training sessions offered to the various departments in the Company are divided in:



Mandatory sessions: Each employee is required to complete compulsory training covering the Company’s 231 Organizational Model, GDPR, Code of Conduct, Code of Ethics and Cybersecurity, with a total of 2,106¹⁶ participants.

In 2024, 87% UK&I Manager attendance for Mental Health Aware Mandatory Course, focusing on understanding mental health and wellbeing.

94% UK&I Manager Attendance for DEI Training and 100% DEI Champions completing Allyship Training.



Health and safety: In 2024, 7,598 hours of training were provided to employees in Italy. The safety training of workers, supervisors and managers is tailored to the job and the risk assessment of the activity performed.



Development of technical and soft skills: This category encompasses 320 hours of diverse training courses, including leadership and change management, HVAC management, Excel (basic and intermediate), GDPR for HR, OTC co-design and workshops, project management, team development for R&D, and a program on transforming towards an entrepreneurial ecosystem.



A total of 1.434 hours of training has been done leveraging on LinkedIn training courses on various subjects.

GRI 401-4: Average hours of training provided to employees

	2024	
	Male	Female
Executives	3	4
Managers	5	4
Employees	15	13
Workers	2	1

In the UK Haier Europe continues to invest in the development of its Service Engineers. The Field Service Engineer Training team has received the prestigious “Assured” qualification from City & Guilds for its five-week residential induction and several professional development programs. All new and existing Service Engineers will earn a City & Guilds qualification upon completing their training at the new centre in Birchwood Park, Warrington. Additionally, Haier Europe in the UK now offers Institute of Leadership & Management (ILM) qualifications to support employees’ career progression into management roles.

¹⁶ Training hours do not refer to employees in Russia, Ukraine, Argentina, China, Marocco.

Empowering Haier well-being

[GRI 401-2] [GRI 401-3]

At Haier Europe, well-being initiatives are managed both centrally and locally to meet the unique needs of employees. **Benefits include life and disability insurance, family and parental leave, sick pay and pension contributions.** Additional perks include an employee assistance program, free onsite parking, and rewards through the Reward Gateway platform, gym access, food allowances, and discounts on company products. This support is enhanced to support family members as well as colleagues. Employees also benefit from professional study support and financial assistance for career development, with help available via an online portal or centralized email.



The Company launched an online wellbeing portal, providing employees with resources to support their mental, physical, and financial health.

In response to the challenging economic climate, Haier Europe launched a 12-month Financial Well-being Program in partnership with AAG Financial Education. The program, introduced in 2023, offers 1:1 consultation with financial advisors, mortgage clinics, interactive webinars, and access to a dedicated Financial Well-being Hub for employees and their families, helping them manage their financial health effectively.

Haier Europe also partnered with Bluecrest, offering colleagues with onsite health assessments annually and field engineers. Moreover, they have access to Health Extra by Bluecrest where they can visit a clinic near them and have a full health assessment that covers 62 readings. Each office has appointed wellbeing champions who serve as key contacts for any mental health or wellbeing-related queries, fostering a



Empowering Haier well-being

health-focused culture across all levels of the business. Additionally, experienced professionals are available to offer guidance on various topics, including mental health and nutrition.

Healthy Mind Champions serve as mental health and well-being ambassadors, dedicated to reducing the stigma around mental health and fostering open conversations. Available for informal, confidential chats, they offer support, guide colleagues to internal resources such as the Employee Assistance Program (EAP) or Wellbeing Centre and can direct them to external professional help if needed. **Additionally, Haier Europe in France trained 12 Mental Health First Aiders (MHFA) to recognize early signs of mental health issues**, provide support, and raise awareness within the organization, always ensuring privacy and confidentiality.



In May 2023, **Moka.Care**, a trusted partner in mental health care, was launched to support the well-being of its employees. The services provided include a 24/7 helpline, orientation calls to match employees with the right practitioner, and three fully covered individual sessions per year with psychologists, therapists, or coaches. Additionally, employees have access to a personal digital space, group awareness sessions, personalized advice, microlearning through Teams and self-care resources.

Haier Europe continues to prioritize employee well-being through its parental leave policies, supporting both male and female employees. In Italy, 223 employees were entitled to parental leave, with 15 individuals (2 male, 13 female) taking advantage of this benefit. The total retention rate for employees who took parental leave was 86%, 100% for men and 84.6% for women.

