Hisense EUROPE

SUSTAINABILITY REPORT 2024

Efficiency with impact

ISSUED BY HISENSE EUROPE HOLDING GMBH
APRIL 2025

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A letter from the CEO

TO OUR STAKEHOLDERS,

In an era of rapid change and complexity, our commitment to sustainability remains unwavering. In Hisense Europe, we believe that long-term success is inseparable from our responsibility across three fundamental pillars: environmental stewardship, social responsibility and economic resilience.



Hanson Han
CEO of Hisense Europe

Yet, amid these challenges, our sustainability strategy – crafted in 2023 and rooted in the lessons of prior years – has laid the foundation for meaningful progress and 2024 marks the year of active implementation.

This year, we have made significant investments and operational changes that enhance efficiency while reinforcing our impact on sustainable development.

In the Hisense Europe industrial park in Velenje, we have expanded our renewable energy capacity by investing in new solar power plants, increasing our total capacity to 5.3 MW, now covering 12% of our energy needs.

To reduce environmental risks in production, we have replaced hexavalent chromium with a safer alternative – trivalent chromium - ensuring a more sustainable and responsible manufacturing process.

Our commitment to high standards is further reflected in the attainment of the SA8000 social accountability certification and the ISO 50001 energy management certification, complementing our existing certifications in environmental and occupational safety management. While standards are not yet uniformly applied across all locations, they indicate our inspiration to lead by example.

In 2024, we further strengthened our commitment to responsible business by becoming a participant of the United Nations Global Compact (UNGC). Through this step, we publicly reaffirm our alignment with the Ten Principles of the UNGC in the areas of

A LETTER FROM THE CEO

human rights, labour, environment, and anti-corruption. By joining this global movement, we not only commit to continuous improvement within our operations, but also contribute to the broader mission of fostering a more just, equitable, and sustainable global economy. We believe that sustainable business is good business – for our employees, for our partners, for the environment, and for future generations.

Beyond our production processes, we are taking decisive steps to minimize our environmental impact. We have introduced experimental water reuse in production and are shifting to 100% recyclable packaging for our products.

At the same time, we are exploring the use of recycled materials and continuously working to reduce waste. These initiatives, coupled with EcoVadis silver medal awards in 2023 and 2024 as well as our three four-star Green Star certification in Slovenia we have earned in 2021, 2022 and 2024, underscore our ongoing commitment to sustainability excellence.

However, our responsibility extends our own operations. In 2024, we enhanced our sustainability due diligence for partners and suppliers, ensuring they align with our values and standards. To reinforce this commitment, we are launching the inaugural Hisense Europe Supplier Award in 2025, recognizing outstanding partners and setting a benchmark for sustainable business practices.

Transparency remains central to our ethos. In 2024, we achieved a milestone by publishing our first verified sustainability report, including scope 1 and 2 emissions data for our production locations, specifically at the three production facilities dedicated to the manufacturing of household appliances. This achievement reflects our dedication to transparency, providing stakeholders with credible insights and actionable data on our environmental footprint and progress. Trust, we believe, is the foundation of lasting success.

As the European Commission continues to refine sustainability reporting regulations, we remain committed to upholding the highest standards of transparency, regardless of regulatory changes. Through strategic investments, operational improvements and dedication to responsible business practices, we are building a future that is not only more sustainable but also more resilient.

As you review our sustainability report, I am confident you will recognize the core principles that drive our team at Hisense Europe: a dedicated commitment to conducting our operations ethically and responsibly for our employees, partners, environment, and the communities we serve.

To us, sustainability is not a destination, but a way of thinking. Let us continue to think boldly, act responsibly and drive efficiency with impact.

Sincerely,
Hanson Han
CEO of Hisense Europe

1 Introduction





The Sustainability Report is a testament to our unwavering commitment to transparency in all our operations. It is based on our strategic approach to sustainability and the principle of double materiality analysis, which requires the assessment and disclosure of sustainability information from both a financial and an impact perspective. This ensures that the report addresses both the effect of sustainability matters on the company and the company's impact on society and the environment.

KEY HIGHLIGHTS OF 2024

In 2024, we made significant progress in advancing our sustainability initiatives. We strengthened our due diligence process to more effectively identify and address both potential and actual adverse impacts across our operations and supply chain. A strong emphasis was placed on energy efficiency, highlighted by the construction of new solar power plants at Gorenje d.o.o., which contributed to our achievement of the ISO 50001 standard for energy management. On the social front, we devoted significant resources to improving working conditions and social responsibility, culminating in the certification of all three key production sites under the SA8000 standard, reinforcing our commitment to ethical practices and employee well-being. These achievements reflect our ongoing dedication to sustainable development and responsible business practices.

We are proud to announce that Gorenje, d.o.o., as the largest production company within Hisense Europe, has been awarded the Silver Medal by EcoVadis and the Green Leader rating by Green Star certification. These prestigious business awards recognise our commitment to sustainable business practices. They are a testament to our ongoing efforts to reduce our impact on the planet and promote social responsibility.

BP - 1: General basis for preparation of the sustainability statement

This report is issued by Hisense Europe Holding GmbH and its subsidiaries, collectively referred to as the Hisense Europe. It is prepared at the consolidated Group level, with the scope of consolidation consistent with the financial statements (see Table 1 for the full list of included companies). All Group-level policies apply to Gorenje d.o.o., Mora Moravia s.r.o., and Gorenje Valjevo d.o.o., as well as other entities within the Group. The report explicitly specifies the entity to which each quantitative data point refers, with a particular focus on **Gorenje d.o.o.**, **Mora Moravia s.r.o.**, and **Gorenje Valjevo d.o.o.**, while a consolidated total is also typically provided.

The report includes information covering material upstream and downstream activities. Downstream, the sustainability statement focuses on the product's use phase and end-of-life phase, while upstream, it primarily addresses first-tier suppliers, extending to second-tier and beyond where relevant. We have made reasonable efforts to collect data from our first-tier suppliers and have requested that they report on their sub-tier suppliers. Where data has not been provided, we rely on in-house knowledge and publicly available sources.

Unless otherwise specified, the data presented in this report pertains to the financial year 2024. Future plans and commitments are based on current assumptions and are subject to change due to risks, uncertainties, or evolving knowledge. The report contains forward-looking statements that describe the Group's future plans, objectives, and commitments in relation to sustainability.

List of entities, included in the sustainability report

Gorenje, d.o.o.	Gorenje DOOEL Skopje, d.o.o.
Gorenje I.P.C., d.o.o.	Gorenje Slovakia s.r.o.
Hisense Europe Electronics, d.o.o.	Gorenje Magyarország Kft.
Gorenje Aparati za domaćinstvo Valjevo, d.o.o.	Gorenje Bulgaria EOOD
Mora Moravia s.r.o.	Gorenje Polska Sp. z.o.o.
Gorenje Orodjarna, d.o.o.	Gorenje Romania S.R.L.
Indop, d.o.o.	Gorenje Commerce, d.o.o.
Gorenje GTI, d.o.o.	Gorenje TOV, Kijev
Zeos, d.o.o.	Gorenje Kazakhstan, TOO
ASKO Appliances AB	OOO „Gorenje BT“, Moskva
Gorenje, d.o.o., Beograd	Hisense Gorenje Germany GmbH
Gorenje Zagreb, d.o.o.	Hisense Gorenje Austria GmbH
Gorenje Albania, SH.P.K.	Gorenje Group Nordic A/S
Hisense UK Ltd.	Gorenje Spol s.r.o.
Hisense France SAS	Hisense Europe Customer Care Center, Novi Sad
Hisense Italia S.r.l.	Atag Nederland B.V.
Hisense Iberia S.L.	Atag N.V.
Gorenje GSI, d.o.o.	Gorenje Podgorica, d.o.o.

TABLE 1:
List of Companies Included in This Report

BP - 2: Disclosures in relation to specific circumstance

Our reporting time horizon is aligned with the ESRS 1 standard which defines short-, medium- and long-term horizons. The short-term horizon covers the reporting period, the medium-term horizon extends from the end of the short-term to 5 years and long-term time applies to periods beyond 5 years.

Data for the metrics was obtained either through direct measurements or from suppliers. In case where data was not received, we relied on publicly available data or in-house knowledge.

For data obtained from measurements within the company, we ensure compliance with ISO 9001, which includes measurement uncertainty, which may be due to human factors, measurement techniques, and data availability. For data received from various stakeholders, we rely on the accuracy of what they provide.

In accordance with Appendix C of ESRS 1, we will disclose information that is important for the first year, while omitting any information that is not required. Certain disclosures have been omitted due to their classification as sensitive business information, with such omissions clearly indicated at the relevant points in the report.

GOV – 1: The role of the administrative, management and supervisory bodies

Sustainability management is under the direct supervision of top management, with the Executive Vice President, Mr Tomaž Korošec, responsible for its implementation at the time of this report. The Corporate Sustainability Governance Department is responsible for guiding the Group's sustainability efforts in accordance with its strategic objectives. Progress on ongoing sustainability activities is reported to the Sustainability Steering Committee, consisting of seven members from the Management Committee. There are no independent members. The organisational structure is shown in the Figure 1.

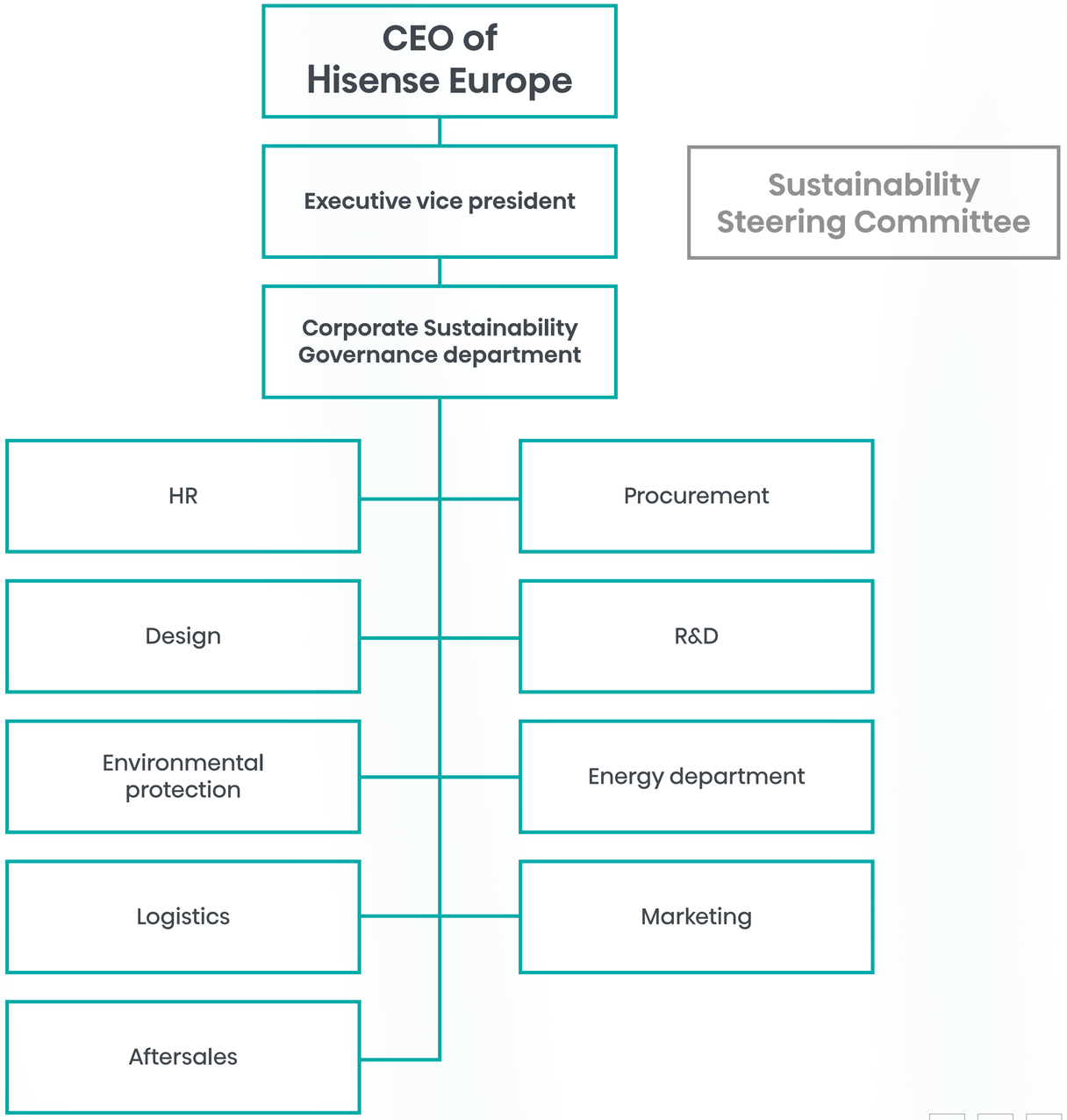


FIGURE 1
Sustainability Organisation Structure

Our Group's supervisory bodies play a vital role in shaping and overseeing business conduct. This ensures adherence to ethical standards, regulatory compliance, and corporate governance principles. The management adopts all policies that govern business processes, ethical behaviour, and compliance with legal requirements. The board is also responsible for regularly reviewing these policies and ensuring compliance. This proactive approach fosters a culture of integrity, transparency, and accountability throughout the organisation. Members of these supervisory bodies possess extensive expertise in management, leadership, and function-specific areas, while the company also employs professionals with specialised knowledge, including legal and ethical expertise, to provide the necessary insights for informed decision-making.

The Sustainability Steering Committee consists of members who have been proven to have strong management skills and expertise in various sustainability-related fields, ensuring effective leadership and oversight of sustainability initiatives. Their knowledge is further bolstered by the Corporate Sustainability Governance Department, which includes specialists from a variety of backgrounds, contributing in-depth expertise on environmental, social, and governance matters.

When additional specialised knowledge is required, the company engages external experts to provide guidance and training. However, our approach prioritises long-term capacity building, which ensures that such expertise is progressively internalised within the organization. To further strengthen sustainability governance, we plan to include top management into formal internal training programs on sustainability, equipping them with the necessary knowledge to drive sustainable business practices and align strategic decision-making with our sustainability commitments.

	WORKER REPRE-SENTATIVE	MANAGEMENT REPRE-SENTATIVE	SUBJECT MATTER SPECIALIST	WOMEN (%)	MEN (%)
Social performance team Slovenia	1	1	1	67	33
Social performance team Serbia	1	1	1	67	33
Social performance team CZ	1	1	1	100	0
Health and safety committee SLO	8	3	3	43	57
Health and safety committee SRB	1	1	1	33	67
Health and safety committee CZ	1	1	1	33	67
Sustainability steering committee	0	7	12	14	86

TABLE 3
Number of Worker Representatives in Administrative, Management, and Supervisory Bodies

	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
Workers' Council	17	1	–
Trade Union	50	23	17

TABLE 4
Numbers of Representatives in the Workers' Council and Trade Union

GOV – 2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Sustainability Steering Committee, composed of members from the Management Committee appointed by the Holding Board, convenes bi-monthly to assess progress, report on the status of sustainability projects, and make strategic decisions. The committee plays a pivotal role in driving progress and embedding sustainability into the core of our operations by closely monitoring the status of sustainability projects and making strategic decisions. The Corporate Sustainability Governance Department provides updates to the management of Hisense Europe at least biannually, ensuring transparency and accountability in our sustainability initiatives.

During the reporting period, the Group's supervisory bodies were thoroughly acquainted with the material impacts, risks, and opportunities, as described in the chapter on double materiality assessment. This comprehensive understanding enabled them to effectively oversee and steer the Group's strategic direction, ensuring alignment with our sustainability objectives. The findings of the double materiality assessment are also considered when making significant decisions, where there is always a need to balance other aspects with sustainability. In 2024, the primary focus among topics, included in double materiality was on energy efficiency, sustainable product design, labour practices in own and upstream supply chain.

We monitor the progress of our sustainability efforts through various methods. Progress is measured against the KPIs set in our strategy, providing a quantitative assessment of our achievements and identifying areas that require additional attention. We track our progress according to project timelines to ensure all projects are completed on schedule, while also conducting regular checks to verify whether milestones are being met within the expected timeframe and determining if adjustments are necessary. Additionally, we evaluate the quality of project execution to ensure projects are carried out in accordance with established standards and objectives. Finally, we assess the long-term impact of our projects to ensure they contribute to our sustainability goals, evaluating the enduring benefits and changes brought about by our initiatives.