GRI 401-3: Annual total compensation ratio¹⁷

	2024 ITA		
	Male	Female	Total
Total number of employees that were entitled to parental leave, by gender.	47	29	76
Total number of employees that took parental leave, by gender.	1	23	24
Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	1	18	19
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	0	15	15
Total number of employees who should have return to work after taking parental leave	2		
Retention rates of employees that took parental leave, by gender.	100%	84.6%	

¹⁷ TAs for 2023, parental leave data is available only for Italy.

Empowering Haier well-being

Accredited Living wage and Top employer

Since 2011, the Living Wage movement has delivered pay rises to over 350,000 people, putting more than £2 billion extra into the pockets of low-paid workers. In the UK, Haier Europe continues to maintain its status as an accredited Living Wage Employer and was recognized as a Top Employer in 2024 by the Top Employers Institute for the second consecutive year. This prestigious certification highlights the company’s dedication to fostering a positive work environment, continuous development, and well-being for its workforce, with excellence in areas such as People Strategy, Work Environment, Talent Acquisition, Learning, and Diversity, Equity & Inclusion. Additionally, Haier Smart Home, was named one of Forbes’ World’s Best Employers for 2024, marking its eighth consecutive year on the list, reflecting its global HR leadership and employee-focused RenDanHeYi management model.



Inclusion, Diversity and Belonging (ID&B)

As outlined in its Code of Ethics and ESG Code of Conduct, Haier Europe upholds a strict equal employment opportunity policy, ensuring no discrimination based on race, age, gender, nationality, disability, religion, or any other characteristic prohibited by local and regional laws.

In 2024, Haier Europe launched its comprehensive Diversity, Inclusion, and Belonging (DI&B) framework, fulfilling its commitment to establish a global policy with clear targets. The DI&B Committee, established in 2023, continues to guide this initiative, focusing on:



Leadership support governance to ensure accountability;



Data-driven strategies to refine priorities and achieve targets;



Expanded programs to enhance diversity and inclusion performance;



SMART goals for clear, measurable outcomes;



Ongoing monitoring and transparent reporting to drive continuous improvement.



Empowering Haier well-being

The operational DI&B Working Group, representing various regions, ensures local relevance and effective implementation. This group identifies stakeholders, executes the DI&B roadmap, gathers region-specific feedback, and monitors KPIs. Monthly meetings facilitate communication of updates, feedback, and urgent issues, while coordinated messaging amplifies DI&B events and initiatives.

In 2024, Haier Europe in UK&I built on its 2023 DEI assessment by conducting a follow-up workforce demographic analysis and inclusion survey. The results shaped a DEI strategy, leading to enhanced initiatives such as the expanded Women Empowerment Programme, Race Equality Week, and new disability inclusion workshops. The Company also celebrated cultural events like Pride Month, Eid, and International Women's Day, fostering respect for diverse backgrounds. A notable highlight was Haier Europe's participation in the Bocconi&Jobs Career Day to attract diverse talent, reinforcing its commitment to inclusive recruitment.

The UK office remains a leader in ID&B, maintaining its membership with Inclusive Employers and supporting Diversity & Inclusion Champions who meet regularly to promote awareness. All UK employees have access to diversity and inclusion training, with managers completing specialized awareness courses and annual refreshers. The Period Dignity at Work initiative, in partnership with TOTM, continues to provide free and discounted sustainable period care products, enhancing workplace support for female colleagues.



In 2024, Haier Europe achieved Bronze certification in the Inclusive Employer Standard, aiming for silver certification by 2026. This recognition reflects the Company's progress in embedding inclusivity across all levels, benchmarking practices against industry standards, and setting ambitious new goals. Additionally, Haier Europe's commitment to inclusion was showcased through employee stories on LinkedIn, highlighting diverse perspectives and contributions that drive innovation.



This ongoing journey underscores Haier Europe's dedication to creating a workplace where every employee feels valued, respected, and empowered to thrive.



Community Support Initiatives



Italy

• **Supporting the Homeless:** In 2023, Haier Europe donated washers and dryers to laundromats in Turin for homeless individuals, in partnership with Procter & Gamble. In 2024, this expanded to Naples (January), Catania (May), and San Ferdinando, Reggio Calabria (November), equipping facilities with appliances for free laundry services, managed by Caritas and the Community of Sant'Egidio.