GOV – 3: Integration of sustainability-related performance in incentive schemes

Sustainability-related performance is integrated into incentive schemes through various measures: health and safety and energy efficiency are part of the reward system for all factory directors, sustainability objectives are embedded in the remuneration system for purchasing, and the success of sustainability projects is incentivised across all relevant programs.

The variable part of the remuneration of management committee members and other management positions is linked to sustainability impacts as these relate to their area of responsibility. Climate change related impacts are included indirectly, through the reduction of energy and material consumption, rather than through GHG reduction targets.

GOV – 4: Statement on due diligence

The due diligence process is focuses on identifying, preventing, mitigating, and ending the adverse impacts on the environment, labour practices and human rights.

We follow a risk-based approach to due diligence to ensure that potential adverse impacts are effectively identified and addressed. In 2024, we significantly improved our social impact due diligence processes, aligning them with the SA8000 standard. This involved implementing targeted measures based on assessed risk levels. All business partners are required to acknowledge and sign our **Code of Conduct for Business Partners**, committing to the same ethical, social, and environmental principles that guide our operations. For high-risk partners, we have incorporated sustainability clauses into contracts and conduct regular audits to ensure compliance. In cases where breaches of principles or negative impacts are identified during these audits, we prioritise collaboration by developing and implementing action plans to address the issues. However, if corrective actions fail or the risks remain unresolved, we reserve the right to scale back business activity or terminate the relationship entirely. This approach underscores our commitment to promoting sustainable and responsible partnerships across our value chain.

The due diligence process addressing adverse environmental impacts in production and product development is based on the requirements of the ISO 14001 management system and described in the Environmental, Health and safety and energy management policy.

The details of the due diligence approach are outlined as follows:

- For direct materials suppliers, including both social and environmental impacts, in the Sustainable procurement policy,
- The potential and actual adverse impacts in the area of business conduct in the Code of conduct,
- The potential and actual adverse impact for matters related to own workforce in the Labour policy.

Table 4 specifies where each core element of the due diligence process is described in greater detail within the sustainability statement.

CORE DUE DILIGENCE ELEMENTS	SUSTAINABILITY STATEMENT PARAGRAPHS
Embedding due diligence in governance, strategy and the business model	GOV–4 (page)
Engaging with affected stakeholders in all key due diligence steps	GOV–5, SBM–2, SBM–3
Identifying and assessing adverse impacts	SBM–3, IRO
Taking actions to address the adverse impacts	E1–3, E2–2, E3–2, E5–3, S1–4, S2–4, S4–4
Tracking the effectiveness of these efforts and communication	GOV–4, E1–4, E2–3, E3–3, E5–3, S1–5, S2–5, S4–5

TABLE 4
Due Diligence Elements

GOV – 5: Risk management and internal controls over sustainability reporting

Our risk management and internal controls related to sustainability reporting align with international standards to ensure the effective identification, mitigation, and monitoring of key risks across environmental, social, and governance (ESG) aspects. When performing the risk assessment, we follow internal standards, quantifying the risks based on probability and impact, as presented in Figure 2.

They are periodically reviewed and updated to reflect changes in standards and evolving risks, ensuring effective internal controls over sustainability reporting.

Several risks that could affect the accuracy and reliability of our sustainability reporting have been identified and are detailed in Table 5, along with corresponding mitigation measures. To ensure data integrity, we have systematised the data-gathering process, with each responsible department overseeing the accuracy of the information within its area. The Corporate Sustainability Governance Department conducts additional verification to improve the reliability of data. Further assurance is provided by internal and external audits, covering

Impact	6	No entry	12	18	24	30	36
	5	No entry	10	15	20	25	30
	4	No entry	8	12	16	20	24
	3	No entry	6	9	12	15	18
	2	No entry	4	6	8	10	12
	1	No entry	No entry	No entry	No entry	No entry	No entry
Risk matrix		1	2	3	4	5	6
		Probability					

Value at risk (VAR) is categorised based on a **1–36 scale**:

4–10 Very low risk exposure

12–16 Low risk exposure

18–20 Medium risk exposure

24–25 High risk exposure

30–36 Critical risk exposure

Types of impacts:

a. Financial impact

b. Health and security

c. Business interruption

d. Compliance and regulation

e. Process goals

f. Sustainability

g. Information security

h. Data privacy

FIGURE 2
Risk Assessment Matrix

environmental and social aspects (ISO 14001, EMAS, ISO 50001, ISO 45001, SA8000). Additionally, we analyse data trends over time to promptly identify and address any deviations.

The undertaking ensures that significant findings from sustainability risk assessments and internal controls are reported promptly. Final results are presented to management and supervisory bodies, whose expertise allows them to immediately detect any deviations, ensuring timely corrective measures and the reliability of sustainability disclosures.

IDENTIFIED RISK	MITIGATION MEASURE
Risk of inconsistent data collection, errors in data entry, or lack of standardisation across business units	ESG reporting software implementation
Risk of incomplete data from suppliers and value chain partners	Implementation of clear instructions and standardised reporting formats, digital data collection systems and audits to verify data
Risk of non-compliance with sustainability reporting standards	Ongoing monitoring of legislation, external verification of the report
Risk of misinterpretation due to incomplete or selective disclosure	Clear alignment with ESRS reporting standards, external verification
Risk of lack of stakeholder confidence in reported data	External verification
Data security and cyber risks	Implementation of robust cybersecurity protocols while implementing the ESG reporting software

TABLE 5
Identified Risks

SBM – 1: Strategy, business model and value chain

Our company's distribution network is present in Europe (Figure 3 and Figure 7) and extends globally. Our primary customers include retail chains, wholesalers, and direct customers. We maintain strong relationships with these customers through regular communications and the use of feedback mechanisms. We utilise various distribution channels, including online platforms and physical stores.

Our products include a range of household appliances and consumer electronics (Figure 5), serving both individual consumers to businesses.



FIGURE 3
Company Information

Strong presence across Europe

3
production centers

4
R&D centers

27
business units

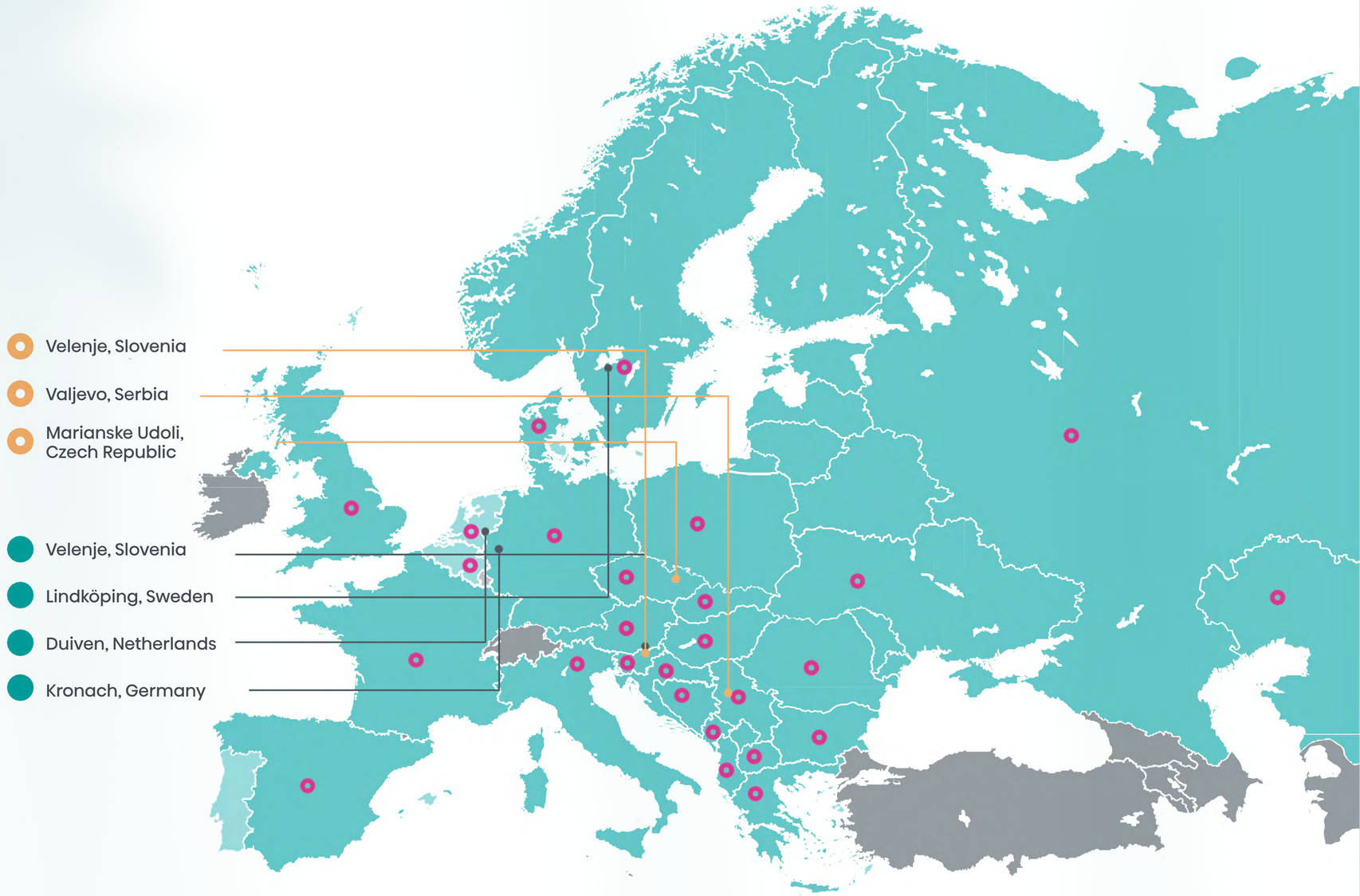


FIGURE 4
Distribution Network in Europe

We work with over 1,000 suppliers globally across production sites in Slovenia, Serbia, and the Czech Republic. Figure 9 shows the geographical distribution of our suppliers.

A significant proportion of materials, namely 36%, is sourced from local suppliers near the production sites, while 37% is obtained from other suppliers located within the European Union. Only 23% of materials are sourced from overseas suppliers. We recognise the significance of sourcing locally to reduce our carbon footprint. This practice not only reduces our carbon footprint by cutting transportation emissions, but also increases our resilience and adaptability. By shortening our supply chain, we are able to respond more effectively to market changes and external factors. This also minimises disruptions in the supply chain, ensuring smoother operations and constant access to essential resources.

Multibrand strategy targeting different customers and price segments



FIGURE 6
Diverse Brand Portfolio

Full assortment provider of home appliances & consumer electronics

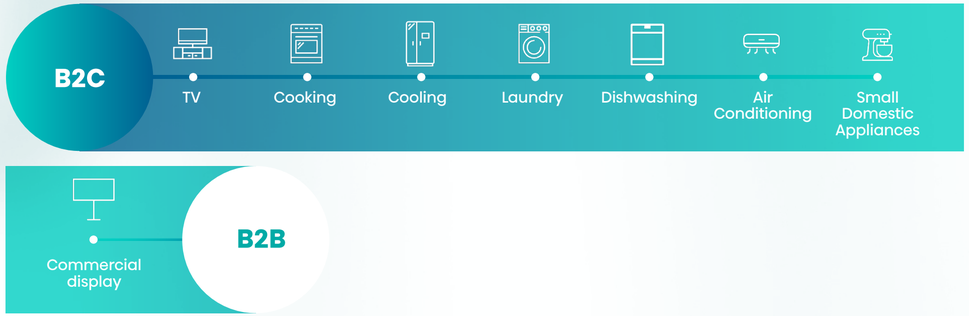


FIGURE 5
Product Range

Qualities that Count



FIGURE 7
Qualities that Count

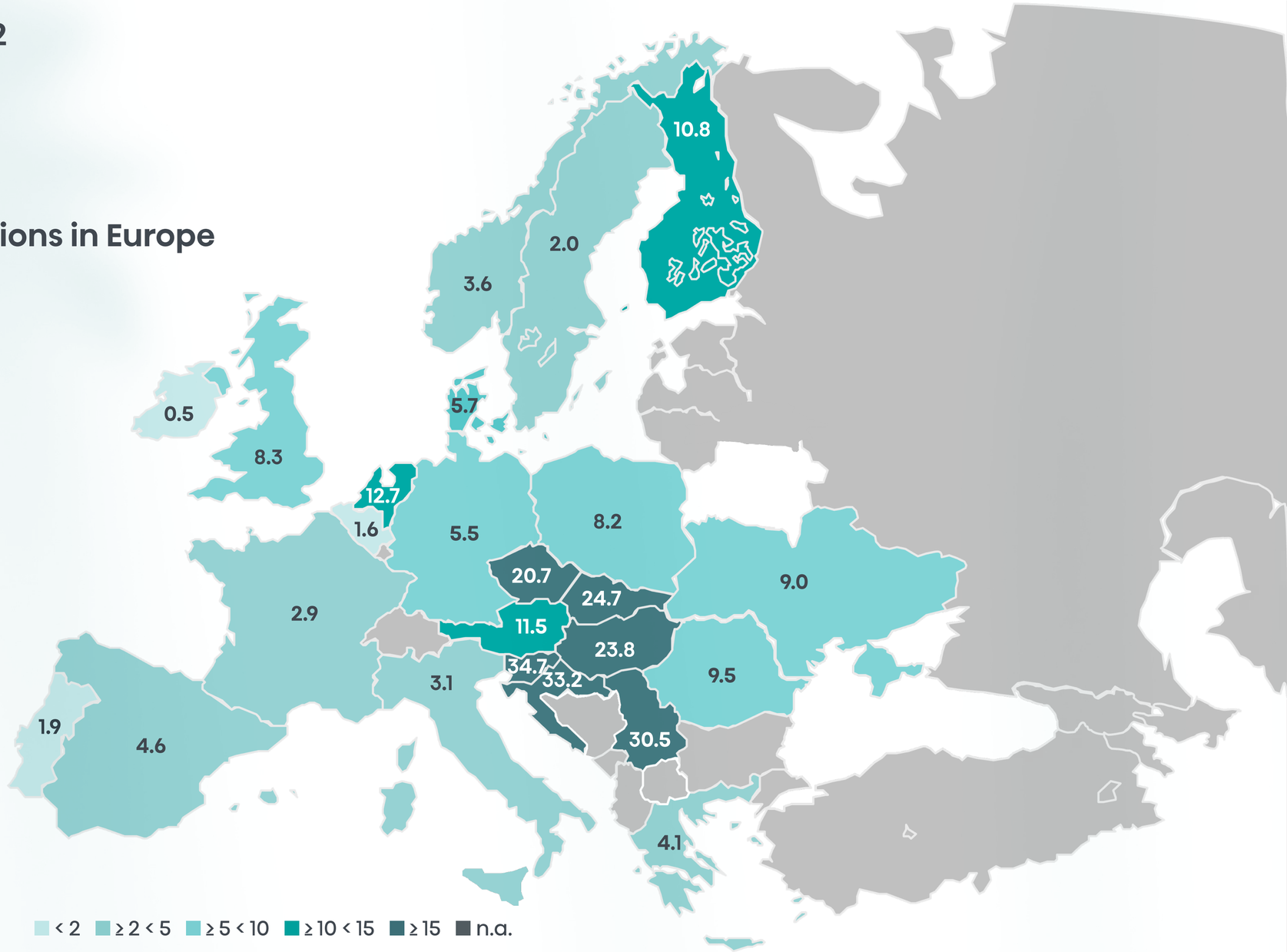
Gaining market shares across all regions in Europe

Hisense Europe **outperformed across MDA product groups** with Gorenje and Hisense brands. In the Adriatic region, holding the leading position with a market share of approximately 30%, primarily driven by the Gorenje brand. No.1 also in CZ, HU and SK.

MDA	MS (UNITS)	RANK
Europe	7.0%	**4**
West	5.2%	**5**
East	14.7%	**2**

Outperforming results achieved in TV category, Hisense brand gained shares in all key TV sizes. Hisense TV's has the strongest position in GB, DE, FR, IT, PT, AT, PL, HU and in Adriatic.

TV	MS (UNITS)	RANK
Europe	8.3%	**3**
West	7.9%	**3**
East	10.8%	**3**



Source: GfK 2024 - Hisense Group market share in units - MDA total 8

FIGURE 7
Market Share in Europe

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

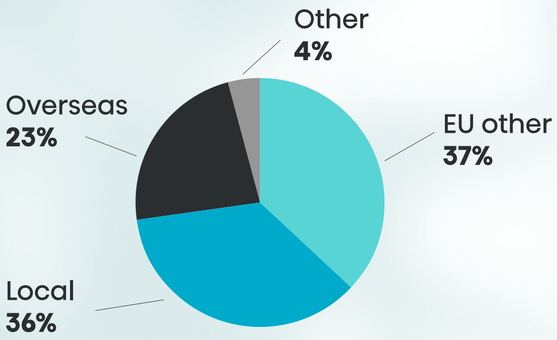
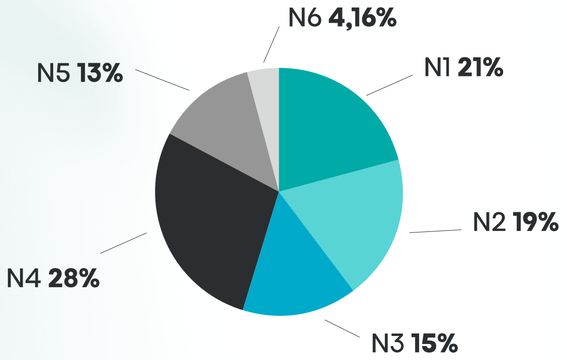


FIGURE 8
Geographical Distribution of Suppliers

COST DISTRIBUTION BY CATEGORY



- N1 - Metal and plastic raw materials
- N2 - Electronics, heating and electromechanical components
- N3 - Electro-motors, compressors and cables
- N4 - Metal and plastic semi-products
- N5 - Non-metal and gas components
- N6 - Packaging, printing and consumable materials

FIGURE 9
Cost Distribution by Category

Our procurement analysis has identified the cost distribution across material and component categories (Figure 10). A significant portion of our procurement costs, specifically 28 %, is allocated to metal and plastic semi-products. Additionally, 21 % of costs are attributed to the purchase of raw metal and plastic materials. Electronics, heating, and electromechanical components account for 19 % of our procurement expenses. Furthermore, 15 % of costs are directed towards electro-motors, compressors, and cables. Non-metal and gas components account for 13 % of our procurement expenditures. Finally, only 4.16 % of our costs are associated with packaging, printing, and consumable products.

As part of our sustainability reporting, we provide a detailed breakdown of our employee headcount by country (Table 6). This year, all financial data has been excluded as the report is not integrated with financial reporting. This will be addressed and rectified once the company falls under the scope of companies that are legally required to report.

COMPANY	NUMBER OF EMPLOYEES (HEADCOUNT)
Slovenia	5,665
Republic of Serbia	1,823
Czech Republic	635
Sweden	78
Croatia	48
Albania	6
United Kingdom	96
France	73
Italia	84
Spain	103
Macedonia	23
Slovakia	16
Hungary	33
Bulgaria	20
Poland	75
Romania	18
Bosnia and Herzegovina	57
Ukraine	21
Kazakhstan	13
Russia	163
Germany	130
Austria	46
Denmark	96
Nederland	424
Belgium	46
Montenegro	7

TABLE 6
Number of Employees by Country

The sustainability strategy of Hisense Europe has been approved by the Hisense Europe Holding board and is valid for all companies within the group and all product groups. It defines six priority areas: Production, Product, Supply Chain, People, Sustainability Governance, and Corporate Citizenship, with clear short-, medium-, and long-term targets. Based on the sustainability strategy, resources for projects are planned as part of the annual budgeting process. The sustainability strategy has been integrated into our business strategy and supports the achievement of our business strategy and values that drive us to be customer-focused, performance driven, and reliable.

A graphic representation of the strategy is shown in Figure 11. KPIs displayed in the image are selected examples. A set of qualitative KPIs is defined for each strategic direction, which allows us to track the progress over the years. The strategy was confirmed by the Hisense Europe Holding board and applies to all companies within Hisense Europe, with a focus on production companies due to their higher impact.

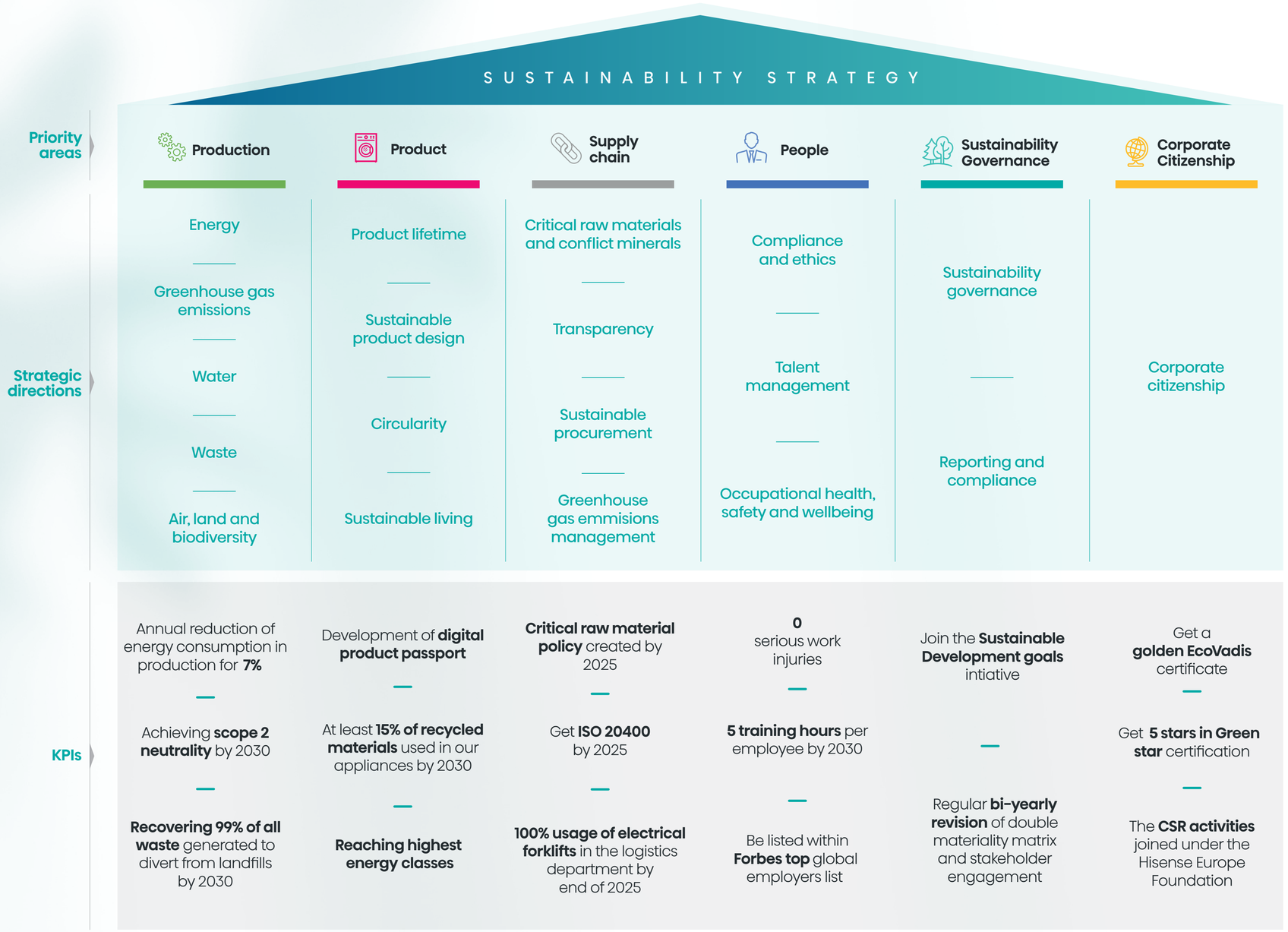


FIGURE 11
Graphic Representation of the Strategy

SBM – 2: Interests and views of stakeholders

The purpose of our stakeholder engagement is to understand the concerns, expectations, and suggestions of our stakeholders. This helps us to align our strategies and operations with their needs and improve our sustainability performance.

The outcomes of stakeholder engagement are documented and reviewed by the Sustainability Steering Committee. Insights gleaned from these engagements are integrated into our decision-making processes and strategic planning to ensure that stakeholder views are considered. Additionally, these insights are taken into account when assessing our double materiality assessment, ensuring that both financial and non-financial impacts are thoroughly evaluated and addressed.

Through stakeholder engagement, we have identified the key interests and perspectives of our stakeholders, which are represented in Table 7. These include the demand for more sustainable products, the need for greater transparency in our supply chain, and the importance of fair labour practices. These insights play a crucial role in shaping our strategy and business model.

An examination of the most affected stakeholder groups shows that for our employees, the direct effects of production are of primary concern – specifically, the health and safety of workers, as well as the direct impact on the environment. As we do not currently have direct access to workers in the value chain, our engagement is primarily through direct communication with suppliers. However, we do have access to subcontractors within the value chain, and we have included their perspectives alongside those of our own employees. From our discussions with suppliers, we observed that labour practices within the value chain were a top priority for them. This is an encouraging sign, as it indicates a shared commitment to improving working conditions and reinforces the importance of collaboration in driving sustainability across the supply chain.

As a result, our strategic focus is twofold: first, on preventive measures in production and the elimination of direct pollution, and second, on strengthening our oversight of suppliers to ensure that labour practices across the value chain meet the highest standards. This requires continuous monitoring, engagement, and collaboration with our suppliers to drive meaningful improvements.

Circularity and appliance efficiency are the top priorities for our customers. These aspects are central to our business model, driving the development of appliances that not only meet customer needs but also integrate sustainability into their design and functionality. As part of the creation of our sustainability strategy, we conducted a double materiality assessment. The double materiality assessment also involved significant engagement with stakeholders to ensure their views and interests were thoroughly considered. This process helped align the company's sustainability efforts with stakeholder expectations and reinforced the commitment to transparency and accountability. The final strategy, which incorporated the results of this assessment, was submitted to the management of the company, and was subsequently confirmed.

STAKEHOLDER	HOW ENGAGEMENT IS ORGANISED	PURPOSE OF ENGAGEMENT	EXAMPLE OF OUTCOMES FROM THE ENGAGEMENT
INTERNAL			
Employees	• Union • Workers council • Social council • Annual dialog with employees	• Understanding and considering employee expectations in terms of workplace requirements and environment	• Internal policy updates • Improvement of internal processes • Work calendar alignment • Health and safety campaigns and projects
Management as representatives of owners/ shareholders	• Direct meetings • Strategic workshops	• Confirming strategic direction and the resources required	• Target alignment • Confirmed sustainability strategy • Confirmed projects
External customers	• Analysis of a sustainable customer profile, conducted by an internal market intelligence department • Direct meetings • Direct survey	• Building trust • Understanding requirements and concerns	• Product improvement • Improvement of due diligence measures
Suppliers and workers within the value chain	• Surveys • Direct meetings • Supplier due diligence	• Improving supply chain transparency	• Improved supply chain visibility • Better-informed supplier selection
Financial institutions	• Questionnaires received from banks • Direct meetings	• Understanding expectations • Securing cash flow	• Improved relationship
Governmental bodies	• 2030 Climate Neutrality Commitments document of Municipality of Velenje and corresponding commitment letter • Direct meetings with local communities	• Ensuring regulatory compliance • Addressing climate related risks and opportunities	• Prevention of regulatory non-compliance
Affected communities	• Public meetings, concerns raised directly	• Addressing community concerns, questions, and feedback • Building trust and community support	• Support for local projects

TABLE 7
Stakeholder Engagement

IRO – 1: Description of the process to identify and assess material impacts, risks and opportunities

DOUBLE MATERIALITY ASSESSMENT METHODOLOGY

Scope

The double materiality analysis was performed at the Group level, focusing on production sites due to their higher impact. Not all matters are material for SBUs (Strategic Business Units represent sales companies whose primary activity is selling products made available from production companies. ATAG is an exception, selling products under its own brands. All production sites manufacture similar types of products, operate with comparable levels of equipment and technology, and follow the same internal standards and policies. Therefore, aggregated scores were defined at the Group level for production companies, as their impact profiles are comparable.

Identification of material issues

We used a top-down approach referencing ESRS 1, paragraph AR 16, and consulted relevant legislation and standards (EMAS, ISO 14001, ISO 45001, SA8000). Internal expertise and benchmarking with industry peers helped to identify potential material sustainability issues, impacts, risks, and opportunities. This step resulted in the definition of a list of potential material issues and their related impacts, risks and opportunitie. We have screened all site locations to identify actual and potential pollution-related impacts, as well as associated risks and opportunities. We applied a standardised methodology across production sites, incorporating internal environmental risk assessments, legal compliance reviews, and site-specific operational data. A defined process is in to identify and assess climate-related transition risks in own operations, which has been integrated into sustainability risk management and strategic planning.

Assessment of impacts across value chain locations and time horizons

We have identified the value chain locations where each material impact occurs, either in our own operations, upstream (at suppliers and raw material providers), or downstream (impacts from products leaving our factories).

Furthermore, we have identified the time horizons during which impacts are expected to occur, as follows:

- Short-term (immediately or up to one year)
- Medium-term (up to five years)
- Long-term (more than five years)

Final list of material issues

The assessment considered:

- Financial materiality (outside-in perspective): Evaluating how external sustainability factors affect our organization
- Impact materiality (inside-out perspective): Assessing how our operations impact the environment and society

The materiality of impacts was defined based on their severity, including scale, scope and irremediable character, and their likelihood in accordance with the criteria defined in Table 8 and Table 9.

The total score for each issue was defined based on the matrix below, combining both severity and likelihood.

The nature of each impact, risk and opportunity was classified as either positive or negative. In the next step,

individual impacts were grouped into broader categories and the overall impact for each category was determined based on the highest identified individual impact. The total impact materiality score was determined after taking into account the stakeholder score. As a rule, the overall impact was defined by the highest score, whether either internal or based on the stakeholder score. In some cases, the stakeholder assessment score exceeded the overall assessment due to a limited understanding of specific aspects of the situation. For each broader category, the overall financial impact was determined based on the highest identified individual impact.

Stakeholder engagement

The key stakeholders identified are divided into internal and external stakeholders. Internal stakeholders include employees and management, who represent the owners/ shareholders. External stakeholders encompass customers, suppliers, financial institutions, governmental bodies, and affected communities. The latter are represented by NGOs for the purpose of double materiality assessment. Nature may be considered as a silent stakeholder, where findings are identified based on ecological data and data on the conservation of species to support the undertaking's materiality assessment.

We consulted with stakeholders either directly for the purpose of the double materiality assessment or indirectly. Direct stakeholder consultation took the form of a survey. Indirectly, we have included their views through the following sources:

- Research on sustainable consumer profiles, conducted by internal Market Intelligence Department
- The 2030 Climate Neutrality Commitments document by the Municipality of Velenje and the corresponding commitment letter, signed by the management of Gorenje, d.o.o.
- Meeting minutes from customer visits
- Meeting minutes of trade union meetings
- Questionnaires sent by banks

The average score from the direct stakeholder survey was calculated, and inputs from indirect consultations were added to obtain an overall score. To determine materiality, the Pareto principle was applied, categorizing the top 20% of items with the highest scores as high importance and the bottom 20% as low importance, with the remaining 60% rated as medium importance.

SEVERITY	
Low	Minor impact, easily manageable, with minimal or no long-term consequences.
Medium	Moderate impact that requires attention but can be managed without major consequences.
High	Significant impact that requires substantial effort to manage and might cause long-term issues.
Extreme	Catastrophic impact, resulting in long-term or irreversible damage.

TABLE 8
Severity Criteria

LIKELIHOOD	
Rare	Very unlikely to occur due to influence of external factors.
Unlikely	Risk not expected to occur, but cannot be completely ruled out.
Possible	Moderate chance of risk.
Likely	Risk is expected to occur in the normal course of events.

TABLE 9
Likelihood Criteria

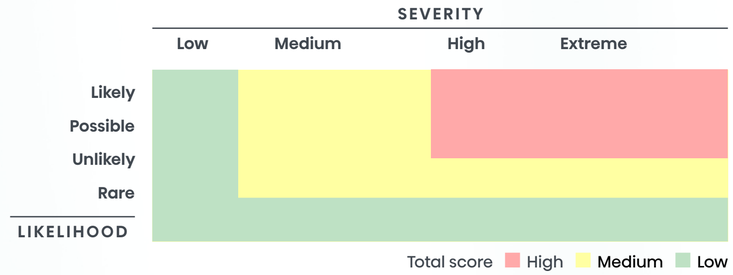


FIGURE 12
Matrix for Determining Total Scores in Double Materiality Assessment

SBM – 3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the assessment: the double materiality matrix

Figure 13 presents the double materiality matrix and its strategic impact. Our materiality assessment, aligned with CSRD standards, guides our sustainability reporting.