• **Emilia-Romagna Flood Relief:** Supplied over 1,100 appliances in 2023 with local partners like the Rotary Club. In 2024, donated 35 refrigerators and 35 washing machines via CESVI Fondazione to aid flood-affected communities in Ravenna, Forlì, and Bologna.



• **Milan Marathon:** For the second consecutive year, Haier employees participated in the Milan Charity Relay Marathon, supporting WeWorld's Run4Freedom project against gender-based violence, aiding safe havens for women.



• **Combating Hunger:** Haier Europe partnered with Rise Against Hunger for Volunteer Day, where over 100 dedicated colleagues from Brugherio and Vimercate offices came together to pack 500 food boxes filled with essential supplies to support individuals and families facing hunger and hardship, empowering their lives and fostering hope.



• **Circular Economy at Nitto ATP Finals:** Haier partnered with Esosport, a benefit corporation that operates in waste management, by providing its employees the opportunity to drop off their old shoes and tennis balls that will be repurposed for new children playgrounds and athlete tracks across Italy.





Community Support Initiatives



Spain

- **Valencia DANA Flood Relief:** In response to the Valencia flood crisis, we donated 100 washing machines to Hambre Cero, prominent organization in the area, to assist the affected families and communities.



- **Close-to-Zero Energy Homes:** Haier has supplied the full suite of energy efficient appliances across the entire "Zero Distance" house in Sheffield in conjunction with Strata.



Turkey

- **EMKO Day Care Center and Nursery:** Sponsored the construction of the Haier Europe – EMKO "Day Care Center and Nursery" in Turkey. The facility features six classrooms and will provide education to 120 children between the ages of 3 and 6.



Poland

- **Great Orchestra of Christmas Charity:** We participated in the 32nd charity auction held by the Great Orchestra of Christmas Charity in Poland, donating a unique Haier Series 9 refrigerator designed by Duška ZUO Waclawik, raising over 40.000 PLN to support the purchase of the equipment for diagnosing, monitoring and rehabilitating lung diseases.



Germany

- **B2Run Munich:** In 2024, over 20 employees ran a 5.1-km race, supporting DKMS Donor Center gGmbH to fight blood cancer, promoting team spirit and community giving.



United Kingdom

- **Cash for Kids Mission Christmas:** For the third year in 2024, Haier UK supported the initiative, sorting gifts and donating 88 toys, with the Hoover Foundation adding £220 to ensure Christmas presents for disadvantaged children.





Safety first

[GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-4] [GRI 403-6] [GRI 403-9]
[GRI 403-10]

Haier Europe has an Environment, Health, and Safety (EHS) Management System, covering over 80% of employees across Italy, Turkey, Romania, Russia and China. This system includes specific procedures, risk assessments, safety managers, and the use of personal protective equipment. **Additionally, 63% of plants are ISO 45001 certified.** Risk assessments are regularly updated and involve workers' representatives, while change management processes ensure ongoing compliance. Employees can also report concerns anonymously or during periodic inspections.

In multi-site operations, each unit is overseen by a local EHS Manager, with an EHS Director at the country level. Both receive comprehensive safety training in their local language and in English and are qualified to provide first aid services. Additionally, the Company offers extended health coverage to all employees across its operational units, including supplementary insurance and access to preventive health services at preferential rates.

In 2024, out of an increasing number of working hours the number of injuries has decrease more than 50% since 2023. The severity index also significantly reduced by 66% showing that main types of injuries are due to minor accidents such as laceration, cuts and crushing. In addition, Haier proudly records zero employees with work-related health issues over the 2021-2024 period. Moreover, Haier achieved an 8.4% reduction in Total Recordable Incident Rate (TRIR)

Haier Europe fosters a strong culture of health and safety through its comprehensive digital safety management system, designed to enhance workplace safety and efficiency across all its factories. A key component is the **AI Digital Ergonomic Risk Assessment**, which uses video analysis and task data to evaluate workers' postures and identify ergonomic risks. This proactive approach helps reduce strain on high-risk areas like the arms, wrists, and neck.

The Company also emphasizes Behaviour-Based Safety (BBS), focusing on monitoring and reinforcing safe behaviors in the workplace. Weekly BBS reports track behaviors and pinpoint areas for improvement, leading to a significant reduction in accidents.