For issues marked with a red dot, indicating the highest importance, we outline comprehensive policies, objectives, and activities in our sustainability report, along with specific goals to track progress. For issues marked with a yellow dot, we disclose data on our carbon footprint, sustainability targets, and our foundational approach to sustainable product development.

Issues marked with a blue dot represent medium-priority issues, where policies and objectives are in place. These issues are actively monitored, and we include a summary of relevant policies and approaches in our report, without setting explicit goals.

In the violet dot category, covering issues such as Substances of Very High Concern (SVHC), impacts on affected communities, and supplier management related to environmental and social protection, we recognize potential external impacts, though financial impacts remain minimal. For these, we report the actual activities in place, supported by key metrics, including audits and Code of Conduct (CoC) compliance.

Finally, we assess the issues marked with a green dot—considered low-impact due to external factors like physical distance from sensitive marine areas or strong European regulations against child labour—as having minimal relevance. Our Sustainability Report explains why these issues are considered to be of low materiality, without detailing specific activities.

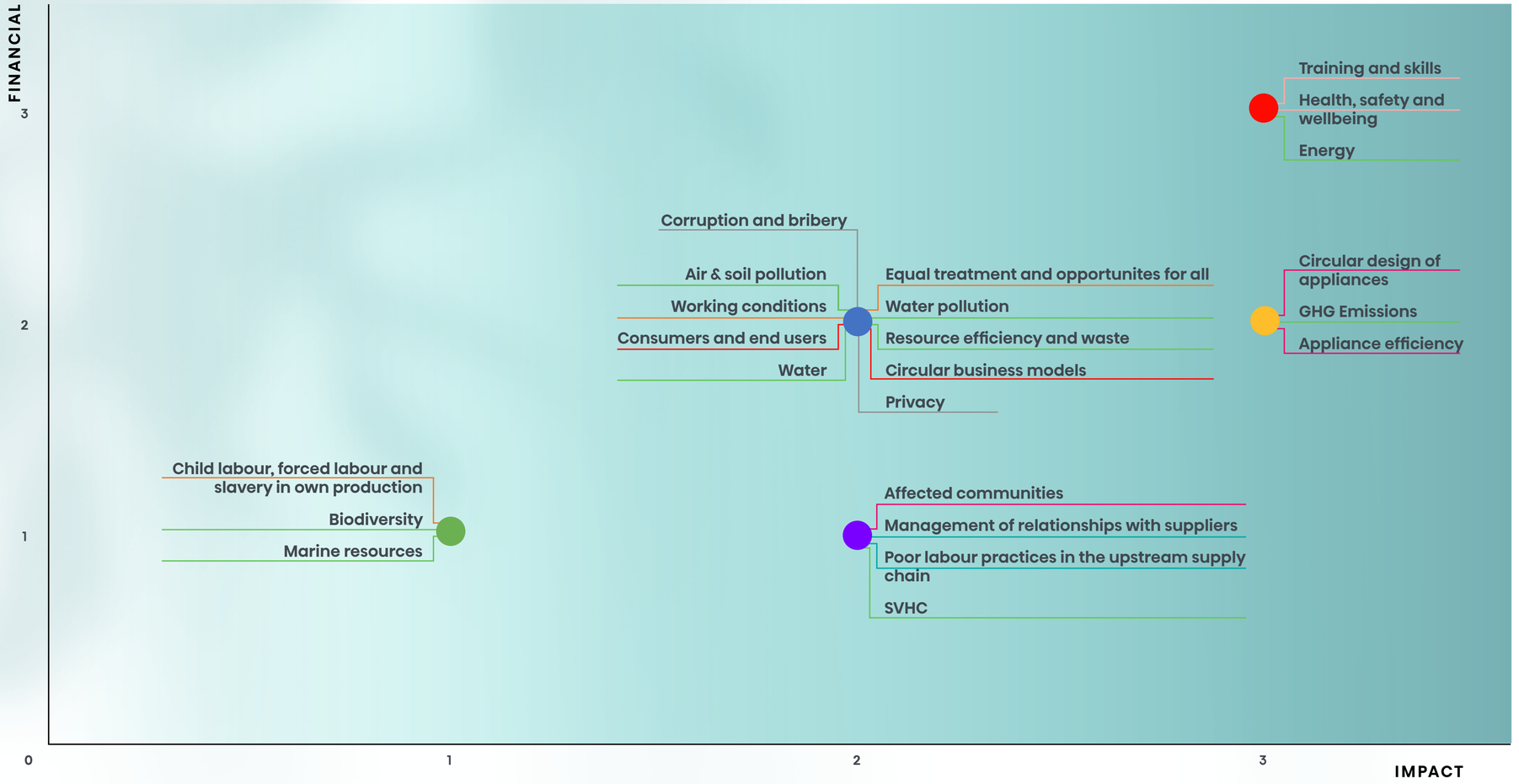


FIGURE 13
Double Materiality Assessment Results

Material-related impacts

The **Tables 10-17** outline the sustainability-related issues that we have identified and evaluated through our double materiality assessment process. Each issue is accompanied by a description explaining why it is considered material or not. Additionally, the tables specify whether these impacts, risks and opportunities pertain to our upstream, own, or downstream operations. The tables also indicate which sustainability issues are relevant for the SBUs.

TABLE 10
E1 - Climate Change

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
GHG EMISSIONS								
GHG emissions from own operations (Scope 1,2)	●		These entail direct emissions from sources that are owned or controlled by our company and which have a negative impact on global warming. High importance means that the emissions are significant in the context of our company's overall environmental impact. They are crucial for stakeholders to understand our company's environmental footprint and its efforts to mitigate climate change. Negative impact refers to the detrimental effects these emissions have on the environment, primarily contributing to global warming and climate change.		●		Long-term	YES
GHG emissions from upstream and downstream value chain (Scope 3)	●		Scope 3 emissions encompass all indirect GHG emissions that occur in the value chain of the reporting company, both upstream and downstream. These emissions are often the largest share of a company's carbon footprint and include: upstream emissions (emissions from purchased goods and services, capital goods, fuel- and energy-related activities (not included in Scope 1 or 2), transportation and distribution, waste generated in operations, business travel, employee commuting, and leased assets) and downstream emissions (emissions from transportation and distribution of sold products, processing of sold products, use of sold products, end-of-life treatment of sold products...). High importance means that Scope 3 emissions are significant, as they represent the majority of a company's total GHG emissions. Understanding these emissions is crucial for stakeholders to assess our overall environmental impact and our efforts to mitigate climate change. Scope 3 emissions have a negative impact as they contribute to global warming and climate change.	●		●	Long-term	NO
Impacts of climate change on own operations	●		The impact of climate change is considered of medium importance in the context of our overall risk profile. Negative impact refers to the detrimental effects of our company's operations on the environment, primarily through GHG emissions. Climate change can have several financial implications for our company: regulatory costs (compliance with new regulations aimed at reducing GHG emissions can lead to increased operational costs), market changes (shifting in market demand towards more sustainable products can affect revenue streams), physical risks (extreme weather events and long-term climate changes can damage infrastructure, disrupt supply chains and increase maintenance costs).		●		Long-term	NO

TABLE 10
E1 – Climate Change

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Risk of supply chain disruption as a result of climate change		●	Climate change poses significant risks to supply chains, which can affect our operations and financial performance. These risks include extreme weather events (hurricanes, floods, droughts, and wildfires, which can damage infrastructure, disrupt transportation routes, and halt production), sea level rise (rising sea levels threaten coastal infrastructure, including ports and warehouses, which are critical for global trade), temperature changes (shifts in temperature can affect the availability and quality of raw materials, particularly in agriculture).	●			Long-term	NO
Cost of transition, risk of non-compliance and potential fees for carbon emissions (CBAM, fees for low-efficiency products)		●	Cost of Transition: Transitioning to renewable resources and lower carbon emissions involves significant investments. It includes upgrading to energy-efficient technologies, adopting renewable energy sources, and implementing sustainable practices. These costs are necessary to meet regulatory requirements and reduce long-term risks. Risk of Non-Compliance: Failure to comply with regulations such as the Carbon Border Adjustment Mechanism (CBAM) and the Fit for 55 packages can result in substantial fines and penalties. Non-compliance can also damage the company's reputation and lead to loss of market access. Potential Fees: Companies may incur fees for carbon emissions, particularly for low-efficiency products. Medium importance indicates that while these factors are significant, they are not the most critical issues for our company. Nonetheless, they still require careful management to mitigate risks and capitalise on opportunities. Negative impact refers to the detrimental effects of carbon emissions on the environment, contributing to global warming and climate change. Effective management of these emissions is crucial to minimising environmental harm and aligning with global climate goals.				Long-term	NO
ENERGY								
Use of energy in the production process	●		High importance indicates that energy use in production is a critical factor for the company due to the high costs associated with energy consumption in the production process. It significantly affects our overall environmental footprint and is a key area for stakeholders to understand our sustainability efforts. Negative impact refers to the detrimental effects of energy consumption on the environment. This includes GHGs from the use of fossil fuels, which contribute to global warming and climate change. Impact materiality means that the energy use in production has substantial implications for our environmental performance. It is essential to assess and manage these impacts to mitigate risks and improve sustainability.		●		Long-term	NO
Government incentives for investments in energy efficiency and renewable resources	●		High importance indicates that these incentives are crucial for the company. They have a significant impact on our company's ability to invest in sustainable practices and technologies, which are critical to reducing our environmental footprint and meeting regulatory requirements. Financial materiality refers to the substantial financial benefits that these incentives can provide. This includes tax credits, grants, subsidies, and other forms of financial support that can reduce the overall cost of transitioning to energy-efficient and renewable resources. Positive impact highlights the beneficial effects of these investments on the environment. By promoting energy efficiency and the use of renewable resources, companies can significantly reduce their GHG emissions and contribute to climate change mitigation. For example, EU provides various funding programs such as the Recovery and Resilience Facility, Cohesion Policy Funds, and the Modernisation Fund. These programs support investments in energy efficiency and renewable energy projects.		●		Long-term	NO

TABLE 10
E1 – Climate Change

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Costs of energy and price volatility		●	Financial materiality refers to the significant financial effects that energy costs and price volatility can have on our company. Fluctuations in energy prices can lead to unpredictable operating costs, affecting profitability and financial stability. High importance indicates that energy costs and price volatility are critical issues for our company. This can have a significant impact on our company's operational efficiency and financial performance, making it essential to manage these risks effectively. Negative impact highlights the detrimental effects of high and volatile energy prices on our operations. These impacts can include increased production costs, reduced competitiveness, and potential disruptions to the supply chain.		●		Long-term	NO
APPLIANCE EFFICIENCY								
Energy consumption during the product use phase	●		High importance indicates that the energy consumed during the use phase of products is a critical factor for our company (carbon footprint analysis showed that use phase of a product accounts for more than 50 % of the impact). Positive impact refers to the beneficial effects of energy efficient products on the environment. Products that are designed to use less energy during their use phase can help reduce overall GHG emissions, thereby contributing to climate change mitigation. Energy consumption during product use phase has a significant impact on our environmental performance. It is essential to assess and manage these impacts to improve sustainability and meet regulatory requirements.			●	Medium-term	NO
Customer demand for highly efficient products	●		Financial materiality refers to the potential financial effects on our company due to the increasing demand for highly efficient products. This demand can drive revenue growth, enhance market competitiveness, and reduce costs associated with energy consumption and carbon emissions. Medium importance indicates that while this factor is significant, it is not the most critical issue for the company. However, it still requires attention and strategic management to capitalise on the opportunities presented by the growing market for highly efficient products. Positive impact refers to the environmental benefits of highly efficient products. These products help reduce energy consumption and lower GHG emissions during their use phase, contributing to climate change mitigation.			●	Medium-term	YES

TABLE 11
E2 – Pollution

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
WATER POLLUTION								
Water pollution in the production processes	●		Medium Importance indicates that while water pollution may not be the most critical environmental issue for our company, it still holds significant relevance. This reflects a balanced approach, ensuring water pollution receives due attention alongside other environmental concerns. Reporting negative impacts demonstrates our commitment to transparency. It signifies our willingness to disclose the less favourable aspects of our operations, such as the types and quantities of pollutants released and their potential impact on water bodies. This transparency helps build trust with stakeholders.		●	●	Medium-term	NO
Legislative requirements and potential wastewater fees	●		The costs associated with compliance, including potential fines and operational expenses, can have a material impact on our financial performance. Wastewater pollution may not be the most critical environmental issue for our company, but it is still a significant one. A balanced approach ensures that water pollution receives due attention alongside other environmental concerns. Reporting the negative impacts pertaining to wastewater pollution, including financial implications, demonstrates our commitment to transparency and accountability. In the near future new legal requirements will enter into force, namely Best Available Techniques (BAT). From 2026, companies will be required to comply with the Best Available Techniques (BAT) for wastewater treatment. This involves adopting the most effective and advanced methods to minimize environmental impact. Regulatory Requirements: Compliance will likely involve meeting stricter discharge limits, implementing advanced treatment technologies, and regularly monitoring and reporting wastewater quality. Fines and Penalties: Non-compliance with BAT standards can result in significant fines and penalties. These financial repercussions are designed to enforce adherence to environmental regulations. Operational Costs: Implementing BAT may involve substantial initial investments in new technologies and infrastructure, as well as ongoing operational and maintenance costs.		●		Medium-term	NO
AIR & SOIL POLLUTION								
Emissions to air from the production processes	●		Medium importance indicates that while this topic may not be the most critical environmental issue for our company, it still holds significant relevance. This balanced approach ensures that air pollution receives due attention alongside other environmental concerns. Medium importance also reflects the concerns of stakeholders, including regulators, local communities, and investors, who regard air quality as a significant issue, even if it is not the top priority for our company. Reporting negative impacts means our company is committed to transparency and accountability. This involves detailing the types and volumes of pollutants released, the frequency of emissions, and the potential harm to air quality and public health. Through regular monitoring, we mitigate negative impacts while ensuring compliance with legal limitations. This may include implementing advanced emissions control technologies, process optimisation, and conducting regular equipment maintenance to ensure efficient operation.		●		Medium-term	NO

TABLE 11
E2 – Pollution

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Emissions to soil from the production processes	●		Medium importance indicates that while soil emissions may not be the most critical environmental issue for our company, it still holds significant relevance. This balanced approach ensures that soil pollution receives due attention alongside other environmental concerns. Medium importance reflects the concerns of stakeholders, including regulators, local communities, and investors, who regard soil quality as a significant issue, even if it is not the top priority for our company. Reporting negative impacts means we are committed to transparency and accountability. This involves detailing the types and volumes of pollutants released, the frequency of emissions, and the potential harm to soil quality and local ecosystems. Negative impacts will be mitigated with established in-process monitoring. This may include the implementation of advanced soil remediation technologies, process optimisation, and regular maintenance of equipment to ensure efficient operation.		●		Medium-term	NO
Risk of non-compliance with legislative requirements on air and soil pollution		●	From 2026 onward, companies will be required to comply with the Best Available Techniques (BAT) for air and soil emissions. This involves adopting the most effective and advanced methods to minimise environmental impact.		●		Medium-term	NO
SUBSTANCES OF CONCERN (SC) AND SUBSTANCES OF VERY HIGH CONCERN (SVHC)								
Risk of negative impacts from SC & SVHC on environmental pollution, health of customers and workers	●		Importance reflects our compliance with the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) legislation. This compliance ensures that our use of these substances meets stringent regulatory standards designed to protect human health and the environment.	●	●	●	Short-term	Atag only
Risk of non-compliance with legislative requirements on SC & SVHC		●	Our internal policies further reinforce this importance by setting additional policies and practices for the management of SC and SVHC. These policies demonstrate our proactive approach to minimising risks and ensuring safety beyond regulatory requirements. Our internal policies also prevent non-compliance with REACH and RoHS legislation.		●		Short-term	Atag only

TABLE 12
E3 – Water and marine resources

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
WATER								
High water consumption in the production process	●		High water consumption can have a substantial negative impact on water resources, affecting both availability and quality. While we do not label it as our highest priority, it is still a critical factor that our company need to address to ensure sustainable water use. While this issue is of medium importance to us, it remains a critical factor that we are committed to addressing to ensure sustainable water use. Excessive water use can lead to environmental degradation, increased costs, and potential regulatory penalties. We are actively working on measures to reduce our water consumption and mitigate these negative impacts. We will continue to disclose our water consumption data, the steps we are taking to reduce it (internal policies and regular monitoring), and the potential financial effects of our water-related impacts.		●		Long-term	NO
High water consumption in the use phase of appliances	●		We consider this issue to be of medium importance in our assessment, as it has a negative impact on water resources. High water consumption can lead to increased environmental impact, particularly in regions facing water scarcity. It also carries potential financial implications due to higher operational costs and possible regulatory challenges. We are committed to addressing this issue by implementing measures to reduce water usage in our appliances. Our goal is to minimise the negative impact on water resources and ensure sustainable use of water throughout the lifecycle of our products.			●	Long-term	NO
Risk of increased water prices		●	We recognise this issue as of medium importance in our assessment, given its potential negative impact on water resources. High water consumption can lead to increased environmental impact, particularly in regions facing water scarcity. It also carries potential financial implications due to higher operational costs and possible regulatory challenges. We are committed to addressing this issue by implementing measures to reduce water usage in our appliances. Our goal is to minimise the negative impact on water resources and ensure sustainable use of water throughout the lifecycle of our products.		●		Long-term	NO
Risk of water scarcity		●	We acknowledge that the risk of water scarcity holds financial materiality for our operations. Although it is assessed as of low importance in our current risk assessment, it still presents a negative impact. Water scarcity can result in increased costs, supply chain disruptions, and potential regulatory challenges. We are committed to monitoring and managing this risk to mitigate its effects on both our business and the environment. Additionally, we have secured a water permit that is valid until 2040, ensuring a stable water supply for our operations in the near future.		●		Long-term	NO
MARINE RESOURCES								
Risk of supply chain disruption due to poor management of marine resources		●	This issue concerns the potential for supply chain disruptions caused by inadequate management of marine resources. Poor management can lead to overfishing, habitat destruction, and pollution, which may affect the availability and quality of marine products. However, our assessment indicates that the likelihood of this occurring is low, and the severity of its impact is minimal. We assess this risk as having a low impact and, therefore, consider it non-material. However, effective management and sustainable practices remain essential to mitigate these risks and ensure a stable supply chain.		●		Long-term	NO
Risk of marine resource depletion, pollution, and habitat destruction		●	We recognise this issue to currently be of low importance in our materiality assessment, but it can still represent a negative impact on marine ecosystems. Marine resource depletion, pollution, and habitat destruction can lead to significant environmental degradation, affecting biodiversity and the health of marine environments. We are committed to monitoring and managing these risks to mitigate their negative effects. Our efforts include implementing policies and actions aimed at reducing our environmental footprint and protecting water resources. Additionally, we have a wastewater treatment plant in place, and our operations are not located near any marine sources, which helps minimise our impact on marine environments.		●		Long-term	NO

TABLE 13
E5 – Resource use and Circular economy

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
RESOURCE EFFICIENCY AND WASTE								
Low material efficiency in production	●		Inefficient use of raw materials could lead to higher waste generation, depletion of natural resources and consequently contribute to environmental degradation. In the development of a new generation of appliances, the focus is on optimising material efficiency, which leads to lower waste production costs and reduced material use costs.		●		Short-term	NO
Increased costs due to material inefficiency	●		Inefficiencies in material use can lead to higher production costs, as they require more raw materials and incur increased waste management expenses. Additionally, inefficient processes often consume more energy, further increasing operational costs.		●	●	Short-term	NO
Waste generation in the production process	●		Our operations face potential financial risks due to waste generation in the production process, which is considered of medium importance. It can lead to increased disposal costs, regulatory compliance challenges, and environmental harm. These factors could negatively affect our financial performance and operational efficiency. We regularly monitor our waste quantities and ensure compliance with regulations.		●		Short-term	NO
Risk of stricter legislative requirements and fees related to waste management		●	This issue pertains to the potential for more stringent legislative requirements and associated fees concerning waste management. Stricter regulations could lead to increased compliance costs, operational adjustments, and potential fines for non-compliance, which may negatively affect our financial performance and operational efficiency. Our double materiality assessment has evaluated this risk as having a negative impact with a possible likelihood and medium severity. However, it is not considered material for us. To address these potential risks, we are committed to monitoring legislative developments, engaging with policymakers, and investing in sustainable waste management practices and technologies to ensure compliance with current and future regulations.		●		Short-term	NO
Risk of scarcity, increased prices and critical raw material supply chain disruptions		●	Our operations face potential financial risks due to scarcity, increased prices, and disruptions in the supply chains of critical raw materials. These risks are considered of medium importance and have a negative impact on our operations. Supply chain disruptions can lead to increased costs, production delays, and challenges in maintaining consistent supply levels, all of which can affect our financial performance and operational efficiency.	●			Short-term	NO
CIRCULAR APPLIANCE DESIGN								
Developing circular products (durability, repairability, use of non-virgin materials)	●		By developing circular products—designed to be durable, repairable, and made from non-virgin (recycled or secondary) materials—we promote sustainability and reduce environmental impact.		●		Medium-term	ATAG only
Lower lifetime costs of appliances	●		Energy-efficient appliances consume less electricity, leading to lower utility bills for consumers over lifetime of the appliance. Durable and repairable appliances reduce the need for frequent repairs and replacements, reducing repair costs.		●	●	Medium-term	ATAG only
Risk of stricter regulation (e.g. packaging, use of single-use plastics, recycled plastic/other materials, ...)		●	Our operations face potential financial risks due to stricter regulations concerning packaging, the use of single-use plastics, and the incorporation of recycled plastics or other materials. These risks are considered to be of medium importance with a negative impact on our operations. Stricter regulations could lead to increased compliance costs, operational adjustments, and potential fines for non-compliance, which could affect our financial performance and operational efficiency. We continuously monitor the situation and remain prepared to take necessary actions if required.		●		Medium-term	ATAG only

TABLE 13
E5 – Resource use and Circular economy

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Changes in country-specific regulations		●	Changes in country-specific regulations can introduce complexities as different countries may have varying requirements and compliance timelines, which could complicate our operations and supply chain management. To address these risks, we are actively monitoring legislative developments across all the regions in which we operate and engaging with policymakers to stay informed of potential changes.		●		Medium-term	ATAG only
Risk of market non-acceptance of sustainable products		●	Our operations face potential financial risks due to market non-acceptance when developing sustainable products. These risks are considered to be of medium importance with a negative impact on our operations. Market non-acceptance can lead to reduced sales, increased costs, and challenges in achieving a return on investment for sustainable product initiatives, which can affect our financial performance and operational efficiency. To address these risks, we are actively engaging with consumers and stakeholders to understand their preferences and concerns regarding sustainable products. We are also investing in market research and product development to ensure that our sustainable products meet market demands and expectations. Additionally, we are focusing on effective marketing and education campaigns to raise awareness and acceptance of sustainable products among consumers.		●		Medium-term	ATAG only
CIRCULAR BUSINESS MODEL								
New business opportunities in the circular economy (closed-loop production, circular business models)	●		Our operations have identified new business opportunities in the circular economy, particularly through closed-loop production and circular business models. These opportunities are considered to be of medium importance with a positive impact on our operations. The circular economy focuses on minimising waste and making the most of the available resources. It involves designing products for longevity, reusing materials, and promoting recycling. By adopting circular business models, we can reduce our environmental footprint and create sustainable value. Closed-Loop Production: This approach involves designing products for easy disassembly and recycling at the end of their life cycle. By doing so, we can recover valuable materials and reduce the need for new raw materials. This not only conserves resources but also reduces production costs and waste. Circular Business Models: These models include practices such as product life extension, resource recovery, and platform sharing. For instance, by extending the life of our products through repair and refurbishment services, we can provide customers with more value while reducing waste. Resource recovery allows us to reclaim materials from used products and reintroduce them into the production cycle.	●	●	●	Long-term	YES

TABLE 14
S1 – Own workforce

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
WORKING CONDITIONS								
Risk of poor labour practices (secure employment, working hours, adequate wages, social dialogue, freedom of association, collective bargaining)		●	Local legislation prohibits any kind of poor labour practices, ensures living wages, and includes policies regarding working hours, freedom of association, and collective bargaining.		●		Short-term	YES
Risk of non-compliance with legislation and reputational damage in case of poor labour practices		●	Our operations may face potential financial risks due to non-compliance with legislation and reputational damage resulting from poor labour practices. These risks are considered to be of low importance with a negative impact on our operations. Non-compliance can lead to legal penalties, fines, and damage to our reputation, which can affect our financial performance and operational efficiency. To address these risks, we have implemented a whistleblowing procedure and an internal labour policy to ensure compliance with relevant regulations and promote ethical labour practices.		●		Short-term	YES
Good working conditions and labour practices can enhance our employer brand, leading to better access to the workforce	●		We contribute to higher job satisfaction with good working conditions, which can reduce turnover rates and save on recruitment costs. Moreover, a positive work environment boosts employee morale and productivity.		●		Short-term	YES
HEALTH, SAFETY AND WELL-BEING								
Risk of work-related injuries and ill health		●	Injuries and ill health can severely affect the physical and mental well-being of employees, leading to reduced morale and productivity. Work-related injuries can result in substantial financial costs due to medical expenses, worker's compensation claims and potential legal fees.		●		Short-term	YES
Increased costs, legal liabilities, and potential disruptions to operations due to work-related injuries and ill health	●		This issue involves the financial and operational risks associated with work-related injuries and ill-health. Such incidents can lead to increased costs, legal liabilities, and potential disruptions to operations. Medical expenses, sick leave expenses, workers' compensation, and potential fines can add up quickly, straining financial resources. Additionally, these incidents can affect employee morale and productivity, further impacting operational efficiency. To mitigate these risks, we are committed to maintaining a safe and healthy work environment through rigorous safety protocols, regular training, and continuous monitoring of workplace conditions. By prioritising employee well-being, we aim to reduce the likelihood and severity of work-related injuries and ill health, thereby minimising their impact on our operations and financial performance.		●		Short-term	YES

TABLE 14
S1 – Own workforce

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Non-compliance with occupational health and safety (OHS) legislation		●	This issue pertains to the risks and consequences associated with failing to comply with OHS legislation. Non-compliance can lead to increased costs, legal liabilities, and potential disruptions to operations. Legal proceedings, fines, and penalties resulting from non-compliance can strain financial resources and damage the organization's reputation. Additionally, non-compliance can result in work-related injuries and ill health, further affecting employee morale and productivity. To mitigate these risks, we have implemented internal policies for the procurement of equipment to ensure that all purchased equipment meets safety standards. We are also committed to maintaining a safe and healthy work environment through rigorous safety protocols, regular training, and continuous monitoring of workplace conditions. By prioritising compliance with OHS legislation, we aim to reduce the likelihood and severity of work-related injuries and ill health, thereby minimising their impact on our operations and financial performance. This issue is considered material due to its high severity, possible likelihood, and high importance.		●		Short-term	YES
Impacts on work-life balance		●	A poor work-life balance can lead to stress, burnout and a decline in overall well-being. Long working hours and insufficient rest may result in physical health issues and chronic illness. Additionally, overworked employees are less efficient and more prone to errors. A poor work-life balance can also damage the company's reputation and hinder the ability to attract top talent.		●		Short-term	YES
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL								
Risk of discrimination and harassment in the workplace		●	These risks hold medium importance and negatively impact our operations. Discrimination and harassment can result in legal penalties, decreased employee morale, and damage to our reputation, all of which can affect our financial performance and operational efficiency. To address these risks, we have implemented comprehensive policies and procedures aimed at preventing discrimination and harassment. This includes a whistleblowing procedure and an internal labour policy that promotes gender equality and ensures a safe and inclusive work environment.		●		Short-term	YES
Risk of employee mental health issues due to discrimination and harassment		●	This issue pertains to the potential for mental health problems among employees resulting from having experienced discrimination and harassment in the workplace. Such negative experiences can lead to stress, anxiety, depression, and other mental health issues, which can affect employee well-being, productivity, and overall job satisfaction. Our assessment indicates that the severity of this risk is medium, the likelihood is possible, and its importance is also medium. Addressing this issue is crucial for maintaining a healthy and supportive work environment. We are committed to implementing robust anti-discrimination and anti-harassment policies, providing regular training on these topics, and promoting an inclusive workplace culture. By taking these steps, we aim to mitigate the risk of mental health issues among employees and promote a positive and respectful work environment.		●		Short-term	YES

TABLE 14
S1 – Own workforce

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
Employment and inclusion of people with disabilities	●		Our operations place a high priority on the employment and inclusion of people with disabilities, recognising the positive impact this has on our company and society. We are proud to operate a company specifically designed to support and employ individuals with disabilities (IPC, d.o.o.). By fostering an inclusive workplace, we not only ensure compliance with relevant regulations but also enhance our organizational culture, making it more collaborative and productive. Employing individuals with disabilities brings diverse perspectives and skills, which drive innovation and improve overall performance		●		Short-term	YES
TRAINING AND SKILLS								
Training and skills development	●		Training helps employees perform their tasks more accurately and effectively, reducing errors and improving the quality of products and services. Investing in employee development increases job satisfaction and loyalty, leading to lower turnover rates and reduced recruitment and training costs. Training can also streamline processes and improve operational efficiency, leading to cost savings.		●		Short-term	YES
LABOUR RIGHTS								
Risk of child labour, forced labour and slavery in own production		●	This issue pertains to the potential for child labour, forced labour, and slavery within our own production processes. Such practices are not only unethical but also illegal, and they can severely damage our reputation, leading to significant legal and financial consequences. Our assessment indicates that the severity of this risk is high, given the serious nature of these violations. However, the likelihood of occurrence is low due to our strict regulations and comprehensive compliance measures. The importance of this issue is considered low, and it is not deemed material for us. We have implemented stringent policies and procedures to prevent any form of child labour, forced labour, or slavery in our operations. Regular audits, employee training, and a strong commitment to ethical practices ensure that we maintain a safe and fair working environment for all our employees.		●		Short-term	YES
Risk of non-compliance with regulation concern child labour, forced labour and slavery in own production		●	This issue involves the potential risks and consequences associated with failing to comply with regulations that prohibit child labour, forced labour, and slavery within our production processes. Non-compliance can lead to severe legal penalties, financial losses, and significant damage to our reputation. It can also undermine trust with stakeholders and negatively impact employee morale. Our assessment indicates that the severity of this risk is high due to the serious nature of these violations. However, the likelihood of occurrence is low based on strict EU and national regulations, as well as our internal policies and comprehensive compliance measures. The importance of this issue is considered low, and it is not deemed material for us. We have implemented stringent policies and procedures to ensure compliance with all relevant regulations. Regular audits, employee training, and a strong commitment to ethical practices ensure that we maintain a safe and fair working environment, free from child labour, forced labour, and slavery.		●		Short-term	YES

TABLE 14
S1 – Own workforce

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
PRIVACY								
Risk of breaches in privacy and violations of GDPR		●	This issue pertains to the potential risks and consequences associated with breaches in privacy and violations of the General Data Protection Regulation (GDPR). Such breaches can lead to significant legal penalties, financial losses, and damage to our reputation. They can also erode trust with customers and stakeholders, negatively impacting our operational efficiency. Our assessment indicates that the severity of this risk is medium, with a possible likelihood. To mitigate these risks, we have implemented robust data protection policies and procedures, including regular audits, employee training, and advanced security measures. We are committed to ensuring compliance with GDPR and other relevant privacy regulations to protect the personal data of our customers and employees. By prioritising data privacy and security, we aim to minimise the risk of breaches and maintain the trust of our stakeholders.		●		Short-term	YES
Risk of non-compliance with data privacy and security regulations, including GDPR		●	This issue pertains to the potential risks and consequences associated with failing to comply with data privacy and security regulations, including the General Data Protection Regulation (GDPR). Non-compliance can lead to severe financial penalties, legal costs, and substantial damage to our reputation, which can negatively impact our financial performance and operational efficiency. Our assessment indicates that the severity of this risk is medium, the likelihood is possible, and its significance is medium. These risks are considered to be of high importance, with a negative impact on our operations. The GDPR provides Data Protection Authorities with various enforcement options in case of non-compliance, including warnings, reprimands, and temporary or definitive bans on processing. For especially severe violations, as listed in Art. 83(5) of the GDPR, the fine framework can reach up to 20 million euros, or in the case of an undertaking, up to 4% of its total global turnover of the preceding fiscal year, whichever is higher. Even less severe violations listed in Art. 83(4) of the GDPR can lead to significant fines. To mitigate these risks, we have implemented robust data protection policies and procedures, including regular audits, employee training, and advanced security measures. We are committed to ensuring compliance with GDPR and other relevant privacy regulations to protect the personal data of our customers and employees. By prioritising data privacy and security, we aim to minimise the risk of non-compliance and maintain the trust of our stakeholders.		●		Short-term	YES