In addition, **Haier has established an Incident Reporting Management system** that allows employees to report incidents and unsafe conditions via mobile or web forms. This system triggers immediate follow-up actions, and data collected is analyzed using Power BI to monitor safety trends and risk assessments in real time.

Since 2022 Haier Europe has been leveraging the use of artificial intelligence for ergonomic risk assessment and to detect unsafe behaviours without privacy violation.



Safety first

GRI 403-9 | Work-related injuries

Employees work-related injuries (n)	2024	2023	2022	2021	Var. % 2021-2024
Lost time injuries	8	19	18	49	-84%
Injury rate	0.73	2.07	2.26	6.27	-88%
of which deaths	0	0	0	0	0
of which with serious consequences	1	3	1	3	33%
Severity index	0.3	0.33	0.13	0.38	-21%
Main types of injuries	laceration, cuts, crushing	laceration, cuts, crushing	laceration, cuts, crushing	cuts, crushing	-
Hours worked (n)	10,963,369	9,174,384	7,964,757	7,809,738	30%



Responsible Data



Haier Europe
Sustainability



Key challenges: the context in which we operate



Our Data Strategy in the IoT Era

We are committed to fostering a data-driven culture that prioritizes transparency, accountability, and security in data management. By implementing robust governance frameworks, we ensure responsible and ethical data handling, empowering informed decision-making and innovation. Our focus on enhancing data literacy across the company promotes best practices and safeguards stakeholder privacy, as we believe effective data governance drives value and sustainability for the entire organization.

Data-Driven Integrity

Data analytics enables companies to make data-driven decisions, enhancing their ability to create evidence-based strategies, understand customer needs, and increase overall productivity. Companies leveraging data-driven marketing strategies experience **five times higher Return on Investment (ROI)** compared to those that don't¹⁸. However, it is crucial to guarantee data privacy and comply with strict regulations, such as the General Data Protection Regulation (GDPR) and the ePrivacy Directive (2002/58), ensuring that customer information is handled responsibly and ethically.

IoT: transformative impact

The Internet of Things (IoT) is a major driver of responsible digital transformation, with industrial IoT projected to contribute \$14 trillion to the global economy by 2030¹⁹. As a hub for Fourth Industrial Revolution technologies like AI, IoT also holds significant potential for social impact. According to the World Economic Forum, **84% of IoT deployments are currently addressing or have the potential to address the United Nations' Sustainable Development Goals (SDGs)**.

Cybersecurity

As the world becomes increasingly interconnected and reliant on digital technologies, cybercrime is on the rise. **In 2023, cyberattacks surged, affecting over 343 million individuals**. From 2021 to 2023, data breaches escalated by 72%, setting a record. The consequences of these cyberattacks are both extensive and costly. In **2024, the average cost of a data breach reached \$4.88 million**, while compromised business emails resulted in losses exceeding \$2.9 billion in 2023²⁰. These alarming statistics underscore the critical threat posed by cyber vulnerabilities and the urgent need for skilled cybersecurity professionals.

¹⁸ Hall, Jason. "Council Post: Incorporating Data and Analytics into Your Marketing Plan." Forbes, July 27, 2022.

¹⁹ World Economic Forum, Internet of Things Guidelines for Sustainability, 2018.

²⁰ Forbes, Cybersecurity Stats: Facts And Figures You Should Know, 2024.



Key actions: our contribution to the Sustainable Development Goals (SDGs)

SDGs

Our contribution



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Leveraging **data and analytics** focusing on AI and data integration across platforms
- **Integration of IoT and connectivity** to promote sustainable living, enhance product efficiency, and ensure durability
- Enhancing **cybersecurity across its IoT ecosystem**, performing vulnerability assessments and integrating certified secure solutions

D A T A	Pillar and Material Topic	Goal	Target	Progress in 2024
	6. Cybersecurity and data privacy	Improve employees' awareness on cybersecurity	Improve ratings of phishing clicks and credential inserted during Phishing Campaign>5% of sales (i.e. 250.000 machines/year) in auto-dose washing machines by 2025	All employees are engaged in quarterly cybersecurity campaigns.
			Improve attendance on our Cybersecurity Awareness catalogue for all countries.	Cybersecurity Awareness program has been enhanced covering different topics and shared with all employees.