TABLE 15
S2 - Workers in the value of chain

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
POOR LABOUR PRACTICES IN THE UPSTREAM SUPPLY CHAIN								
Risk of poor labour practices (secure employment, working hours, adequate wages, social dialogue, freedom of association, collective bargaining), discrimination, child labour, forced labour and slavery in connection with tier 1 suppliers		●	This issue pertains to the potential risks associated with poor labour practices and human rights violations within our supply chain, specifically among tier 1 and tier 2 suppliers. These risks include insecure employment, excessive working hours, inadequate wages, lack of social dialogue, restrictions on freedom of association, and limitations on collective bargaining. Additionally, there is the risk of discrimination, child labour, forced labour, and slavery. Our assessment indicates that the severity of this risk is medium, the likelihood is possible, and its importance is medium. These risks are considered to be of medium importance with a negative impact on our operations. Violations by tier 1 suppliers regarding issues such as insecure employment, inadequate working hours, insufficient wages, lack of social dialogue, restricted freedom of association, and limited collective bargaining can result in significant legal penalties, operational disruptions, and reputational damage. Additionally, the risks of discrimination, child labour, forced labour, and slavery further exacerbate these challenges. To mitigate these risks, we have implemented strict policies and procedures to ensure that our tier 1 suppliers adhere to ethical labour practices. This includes regular audits and monitoring of suppliers to ensure compliance with relevant labour laws and standards. As part of this commitment, our suppliers agree to and sign a comprehensive Code of Conduct. This Code of Conduct includes a requirement for our suppliers to verify that their own suppliers also comply with ethical principles and the relevant legislation in the field. This ensures that our entire supply chain upholds the highest standards of ethical labour practices.	●			Medium-term	ATAG only
Risk of poor labour practices (secure employment, working hours, adequate wages, social dialogue, freedom of association, collective bargaining), discrimination, child labour, forced labour, slavery, and unethical sourcing of conflict minerals in connection with sub-tier suppliers		●		●			Medium-term	ATAG only
Negative impact on brand image and operations due to unethical practices of our first-tier and sub-tier suppliers.	●		Our operations could face potential financial and reputational risks due to unethical practices by our first-tier and sub-tier suppliers. Unethical practices, such as fraud, discrimination, or labour violations, can lead to significant legal penalties, operational disruptions, and substantial damage to our brand image. We enforce strict policies and conduct audits to ensure our suppliers comply with ethical standards and the relevant regulations. We also engage in continuous dialogue with our suppliers to promote ethical practices and transparency throughout our supply chain. By maintaining these standards, we aim to mitigate the risks associated with unethical practices and protect our brand image and business operations. Our assessment indicates that the severity of this risk is medium, its likelihood is rare, and its importance is low. Therefore, this issue is not considered material to our operations.	●			Medium-term	ATAG only

TABLE 16
S4 – Consumers and end-users

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
HEALTH AND SAFETY OF CONSUMERS AND END-USERS								
Impacts on customer health and safety resulting from the use of our appliances	●		Ensuring the health and safety of our customers is crucial. Our appliances must comply with safety regulations and undergo CB testing whenever new components or generations are introduced. This ensures our products are safe, reliable, and compliant with international standards.			●	Short-term	ATAG only
Legal claims and regulatory fines in case of non-compliance with consumer health and safety legislation		●	Non-compliance with consumer health and safety legislation can result in significant legal claims and regulatory fines for our company. This underscores the importance of consumer and end-user safety. Our company cannot sell appliances without CB reports, which certify that our products meet the necessary safety standards. The financial materiality of these compliance issues is considered medium. Non-compliance may lead to significant negative impacts, including legal penalties and reputational. Ensuring compliance with these regulations is essential to maintaining consumer trust and mitigating financial risks.			●	Short-term	ATAG only
DATA PRIVACY AND SECURITY								
Inadequate management of customer and end-user personal data	●		Inadequate management of personal data can have significant negative impacts on both the customers and the organization. Mishandling personal data can result in privacy breaches, lead to a loss of customer trust and reputational damage. Non-compliance with data protection regulations can result in severe financial penalties. For instance, under the General Data Protection Regulation (GDPR), non-compliance can lead to fines of up to €20 million or 4% of a company's global annual turnover, whichever is higher. Similar regulations in other jurisdictions, such as the California Consumer Privacy Act (CCPA) and the Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada, also impose hefty fines for the mishandling of data. Our assessment indicates that the severity of this issue is medium, the likelihood is possible, and the importance is medium, with a negative impact. We have a process for implementing the management of personal data, which includes robust data protection measures, regular audits, and employee training to ensure compliance with relevant regulations. Effective management of personal data is crucial for maintaining customer trust and ensuring regulatory compliance. By implementing a comprehensive data management process and adhering to data protection regulations, we can mitigate the risks associated with inadequate data management and protect both our customers and our organization.			●	Short-term	YES
Risk of non-compliance with data-privacy & security regulations, and the GDPR		●	The risk of non-compliance with regulations related to data privacy and security, including GDPR, is a significant sustainability issue. Non-compliance can lead to severe financial penalties and reputational damage. For especially severe violations, listed in Art. 83(5) GDPR, the fine framework can be up to 20 million euros, or in the case of an undertaking, up to 4% of its total global turnover of the preceding fiscal year, whichever is higher. Even the less severe violations listed in Art. 83(4) GDPR can result in substantial fines. Our DMA assessment indicates that the severity of this issue is high, the likelihood is unlikely, the importance is high, and the impact is negative. Ensuring compliance with data privacy and security regulations is essential for maintaining customer trust and avoiding legal repercussions. By implementing robust data protection measures, conducting regular audits, and providing employee training, we can mitigate the risks associated with non-compliance, safeguarding both our customers and our organization.			●	Short-term	YES

TABLE 16
S4 – Consumers and end-users

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
RESPONSIBLE MARKETING PRACTICES (ACCESS TO QUALITY INFORMATION)								
Empowering customers to make better-informed decisions when selecting products (impact on consumers and end-users with quality information such as product and service information including instructions for use, safety warnings, self-repair instructions, fault diagnostics, tips and tricks)	●		Empowering customers to make better-informed decisions is essential for building trust and loyalty. By providing transparent and detailed product information, we increase customer satisfaction, reduce returns, and support ethical consumerism. This approach not only differentiates the brand in the marketplace, but also fosters long-term customer relationships.			●	Short-term	YES
Strengthening the company's brand reputation and customer loyalty by adopting and promoting responsible marketing practices	●		By adopting and promoting responsible marketing practices, we can achieve significant positive financial benefits: increased revenue from more customers who value transparency and integrity, cost savings by avoiding legal issues and associated costs, improved customer retention and enhanced brand value.			●	Short-term	YES
Non-compliance with evolving legislation governing the communication of environmental claims in marketing		●	Non-compliance with evolving legislation governing the communication of environmental claims in marketing can lead to significant challenges for our company. It is crucial to ensure that all environmental claims made in our marketing materials are accurate, substantiated, and compliant with current regulations. The financial materiality of these compliance issues is considered medium. Non-compliance can result in negative impacts such as legal claims, regulatory fines, and reputational damage. These can affect our financial performance and undermine customer trust. We are compliant with the relevant legislation.			●	Short-term	YES

TABLE 17
G1 – Business conduct

SUSTAINABILITY ISSUE	MATERIAL IMPACT	RISK / OPPORTUNITY	DESCRIPTION	UPSTREAM	OWN OPERATION	DOWNSTREAM	TIMEFRAME	SBU RELEVANCE
CORRUPTION AND BRIBERY								
Unethical business practices within established business relationships (corruption, bribery, violation of anti-competition laws and conflicts of interest)	●		This issue can have substantial negative impacts on a company's reputation and financial performance. The financial materiality of these issues is considered medium. Non-compliance with ethical standards can lead to legal penalties, regulatory fines, and loss of stakeholder trust. This, in turn, can affect a company's market position and profitability. Our company has implemented strict policies and procedures to prevent and detect unethical behaviour. This includes regular employee training, robust internal controls, and a clear Code of Conduct that outlines acceptable business practices. We also have mechanisms in place for the reporting and investigation of any suspected unethical activities, ensuring that issues are addressed promptly and effectively.	●	●	●	Short-term	YES
MANAGING SUPPLIER RELATIONSHIPS								
Risk of selecting suppliers that do not adhere to sustainability principles		●	This issue presents high impact materiality due to its potential negative effects on our company's reputation, compliance status, and overall sustainability performance. Non-compliance by suppliers can lead to several adverse outcomes, including legal penalties, regulatory fines, and damage to our brand image. These risks are particularly pronounced in areas such as environmental management, labour practices, and ethical business conduct. Suppliers who fail to meet sustainability standards can undermine our efforts to promote responsible business practices and achieve our sustainability goals.	●			Short-term	YES
Risk of poor supplier management		●	The risk of poor supplier management is a sustainability issue that can affect various aspects of an organization's operations and reputation. Poor supplier management can lead to disruptions in the supply chain, quality issues, and ethical concerns. Ensuring that suppliers meet the organization's standards for quality, sustainability, and ethical practices is critical to maintaining a reliable and responsible supply chain. Poor supplier management can result in delays, shortages, and inconsistencies in the supply of materials and products, disrupting operations and affecting the organization's ability to meet customer demands. Furthermore, poorly managed suppliers may not adhere to quality standards, resulting in defects and subpar products, which can damage the organization's reputation and result in increased costs due to returns, rework, and warranty claims. Suppliers that do not follow ethical practices or sustainability standards can expose the organization to risks such as labour violations, environmental harm, and negative publicity, undermining its commitment to corporate social responsibility. Our assessment indicates that the severity of this issue is medium, the likelihood is rare, and the importance is low. To mitigate these risks, we regularly evaluate and audit suppliers to ensure they meet our standards for quality, sustainability, and ethical practices. We also implement supplier development programs to support and improve their practices, aligning them with our requirements. Incorporating supplier management into our broader risk management framework helps identify critical suppliers, assess risks, and develop contingency plans to mitigate potential disruptions.	●	●		Medium-term	ATAG only

Information on how materiality assessment informs strategy

The double materiality assessment conducted in 2023 served as the starting point for developing our corporate sustainability strategy. The project roadmap reflects the latest findings from the materiality assessment and is regularly updated. We continuously monitor changes in our environment and business operations, using these insights to plan projects annually and adjust them as needed throughout the year.

In alignment with the CSRD, the approach to integrating materiality assessment into strategy is structured as follows: for matters identified as having high materiality – whether due to significant financial impact, material impact, or both, indicated by red and yellow dots in the matrix – comprehensive activities are in place, and progress is closely monitored through specific KPIs. Health and safety, energy, and training and skills, which are key strategic priorities, are of the highest importance. The second most important areas include the design and efficiency of appliances and GHG emissions, which are also central to our strategy.

For medium-materiality matters, represented by blue and purple dots, we closely monitor developments and take targeted action where gaps or risks are identified. This category covers a wide range of matters, and we track emerging trends to adapt our approach as necessary. Some of these matters – such as supplier impact on the environment and people – are expected to gain in importance, particularly with the introduction of CS3D. Recognising this, we are proactively preparing for these issues to become more prominent, ensuring that we remain ahead of regulatory and stakeholder expectations.

For low-materiality matters, marked by green dots, no immediate activities are currently assigned. However, an annual reassessment – or more frequently if significant changes occur – will ensure we update our plans and introduce actions based on the latest insights.

Both our strategy and business model demonstrate resilience across several key areas, ensuring our ability to address material impacts and risks while taking advantage of material opportunities. We use qualitative analysis to assess the resilience of our strategy and business. It is important to note that we adhere to the exception outlined in SBM-3, which specifies that quantitative assessments are not included in this context. We have diversified our supply chain by incorporating new suppliers and materials, enhancing our ability to adapt to market changes and disruptions. This approach ensures a steady flow of resources and reduces dependency on any single source. Our water management practices are robust, with permits secured until the end of March 2039. This long-term planning allows us to sustainably manage water resources, ensuring availability and compliance with regulatory requirements. We have implemented comprehensive energy management strategies, including the use of diverse energy sources. This diversification helps mitigate risks associated with energy supply and price volatility, ensuring a stable and sustainable energy supply for our operations.

We conduct regular reviews and updates of our sustainability strategy to ensure it remains aligned with evolving risks and opportunities. This ongoing process allows us to adapt to changes in the external environment and incorporate new insights and best practices into our approach.

We utilize a range of metrics and key performance indicators (KPIs) to measure the effectiveness of our sustainability initiatives. These quantitative tools provide us with concrete data to assess our progress, identify areas for improvement, and make informed decisions about resource allocation and strategic adjustments.

IRO – 2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Disclosure requirements in ESRS covered by this report are presented in Chapter 5, while data points derived from other EU legislation are provided in Chapter 7.

MDR – A, MDR – P, MDR – M, MDR – T

Policies adopted to manage material sustainability issues, actions taken, resources allocated to address them, and metrics related to these matters – along with the tracking of policy and action effectiveness through targets – are all detailed in the respective sections of this report under each specific topical area.

We defined goals for each of the material matters and began a deliberate process to strategically tackle each respective material matter. This involved establishing tangible Key Performance Indicators (KPIs) that serve as benchmarks for measuring progress. These KPIs are designed to provide clear, quantifiable metrics by which to gauge our performance in addressing sustainability challenges. Over the coming years, we are committed to diligently monitoring and tracking the progress of these KPIs to ensure that our sustainability efforts are on track and delivering meaningful results.

2 Environment

EFFICIENCY IN ACTION, IMPACT IN NATURE

At Hisense Europe, we are committed to promoting environmental sustainability through intelligent and responsible practices. Our efforts are centered on minimizing energy usage, decreasing emissions and reducing waste throughout our operations and products. By emphasizing resource efficiency and environmentally friendly innovations, we aim to minimize our environmental impact and contribute to a cleaner, more sustainable future.

Our company was not subject to the Non-Financial Reporting Directive (NFRD) and is currently outside the scope of mandatory EU Taxonomy reporting under Article 8. Due to the nature of our activities, which are not classified as environmentally sustainable under the Taxonomy, its relevance to our strategic planning and business model is minimal. However, we remain committed to sustainability and continually review regulatory developments, including the Corporate Sustainability Reporting Directive (CSRD), to ensure compliance where applicable.

E1 Climate Change

E1 – 1: TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Our company has set ambitious climate targets in line with the Fit for 55 package that represents the European Union's commitment to limit global warming to well below 2°C and to strive to limit it to keep it to 1.5°C in accordance with the Paris Agreement. In doing so, we take into account the reference values and performance thresholds set out in Commission Implementing Regulation (EU) 2022/2453. The targets are as follows:

- Scope 1 & 2: We aim to reduce total emissions by at least 55% by 2030, compared to 2022 levels, and to achieve Scope 2 neutrality by 2030. Key measures include the full use of renewable electricity and the conversion of district heating to renewable sources.
- Scope 3: Our goal is to achieve neutrality by 2050, which will require significant collaboration with partners and suppliers to address value chain emissions.

GHG emission reduction targets (as required by Disclosure Requirement E1-4), the climate change mitigation actions (as required by Disclosure Requirement E1-3) and identified decarbonisation levers are described in chapters E1-3 and E1-4 of this report. All of the targets form part of the Sustainability Strategy and were approved by the Holding Board. These targets have not yet undergone external verification. A comprehensive transition action plan has not yet been fully developed. However, its formulation is planned for this year and will be designed to support the achievement of the outlined objectives. As a result, a detailed explanation and financial quantification of investments – including key performance indicators aligned with the taxonomy and investment plans disclosed under Commission Delegated Regulation (EU) 2021/2178 – are not yet available.

Climate-related risks and opportunities are part of our strategy and business model. We continuously assess the climate resilience of our operations, focusing on both transition and physical risks and opportunities, in line with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and the EU Taxonomy Climate Delegated Act. Table 18 and Table 19 described climate-related risks and climate-related events based on TCFD classification.

	TEMPERATURE RELATED	WIND RELATED	WATER RELATED	SOLID MASS RELATED
CHRONIC	√ Changes in temperature (air, freshwater)	√ Changes in wind patterns	√ Changes in precipitation patterns and types (rain, hail, snow/ice)	× Coastal erosion
	√ Heat stress		√ Precipitation or hydrological variability	× Soil degradation
	√ Temperature variability		× Ocean acidification	× Soil erosion
	× Permafrost thawing		× Saline intrusion	× Solifluction
			× Sea level rise	
			× Water stress	
ACUTE	√ Heat wave	√ Cyclone, hurricane, typhoon	× Drought	× Avalanche
	√ Cold wave/ frost	× Storm (including bizzards, dust and sandstorms)	√ Heavy precipitation (rain, hail, snow/ice)	× Landslide
	√ Wildfire	√ Tornado	√ Flood (coastal, fluvial, pluvial, groundwater)	√ Subsidence
			× Glacial lake outburst	

√ RISK INCLUDED IN ASSESSMENT × RISK NOT RELEVANT FOR INCLUSION DUE TO GEOGRAPHICAL LOCATION OF OUR ASSETS

TABLE 18
Classification of Climate-Related Risks According to the TCFD and EU Taxonomy Climate Delegated Act

POLICY AND LEGAL	TECHNOLOGY	MARKET	REPUTATION
M Increased GHG emission pricing	M Cost of technologies for the transition to lower emissions (eg. solar)	M Changing customer behaviour	L Investment trends
M Expanded emissions reporting requirements	M Replacement of existing products with lower-emission alternatives	M Increased costs of raw materials	L Uncertainty in market signals
M New emission standards			L Shifts in consumer preferences
M New climate agreements			M Energy costs and price volatility

S – SHORT-TERM, M – MEDIUM-TERM, L – LONG-TERM (COULD BE MORE THAN 10 YEARS)

TABLE 19
Climate-Related Transition Events

E1 – 2: POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Our Environmental, Health and Safety, and Energy Management Policy addresses climate change mitigation, adaptation, energy efficiency, and renewable energy deployment. It applies to all employees, agency workers, students/interns, legal representatives, and other stakeholders, as well as to all subsidiaries of the Hisense Europe and established business relationships. Updated in 2025, the policy ensures compliance with evolving environmental protection requirements.

We are committed to reducing our greenhouse gas (GHG) emissions by focusing on the categories in which we have the greatest impact. Within Scope 1 and Scope 2 emissions, our primary focus areas include electricity consumption, natural gas use, and district heating across all our facilities. To address these emissions, we continuously work on improving energy efficiency and integrating renewable energy sources. For Scope 3 emissions, we prioritise reducing the environmental impact of the use of the products we sell by integrating energy-efficient and sustainable solutions during product development. Additionally, we work closely with our suppliers to minimise emissions associated with purchased goods and services, while also contributing to emissions reduction through the sustainable design of our products. With these targeted efforts, we aim to significantly reduce our overall carbon footprint and contribute to global climate protection.

E1 – 3: ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

For climate change initiatives, the budget is planned in collaboration with multiple departments to ensure adequate funding and support.

Our organisation is committed to climate change mitigation and adaptation through a number of initiatives. We are improving our energy efficiency by adopting international standards and implementing advanced energy information systems, which help reduce our energy consumption and greenhouse gas emissions. We are focusing in particular on electricity, as it is the largest contributor to the emissions. In Gorenje, d.o.o. we have implemented the Central monitoring system (the CNS). We also started activities to implement it at other production sites, such as Mora Moravia s.r.o and Gorenje Aparati za domaćinstvo Valjevo, d.o.o. The Central Monitoring System (the CNS) offers several key features to improve energy efficiency and operational control. It makes it possible to control heating zones separately, which allows independent regulation of heating in the different areas of a production facility. The system also includes automatic monitoring and adjustment, continuously tracking the temperature and making the necessary changes for optimal energy efficiency. Additionally, the CNS provides full system control, enabling real-time monitoring and management of the entire heating system to ensure maximum efficiency and cost savings.

To address energy consumption, we prioritise continuous improvement in the energy efficiency of our production lines. By implementing cutting edge technologies and regularly evaluating our processes, we identify areas for optimisation and implement energy-saving measures. This not only helps us reduce our environmental impact but also improves our operational efficiency. We also actively promote employee awareness of energy conservation practices, fostering a culture of responsibility and encouraging individual efforts to minimise energy use in daily operations.

Efforts to transition to renewable energy sources are focused on both electricity consumption and district heating. To increase the share of renewable energy from internal sources, we are investing in new solar power plants at multiple production sites, with each facility aiming to enhance its reliance on renewable energy. In terms of district heating, facilities currently dependent on fossil fuel-based sources are expected to transition to renewable alternatives as local authorities develop transition plans. This shift will require technical adaptations, but investment details remain undetermined due to the lack of finalised municipal plans. Meanwhile, efforts are also underway to explore viable renewable alternatives for other production sites where district heating contributes significantly to greenhouse gas emissions.

Beyond direct energy consumption, key measures to drive neutrality across the value chain include requiring suppliers to establish a Greenhouse Gas Emissions Inventory and Decarbonisation Strategy, while increasing the use of non-virgin materials to reduce emissions in the purchased goods and services category. Additionally, ongoing improvements in appliance energy efficiency contribute to emissions reduction in the use phase of products sold, though achieving full neutrality will require a complete shift to renewable energy sources for product operation, in line with long-term climate targets.

Additionally, we conduct sustainability training sessions to ensure that all employees are informed and engaged in our sustainability efforts. These actions strengthen our resilience and sustainability in the face of climate change.

A comprehensive transition action plan, covering both de-carbonisation and adaptation, has not yet been fully developed. However, it is planned to be developed this year and will be designed to support the achievement of these objectives. As a result, a detailed strategy outlining specific measures and mile-stones is not yet available. Consequently, we are also unable at this stage to disclose any financial quantification ofinvestments or budget estimates, including key performance indicators aligned with the taxonomy and required investment plans.

CASE STUDY

NEW SOLAR POWER PLANTS

Gorenje d.o.o. launched a new solar power plant with a capacity of 4.4 MW to ensure greater energy independence and efficiency. It is the second largest solar power plant in the country, and together with the existing ones, the total solar power capacity of at the Hisense Europe Industrial Park is 5.3 MW.

The new solar power plants were installed on the roofs of three factories and two warehouses and cover a total area of 18,750 square meters. We invested 1.2 million euros in the renovation of the roofs on which the solar power plants are installed to ensure that they are structurally sound. The power plants were built by the Enertron company , which operates them and will be a supplier to Gorenje and a distributor of any surplus energy. Together with the existing solar power plants that Gorenje has had since 2010, we will be able to meet 12 percent of the company's energy needs from this source, 17 percent from cogeneration, and the rest from the grid.

We have permission from the electricity distributor to establish solar power plants with a total capacity of 8MW, and we are also planning further renovation of the roofs to install additional panels. We are also studying the possibilities of installing electricity storage tanks.

CASE STUDY

ISO 50001 IMPLEMENTATION

As part of our ongoing commitment to sustainability, Hisense Europe has successfully improved its energy management system to enhance efficiency and reduce energy-related costs.

A significant milestone in this journey is the achievement of the ISO 50001 certification for Gorenje, Gorenje I.P.C., and Gorenje Orodjarna. This certification confirms that we have established and continue to maintain an effective energy management system in line with international standards. Additionally, we have implemented a new Energy Monitoring and Information System (ENIS) to further optimize energy use. Our energy management system is now fully integrated with our existing ISO 14001 environmental management system, creating a comprehensive approach that enhances energy efficiency, reduces environmental impact, and supports our long-term sustainability goals.

Table 20 shows all of the management systems in place at our production sites.

MANAGEMENT SYSTEM	GORENJE D.O.O.	MORA MORAVIA S.R.O.	GORENJE VALJEVO D.O.O.
ISO 14001	●	●	●
ISO 45001	●		●
ISO 50001	●		
SA8000	●	●	●

TABLE 20
Management Systems

E1 – 4: TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

To address climate change, we have set specific goals and established KPIs to measure our progress. These KPIs provide clear, quantifiable metrics to gauge our performance in tackling climate-related challenges.

We are committed to diligently monitoring and tracking them in the coming years to ensure our efforts are effective and yielding meaningful results. We have outlined our strategies to achieve GHG emission reduction targets, aligned with the Fit for 55 package. The goal is to reduce total scope 1 and Scope 2 emissions by at least 55% by 2030 compared to the base year and to become Scope 2 neutral by 2030. This year, 2023 has been set as the baseline, as it was the first year in which a comprehensive GHG emissions calculation was conducted. Our key decarbonisation levers include enhancing energy and material efficiency, switching to lower-carbon fuels, increasing the use of renewable energy, and phasing out high-emission products and processes. We will develop a more detailed decarbonisation plan in 2025 to further refine and quantify these contributions.

E1 - 5: ENERGY CONSUMPTION AND MIX

Energy consumption and energy mix data are partially monitored through the energy management system software and partially collected manually from meters at the Gorenje, d.o.o. production site. At the other two locations – Mora Moravia s.r.o. and Gorenje Valjevo, d.o.o. – all data is recorded manually from on-site meters.

Tables 21 to 25 present the Group's energy consumption data. Total renewable energy consumption is derived from two sources: (1) own renewable energy production, and (2) the share of renewables in the purchased energy mix.

All financial data has been excluded this year as the report is not integrated with financial reporting. This will be addressed and rectified in the next year.

	2024	2023	2022
Share of renewable energy in total energy consumption (%)	16.98	17.89	/
Total consumption of electricity [MWh]	35,532	33,283	38,152
Total consumption of natural gas in production [MWh]	20,674	20,330	24,148*
Electricity from the grid [MWh]	29,049	27,725	38,152
Total consumption of district heating [MWh]	8,087	9,222	16,215

*DATA OBTAINED IN SM^3 UNITS AND RECALCULATED TO KWH USING A GCV OF 11,355 KWH/SM^3

TABLE 21
Energy Consumption at the Gorenje, d.o.o. Site

	2024	2023	2022
Share of renewable energy in total energy consumption (%)	1.04	4.56	/
Total consumption of electricity [MWh]	12,541	5,761	6,251
Total consumption of natural gas in production [MWh]	20,341	11,309	12,915*
Electricity from the grid [MWh]	12,541	5,761	6,251
Total consumption of district heating [MWh]	5,282	5,254	6,424

* DATA OBTAINED IN SM^3 UNITS AND RECALCULATED TO KWH USING A GCV OF 11,355 KWH/SM^3

TABLE 22
Energy Consumption at the Mora Moravia s.r.o. Site

	2024	2023	2022
Share of renewable energy in total energy consumption (%)	23.12	16.9	NA
Total consumption of electricity [MWh]	22,620	21,050	17,938
Total consumption of natural gas in production [MWh]	10,950	9,466	9,904*
Electricity from the grid [MWh]	22,620	21,050	17,938
Total consumption of district heating [MWh]	0	0	0

* DATA OBTAINED IN SM^3 UNITS AND RECALCULATED TO KWH USING A GCV OF 11,355 KWH/SM^3

TABLE 23
Energy Consumption at the Gorenje Aparati za domaćinstvo Valjevo, d.o.o. Site

	2024	2023	2022
Total consumption of electricity [MWh]	90,730	79,992	81,300
Total consumption of natural gas in production [MWh]	65,420	53,818	33,643*
Total consumption of district heating [MWh]	16,061	17,091	35,057

* DATA OBTAINED IN SM^3 UNITS AND RECALCULATED TO KWH USING A GCV OF 11,355 KWH/SM^3

TABLE 24
Energy Consumption of All Companies in the Group

	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
(1) Fuel consumption from coal and coal products (MWh)	19,187	8,282	13,986
(2) Fuel consumption from crude oil and petroleum products (MWh)	1,458	339	1,528
(3) Fuel consumption from natural gas (MWh)	27,280	20,712	11,289
(4) Fuel consumption from other fossil fuel sources (MWh)	3153	938	651
(5) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 4)	51,078	30,270	27,454
(6) Consumption from nuclear sources (MWh)	4,970	2,585	0
(7) Fuel consumption from renewable sources, including biomass (covering both industrial and municipal waste of biologic origin), biogas, renewable hydrogen, etc. (MWh)	0	0	0.01
(8) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	4,982	344	8,257
(9) The consumption of self-generated non-fuel renewable energy (MWh)	6,484	0	0
(10) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	11,466	344	8,257

TABLE 25
Energy Consumption and Mix

	GORENJE D.O.O.	MORA MORAVIA S.R.O.	GORENJE VALJEVO D.O.O.
SCOPE 1			
(S1) Stationary combustion	YES	YES	YES
(S1) Mobile combustion	YES	YES	YES
(S1) Fugitive emissions	YES	**NO**	**NO**
(S1) Process emissions	YES	**NO**	YES
SCOPE 2			
(S2) Electricity use	YES	YES	YES
(S2) Steam consumption	**NO**	**NO**	**NO**
(S2) District heating	YES	YES	**NO**
(S3) District cooling	**NO**	**NO**	**NO**

TABLE 26
Data Used in Scope 1 and Scope 2 Calculation

E1 – 6: GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Emissions in Scope 1,2

The carbon footprint calculation for the year 2024 is based on the requirements of the GHG Protocol Corporate Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Organisational boundaries: The calculation of the carbon footprint includes the entire organisation, with the operational control approach applied for consolidation and reporting. This means that all emission sources within the organisation's control, where reduction measures can be implemented, are included in the calculation.

The organisational boundaries are defined with the following entities included in this report and subject to verification:
- Gorenje d.o.o.,
- Mora Moravia s.r.o.,
- Gorenje Valjevo d.o.o.

Emissions for other entities have been calculated in accordance with the same methodology.

Operational boundaries: The following scope 1 and scope 2 categories have been considered as material for the companies in the scope of verification (see Table 26).

Reporting period: The baseline year for GHG emissions reporting is 2023, and the report covers the period from January 1, 2024, to December 31, 2024.

We collect activity data from the energy management system where possible and continuously work to improve data accuracy for GHG reporting. We use recognised emission factor sources, prioritising official and industry standard databases, and have aligned these factors during the verification process to ensure accuracy and consistency in GHG calculations.

Results

	GORENJE D.O.O.	GORENJE VALJEVO D.O.O.	MORA MORAVIA S.R.O.	GORENJE ORODJARNA D.O.O.	IPC D.O.O.	ALL COMPANIES
Gross Scope 1 GHG emissions (tCO2e)	4,920	3,006	4,330	61	2,866	15,451
Gross location-based Scope 2 GHG emissions (tCO2e)	12,356	14,432	4,435	505	2,533	36,721
Gross market-based Scope 2 GHG emissions (tCO2e)	17,608	7,442	3,290	741	3,876	NA

TABLE 27
GHG Emissions Scope 1 and 2 [tCO2e]

	2024
11. Use of Sold Products	13.500.000
1. Purchased goods and services	1.600.000
Total scope 3	15.150.000

TABLE 28
GHG emissions scope 3 [tCO2e]

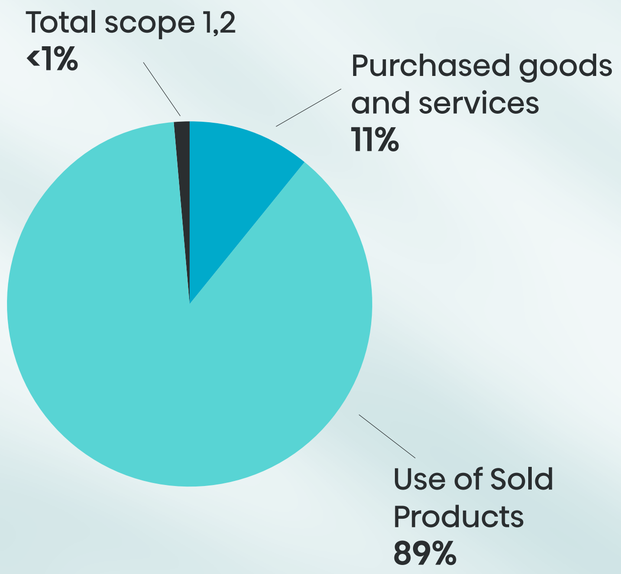


FIGURE 14
2024 Emission Distribution(Total Scope 1,2;Use of Products Sold)

Emissions along the value chain

Scope 3 emissions were calculated for all entities, with significant categories – use of sold products and purchased goods and services – primarily assessed for Gorenje d.o.o., Mora Moravia s.r.o., and Gorenje Valjevo d.o.o., taking into account the key product groups sold, while we continue to work on improving the accuracy of calculations.