Data Strategy

Cybersecurity

As a result of the growing number and sophistication of cyberattacks that have involved several companies globally, **Haier Europe has enhanced – and continues to constantly improve – cybersecurity processes and technologies to protect its data and assets.** More specifically, the IT cybersecurity department guides the Company towards the proper security rules to prevent any service disruption and client security breach, in order to maintain consumer trust and ensure the proper functioning of products.

Testing internal security

To protect the business's data and services against unknown and unpredictable cyber-threats, **the IT cybersecurity department carries out continuous penetration tests as well as internal and external assessments to verify the reliability of the Company assets and the products on the market.**

Continuous training of our employees is crucial to maintaining high cybersecurity standards. **We have developed and improved training programs** to raise awareness among staff about cyber risks and best security practices.

Periodic anti-phishing campaigns are launched to promote knowledge amongst all employees of how easy it is to be deceived and subject to a cyberattack.

Collaborations

We collaborate with cybersecurity experts and academic institutions to stay updated on the latest threats and defence technologies. These partnerships allow us to continuously improve our security strategies and adopt innovative solutions. We receive and utilize threat intelligence reports and security bulletins from our network of vendors and providers to proactively identify potential issues.

Monitoring and Incident response

We have implemented advanced monitoring systems to detect and respond promptly to any cyber threats. Our incident response team is ready to intervene in case of security breaches, minimizing impact and ensuring operational continuity.

Our internal network is encrypted and protected. Internal communications are secured using advanced security technologies, and we are continuously evaluating new network segregation models to enhance our existing infrastructure.

Conclusion

Cybersecurity is a priority for our company and represents a **key element of our sustainability strategy.** Protecting customer data and ensuring the security of our products is essential to building a **sustainable and secure future.**



Methodological note

[GRI 2-2] [GRI 2-3]

The third edition of Candy S.p.A. – also known as Haier Europe – Sustainability Report reaffirms its commitment to transparently provide to all stakeholders the Company's results, initiatives, challenges and objectives reached and set in relation to environmental, social and economic aspects.

The information contained in this document refers to fiscal year 2024

(from the 1st of January to the 31st of December), with a broader view of key indicators during the three-year period 2021-24 to ensure relevancy of information. In terms of the perimeter, the reporting scope refers to Haier Europe unless otherwise indicated.

The Sustainability Report has been prepared following the GRI Standards 2021, “with reference” option. The GRI identification codes are provided in square brackets and distributed within the document to identify the information that meets the selected requirements.

The document has been built around the **6 material topics** defined through the materiality analysis carried out in 2020, which identifies a materiality threshold above which a topic is deemed sufficiently important to be reported on. Specifically, Haier Europe has identified those topics that represent the economic, environmental and social impacts generated by the Company and, therefore, able to influence the decisions of its stakeholders and corporate strategies. The process is described in more detail in the Materiality Analysis section.

The collection and processing of the data reported in the Sustainability Report took place in cooperation with all of Haier Europe's functions, each for the activities within its competence, activating an information flow coordinated and supervised by the HSE, CSR and Sustainability Manager and subjected to the Sustainability Board Committee approval. For further information and any further details, please contact Haier Europe's Sustainability team at: sustainability@haier-europe.com



GRI Content Index

Statement of use	Haier Europe has reported the information cited in this GRI context index for the period 1/1/2022 – 31/12/2022 with reference to the GRI Standards.
GRI 1 applied	GRI 1: Foundation 2021

General Disclosures

Standard GRI	Disclosure	Location (or information)
GRI 2: General Disclosure 2021	2-1 Organizational details	Legal name: Candy S.p.A. (over consolidated by HEAS) Nature of ownership and legal form: HEAS S.p.A. (direct control ownership) / Haier Smart Home Co. Ltd (690, indirect control ownership) Headquarters: Candy S.p.A. based in Brugherio (operational site) / Vimercate (administrative site) Countries of operations: 30 countries
	2-2 Entities included in the organization's sustainability reporting	§ Methodological note
	2-3 Reporting period, frequency and contact point	§ Methodological note
	2-4 Restatements of information	In 2023, Haier Europe undertook a comprehensive analysis of its carbon footprint, covering Scope 1, 2, and 3 emissions. This year's calculations were conducted using a slightly different boundary compared to the assessments made in previous fiscal years. As a result of this change in the reporting boundary, Haier Europe has restated the emissions data previously reported for 2021 to ensure consistency and accuracy with the revised boundary. The restatement reflects the updated scope and the resulting adjustments in emission figures, which provide a more accurate reflection of the company's carbon impact.

Standard GRI	Disclosure	Location (or information)
	2-5 External assurance	The document is prepared on a voluntary basis and, as such, it is not subject to external assurance
	2-6 Activities, value chain and other business relationships	§ Haier Europe in 2023
	2-7 Employees	§ Our team; § Technical Appendix
	2-9 Governance structure and composition	§ Organizational structure and corporate governance
	2-10 Nomination and selection of the highest governance body	§ Organizational structure and corporate governance
	2-11 Chair of the highest governance body	§ Organizational structure and corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	§ ESG Governance
	2-13 Delegation of responsibility for managing impacts	§ ESG Governance
	2-14 Role of the highest governance body in sustainability reporting	§ ESG Governance
	2-15 Conflicts of interest	§ Code of Conduct and Code of Ethics
	2-16 Communication of critical concerns	§ ESG Governance
	2-17 Collective knowledge of the highest governance body	§ ESG Governance
	2-18 Evaluation of the performance of the highest governance body	§ ESG Governance
	2-19 Remuneration policies	§ Haier Europe's remuneration policy
	2-20 Process to determine remuneration	§ Haier Europe's remuneration policy
	2-21 Annual total compensation ratio	§ Haier Europe's remuneration policy
	2-22 Statement on sustainable development strategy	§ Letter to Stakeholders



GRI Content Index

Standard GRI	Disclosure	Location (or information)
	2-23 Policy commitments	§ Code of Conduct and Code of Ethics
	2-24 Embedding policy commitments	§ Code of Conduct and Code of Ethics
	2-25 Processes to remediate negative impacts	§ Organization, Management and Control Model 231
	2-26 Mechanisms for seeking advice and raising concerns	§ Organization, Management and Control Model 231
	2-27 Compliance with laws and regulations	§ Organization, Management and Control Model 231
	2-28 Membership association	Assolombarda, APPLiA (European Home Appliance Trade Association) APPLiA Italia ERION WEEE ERION packaging
	2-29 Approach to stakeholder engagement	§ Materiality analysis
	2-30 Collective bargaining agreements	Where applicable, employees are covered by collective bargaining agreements (e.g. Italy)

Topic-specific disclosures

Standard GRI	Disclosure	Location (or information)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Materiality analysis
	3-2 List of material topics	§ Materiality analysis
Material Topics		
Resource productivity in circular economy and clean solutions		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Product Leadership at Zero Distance; § Innovation and design

Digital consumer journey		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Innovation and design
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	§ Upholding highest quality standards
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	§ Upholding highest quality standards
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	§ Upholding highest quality standards
	417-2 Incidents of non-compliance concerning the health and safety impacts of products and services	§ Upholding highest quality standards
Climate action and energy efficiency		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Our production footprint; § Reducing our impact
GRI 302: Energy 2016	302-1 Energy consumption within the organization	§ Energy management
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	§ Water management
	303-4 Water discharge	§ Water management
	303-5 Water consumption	§ Water management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	§ Energy management
	305-2 Energy indirect (Scope 2) GHG emissions	§ Energy management



GRI Content Index

GRI 306: Waste 2016	306-1 Waste generation and significant waste-related impacts	§ Waste management
	306-3 Waste generated	§ Waste management
	306-5 Waste directed to disposal	§ Waste management
Responsibility along the supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Responsibility along the supply chain
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	§ Suppliers
GRI 301: Materials 2016	301-2 Recycled input materials used	§ Materials in products and packaging
People attitude and well-being		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ People
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	§ Our team
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	§ Employees' well-being
	401-3: Parental leave	§ Employees' well-being
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	§ Safety first
	403-2 Hazard identification, risk assessment, and incident investigation	§ Safety first
	403-3 Occupational health services	§ Safety first

	403-4 Worker participation, consultation, and communication on occupational health and safety	§ Safety first
	403-5 Worker training on occupational health and safety	§ Training and skills development
	403-6 Promotion of worker health	§ Safety first
	403-9 Work-related injuries	§ Safety first
	403-10 Work-related hill health	§ Safety first
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	§ Training and skills development
	404-2 Programs for upgrading employee skills and transition assistance programs	§ Training and skills development
	404-3 Percentage of employees receiving regular performance and career development reviews	§ Technical Appendix
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	§ Our team
	405-2 Ratio of basic salary and remuneration of women to men	§ Our team
Cybersecurity and data privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Protecting out data; § Cybersecurity
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	§ Protecting out data



GRI Content Index

Technical Appendix

GRI 2-7 | Employees by contract, gender and region

	2024		
	Female	Male	Total
Total employees in China	564	1458	2022
Number of permanent employees	280	728	1008
Number of temporary employees	2	7	3
Number of non-guaranteed employees	-	-	0
Number of full-time employees	282	729	1011
Number of part-time employees	0	0	0
Total employees in DACH	126	182	308
Number of permanent employees	63	91	154
Number of temporary employees	0	0	0
Number of non-guaranteed employees	-	-	0
Number of full-time employees	57	90	147
Number of full-time employees	6	1	7
Total employees in France & Benelux	182	240	422
Number of permanent employees	87	119	206
Number of temporary employees	4	1	5
Number of non-guaranteed employees	-	-	0
Number of full-time employees	90	119	209
Number of part-time employees	1	1	2
Total employees in Italy	754	1412	2166
Number of permanent employees	348	692	1040
Number of temporary employees	29	14	43
Number of non-guaranteed employees	-	-	0
Number of full-time employees	360	706	1066

Number of part-time employees	17	0	17
Total employees in South Europe	43	64	98
Number of permanent employees	16	31	47
Number of temporary employees	1	1	2
Number of non-guaranteed employees	-	-	0
Number of full-time employees	17	32	49
Number of part-time employees	0	0	0
Total employees in Spain	162	220	382
Number of permanent employees	79	109	188
Number of temporary employees	2	1	3
Number of non-guaranteed employees	-	-	0
Number of full-time employees	52	96	148
Number of part-time employees	29	14	43
Total employees in East & North Europe	744	550	1294
Number of permanent employees	372	275	647
Number of temporary employees	0	0	0
Number of non-guaranteed employees	-	-	0
Number of full-time employees	372	275	647
Number of part-time employees	0	0	0
Total employees in the UK	372	976	1348
Number of permanent employees	180	482	662
Number of temporary employees	6	6	12
Number of non-guaranteed employees	-	-	0
Number of full-time employees	155	485	640
Number of part-time employees	31	3	34

GRI Content Index

Total employees Overseas	630	3214	3844
Number of permanent employees	232	1,396	1,624
Number of temporary employees	83	211	294
Number of non-guaranteed employees	0	0	0
Number of full-time employees	315	1607	1922
Number of part-time employees	0	0	0

GRI 404-2 | Programs for upgrading employee skills and transition assistance programs

2024
Given the extensive number of these programs, only the main ones are listed below, divided into the following macro-areas:
- Regulatory compliance (GDPR, anti-trust session, code of conduct, code of ethics, cybersecurity awareness)
- Health and safety curses (Road safety, security, accident investigation training)
- Professional development courses by role (6 Sigma, Mold Flow)
- Soft skills, personal and digital courses (Excel, language courses, public speaking, RSHY masterclass, LinkedIn learning, Champion’s Academy, team building)
- Welfare and D&I course (transgender day training, what’s next for inclusion, mental health awareness, D&I awareness and refresher)

GRI 405-2 | Ratio of basic salary and remuneration of women to men

	2024
	Total
Executives	85%
Managers	93%
Employees	89%
Workers	58%
Total	110%



GRI Content Index

GRI 405-2 | Ratio of basic salary and remuneration of women to men²¹

	2024 Ratio	2023 Ratio	2022 Ratio	2021 Ratio
Executives	99%	90%	86%	99%
Managers	94%	96%	95%	94%
Employees	90%	79%	89%	88%
Workers	93%	94%	93%	92%
Executives	112%	78%	65%	0%
Managers	108%	115%	80%	86%
Employees	97%	94%	84%	72%
Workers	70%	101%	97%	99%
Executives	95%	96%	85%	82%
Managers	103%	82%	74%	0%
Employees	89%	101%	93%	80%
Workers	81%	75%	75%	99%

²¹ In terms of significant location of operation, the Company indicated Brugherio, Vimercate, Romania, Turkey, covering 1/3 of Haier Europe's workforce.