Significant Scope 3 emissions primarily originate from the use of products sold, purchased goods (see Figure 14) and services, as well as capital goods and downstream end-of-life treatment. Current calculations are in the 30% confidence range while we are work to improve the data and calculations.

Total emissions

The distribution of total GHG emissions (Scopes 1, 2, and 3) is shown in Figure 14.

Intensity ratios are not available, as the figures in the financial report have not yet been audited. The intensity ratio will be included when the company is required to issue an integrated report.

E1 – 7: GHG REMOVALS AND MITIGATION PROJECTS FUNDED BY CARBON CREDITS

Hisense Europe does not engage in GHG mitigation projects funded by carbon credits.

E1 – 8: INTERNAL CARBON PRICING

Hisense Europe does not currently implement internal carbon pricing as part of its operations or sustainability strategy.

E2 Pollution

E2 – 1: POLICIES RELATED TO POLLUTION

Our Environmental, Health and Safety, and Energy Management Policy addresses our commitment to reduce air, water and soil pollution by reducing waste generation and the use of substances of concern and substances of very high concern. The policy was renewed last year and applies to all employees, agency workers, students/interns, legal representatives, and other stakeholders, as well as to all subsidiaries of the Hisense Europe and for all established business relationships.

To substitute and minimise the use of substances of concern, and phase out substances of very high concern, in particular for non-essential societal uses and in consumer products, our approach is based on impact. Our production companies prioritise managing waste due to their significant environmental impact. Waste is classified into secondary raw materials, hazardous waste, disposed waste, and other non-hazardous waste to ensure proper handling and full compliance with applicable legislation and environmental permits across all operations. Additionally, we have established a responsible chemicals management system that ensures the safe use, storage, and disposal of hazardous substances in accordance with legal requirements and best practice.

The monitoring of hazardous substances in technological processes and household appliances is an obligation that the company implements:

- by monitoring the consumption of F-gases and requiring reporting on the import of overfilled equipment containing F-gases to the relevant authorities.
- by controlling the content of substances restricted by the RoHS (Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment) Directive (declarations of conformity and testing conducted using accredited methods).
- by monitoring the presence of Substances of Very High Concern (SVHC) in accordance with the REACH (Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation, and Restriction of Chemicals) regulation, by implementing measures to control the presence of hazardous substances, and by submitting compliance declarations and notifications on components and devices containing SVHC substances to the Substances of Concern In Products (SCIP) database of the European Chemicals Agency (ECHA).
- by monitoring the selection of appropriate food contact materials (declarations of conformity and testing by authorized institutions).
- by monitoring suppliers for their up-to-date implementation of the CLP Regulation, reflected in updated safety data sheets.
- by approving chemicals in the SAP EHS module for the information support module.
- by meeting specific customer requirements.
- with the use of a new data management system for all substances that are to be focused on in the sustainable development of appliances.

ENVIRONMENT

To mitigate the negative impacts related to the pollution of air, water, and soil, including prevention and control, the Management is responsible for integrating the environmental policy into business operations. The Environmental Protection Department manages the environmental protection system at the Gorenje d.o.o., Mora Moravia s.r.o., and Gorenje Aparati za domaćinstvo d.o.o., Valjevo production sites. All employees are required to apply this policy where relevant. Concerns or potential breaches can be reported in accordance with the Whistleblowing Policy, ensuring full anonymity and immunity if requested. We prohibit retaliation against whistleblowers, and all incidents are investigated in accordance with Whistleblowing Policy.

To prevent incidents and emergencies, and when they do occur, to control and limit their impact on people and the environment, we have safety measures in place. These include specific measures, responsible persons, monitoring and measurement, improvement of conditions, and training and awareness raising for all stakeholders.

E2 – 2: ACTIONS AND RESOURCES RELATED TO POLLUTION

We are committed to preventing pollution across our operations, with a focus on air, water, and soil, by implementing actions and allocating resources in line with environmental regulations and our broader goal of reducing environmental and health risks.

We make sure that the substances used in our technological processes and household appliances comply with REACH, RoHS, Food Contact, and other relevant regulations. To minimise environmental impacts, we have implemented measures to reduce emissions into the soil and air, contributing to cleaner ecosystems and improved air quality. All our production sites – Gorenje, d.o.o., Gorenje Aparati za domaćinstvo Valjevo, d.o.o., and Mora Moravia s.r.o. – operate wastewater treatment plants that remove harmful substances before discharge, protecting both the environment and public health. To further enhance efficiency, we are evaluating the transition of discharge from the Central Wastewater Treatment Plant in Gorenje, d.o.o. to a municipal collector. In addition, we manage hazardous waste through sludge dehydration, which reduces both volume and environmental risk.

CASE STUDY

REPLACING CR6+ WITH CR3+

We have renovated our decorative chrome plating process at the Gorenje, d.o.o production facility by replacing toxic hexavalent chromium with a safer alternative – trivalent chromium – thus addressing health and environmental risks. The modified chrome plating process reduces health risks for our employees and the surrounding community while also lowering environmental impact, making it safer for the ecosystem.

CASE STUDY

ISO 14001

We have an ISO 14001 certified environmental management system in place at all our household appliance manufacturing sites. The Slovenian factories are included in the EMAS system, which represents an even higher level of corporate responsibility towards the environment. ISO 14001 serves as the foundation of our environmental protection efforts, providing a structured framework for managing environmental impact. This standard requires us to set clear objectives, continuously monitor performance, and implement measures to reduce resource consumption and emissions. By maintaining ISO 14001, we ensure compliance with environmental regulations while fostering a culture of continuous improvement in sustainability. This certification reinforces our commitment to minimizing our ecological footprint, enhancing operational efficiency, and promoting responsible environmental practices across our production processes.

The budget for pollution reduction initiatives is set annually in coordination with the relevant departments, ensuring adequate resource allocation for activities that address air, water, and soil contamination in compliance with applicable regulations and associated risk mitigation objectives.

E2 – 3: TARGETS RELATED TO POLLUTION

To address pollution, we have set specific goals and established KPIs to measure our progress. These KPIs provide clear, quantifiable metrics to gauge our performance in tackling pollution-related challenges. We are committed to diligently monitoring and tracking them in the coming years to ensure that our efforts are effective and deliver meaningful results.

The following targets are an integral part of our commitment to sustainability and environmental stewardship. Targets related to pollution are mandated by legislation. We have established goals and KPIs to measure the progress on each material matter, with regular monitoring and reporting to track developments and make necessary adjustments.

In terms of emissions control, we are committed to keeping emissions into the air within the legal requirements. This ensures that our operations do not contribute to air pollution beyond acceptable levels, helping to protect air quality and public health. Furthermore, we are currently working on establishing a system for measuring emissions into soil to improve monitoring and support future reduction efforts.

Our targets align with several EU regulations, including the Zero Pollution Action Plan, Waste Framework Directive, and Industrial Emissions Directive. By controlling emissions, we support sustainable pollution prevention and environmental protection, reinforcing our dedication to responsible operations.

E2 – 4: POLLUTION OF AIR, WATER AND SOIL

Our activities fall under the STM BREF (Surface Treatment of Metals and Plastics) from 2006. We ensure compliance with national environmental legislation, which aligns with the conditions set out in our environmental permit number 35432-154/2022-2550-11 (hereinafter referred to as the “Environmental Permit”).

Gorenje, d.o.o., based on our Environmental Permit, must ensure operational monitoring of emissions of substances into the air from stationary sources of pollution. Emission measurements have been conducted every 3 years since 2009 at established permanent measuring locations. These locations are sufficiently large, accessible, and equipped to ensure that the measurements can be carried out without hindrance. The measuring locations comply with the SIST EN 15259 standard. For measuring the state of waste gases and the concentration of individual substances in waste gases, CEN and ISO standards specified in the technical specification CEN/TS 15675 are used for the measurement methods. Measurements related emissions into the air (see Table 30) are carried out by an officially authorised external organisation.

PARAMETER	UNIT	MEASUREMENT METHOD	ANNUAL QUANTITIES	MEASUREMENT UNCERTAINTY
Undisolved substances	kg/year	SIST ISO 11923:1998	351.4	15.2 %
Settleable substances	kg/year	DIN 38409-H9-2:1980	/	up to 1 mL/L =+-0.1 from 1- 2 mL/L=51% from 2 do 10 mL/L=22.4% from 10 do 40 mL/L =15.8% from 40 do 100 mL/L= 16.5%
Toxicity to water fleas	kg/year	SIST EN ISO 6341:2013	48.585	31.4 %
Aluminium	kg/year	SIST EN ISO 11885:2009	2.891	10.0%
Copper	kg/year	SIST EN ISO 11885:2009	0.244	14.7%
Zinc	kg/year	SIST EN ISO 11885:2009	1.459	17.8%
Chromium	kg/year	SIST EN ISO 11885:2009	0.160	7.7%
Hexavalent chromium	kg/year	SIST ISO 11083:1996	0.000	up to 0.05 = 12.1% from 0.05 – 0.30 =7.5% >0.30 = 6.9%
Nickel	kg/year	SIST EN ISO 11885:2009	2.512	7.6%
Iron	kg/year	SIST EN ISO 11885:2009	7.282	16.2%
Ammonium nitrogen	kg/year	SIST ISO 7150-1:1996	126.324	8%
Nitrite nitrogen	kg/year	SIST EN 26777:1996	1.221	from 0.010 – 0.030 mg/L = 0.001 >0.030 – 1.0 mg/L = 4.6%

TABLE 29
Emissions to Water and Methodology Used

We also ensure the implementation of a periodic measurements of emissions of substances and heat to water from devices specified in the Environmental Permit. This includes 24-hour sampling at least 4 times a year or, in the case of batch discharges, at least once a year. The Environmental Permit also includes the emission limit values for substances in water and the Paka River. Data related to emissions to water (Table 29) is measured in an accredited laboratory using accredited standard methods listed in Table 29. Mora Moravia s.r.o. and Gorenje Aparati za domaćinstvo Valjevo, d.o.o. are not within the scope of the Industrial Emissions Directive (IED), which is why they are not required to report this information.

The annual pollutant emissions report is prepared in accordance with Annex II of Regulation (EC) No 166/2006 (European Pollutant Release and Transfer Register "E-PRTR Regulation"). This includes emissions into air, to water, and into soil, as well as off-site transfers of pollutants in wastewater and waste. According to this legislation, we report only exceedances. For the year 2024, we reported the quantities of waste, which are shown in Table 41. All the parameters within Annex II of Regulation (EC) No 166/2006 are measured in accordance with the accredited standards referred to in this chapter.

PARAMETER	UNIT	MEASUREMENT METHOD	ANNUAL QUANTITIES	MEASUREMENT UNCERTAINTY
Fluoride	kg/year	SIST EN ISO 10304-1:2009	83.149	up to 0.10 = 14.2% from 0.10 – 1.0 = 13.9% >10 = 13.6%
Phosphorus	kg/year	SIST ISO 6878:2004 tč.7	15.048	up to 0.040 = 7.2% >0.040 – 0.40 = 6.3% >0.40 – 40 = 7.0%
Sulfate	kg/year	SIST EN ISO 10304-1:2009	19,897.188	up to 0.10 = 7.3% from 10 – 25 = 7.3 % >80 = 7.3 %
Chemical oxygen demand (COD)	kg/year	SIST ISO 6060:1996	2,363.185	up to 30 mg O_2/L: 21.6% from 31 – 150 mgO_2/L: 13.0% from 151 do 500 mgO_2/L: 8.8% >500 mgO_2/L: 4.7%
Biochemical oxygen demand (BOD)	kg/year	SIST EN 1899-1:2000	846.697	up to 3 mg O_2/L: 31.3% from 3 – 300 mg O_2/L: 25.3%
Heavy volatile lipophilic substances	kg/year	SIST ISO 11349:2011	144.112	up to 5 = 30.4 % from 5 – 300 = 13.0%
Total hydrocarbons (mineral oils)	kg/year	SIST EN ISO 9377-2:2001	30.374	32.5%
Adsorbable organic halogens (AOX)	kg/year	SIST ISO 9562:2005	0.668	External laboratory (Eurofins ERICo Slovenija, d.o.o.)
Volatile chlorinated hydrocarbons (VCH)	kg/year	SIST EN ISO 10301:1998, sekc.3	0.083	External laboratory (Eurofins ERICo Slovenija, d.o.o.)

TABLE 29
Emissions to Water and Methodology Used

PARAMETER	UNIT	ANNUAL QUANTITY	MEASURING SITES ACCORDING OVD
Ammonia (NH_3)	kg	40.15648	MMZ81
		10.7136	MMZ1
		3.744	MMZ2
Chromium (VI) compounds – calcium chromate, strontium chromate, chromium(III) chromate, zinc chromate, expressed as Cr	kg	3.5611296	MMZ81
		5.334912	MMZ1
		0.410112	MMZ2
Nickel and its compounds, expressed as Ni	kg	2.4926016	MMZ81
		21.821184	MMZ1
		1.214208	MMZ2
		0	MMZ3
Organic compounds, expressed as total organic carbon (TOC)	kg	36.98176	MMZ27
		171.74896	MMZ36
		85.91176	MMZ37
		15.48	MMZ86
		75.156	MMZ87
		12.77792	MMZ88
		46.46304	MMZ89
		45.93744	MMZ90

PARAMETER	UNIT	ANNUAL QUANTITY	MEASURING SITES ACCORDING OVD
Total dust	kg	81.2736	MMZ1
		32.1984	MMZ2
		0	MMZ3
		32.39632	MMZ27
		22.31616	MMZ81
Nitrogen oxides (NO and NO2), expressed as NO_2	kg	301.63248	MMZ27
		2429.3046	MMZ97
		2264.17656	MMZ98
		528.33144	MMZ99
Fluorine and its compounds, expressed as HF	kg	61.45608	MMZ100
Diphenylmethane 4,4‘-diisocyanate	kg	0	MMZ87
Carbon oxides (CO)	Kg	396.69648	MMZ99
		1128.6986	MMZ97
		1071.5514	MMZ98
Sulfur oxides (SO_2 and SO_3), expressed as SO_2	kg	0	MMZ99

TABLE 30
Estimated Annual Emissions into Air in 2024

E2 – 5: SUBSTANCES OF CONCERN (SC) AND SUBSTANCES OF VERY HIGH CONCERN (SVHC)

Substances present in our products and reported in the SCIP database of the European Chemicals Agency (ECHA) are listed in Table 31. We disclose the maximum concentration range that may be found in specific components. Table 32 shows the SVHCs used in the production process that are not present in the final products. Relevant data is collected from our suppliers through a dedicated internal system used to obtain environmental and other compliance-related documentation.

In accordance with REACH and CLP regulations, the company does not currently disclose the total quantities of substances of concern (SC) used, generated, or released during production, nor those present in products. Due to data gaps and significant measurement uncertainty, precise quantification is not yet available. Efforts are underway to improve data accuracy through enhanced supplier reporting to support compliance with applicable regulations.

SUBSTANCES (CAS NUMBER AND NAME OF THE SVHC)	RANGE (%)
CAS:7439-92-1, Lead	> 0.1% w/w and ≤100% w/w
CAS:80-05-7, 4,4'-isopropyildenediphenol	> 0.1% w/w and <0,3% w/w
CAS:12060-00-3, Lead titanium trioxide	≥ 10.0% w/w and < 20.0% w/w
CAS:1319-46-6, Trilead bis(carbonate) dihydroxide	> 0.1% w/w and ≤100% w/w
CAS:12202-17-4; Tetralead trioxide sulphate	> 0.1% w/w and ≤100% w/w
CAS:1314-41-6; Orange lead (lead tetroxide)	> 0.1% w/w and ≤100% w/w
CAS:301-04-2; Lead di(acetate)	> 0.1% w/w and ≤100% w/w
CAS:20837-86-9; Lead cyanamidate	> 0.1% w/w and ≤100% w/w
CAS:62229-08-7; Sulfurous acid, lead salt, dibasic	> 0.1% w/w and ≤100% w/w
CAS:12036-76-9; Lead oxide sulfate	> 0.1% w/w and ≤100% w/w
CAS:10099-74-8; Lead dinitrate	> 0.1% w/w and ≤100% w/w
CAS:25550-51-0; Hexahydromethylphthalic anhydride	> 0.1% w/w and ≤100% w/w
CAS:1317-36-8; Lead monoxide (lead oxide)	> 0.1% w/w and <0,3% w/w
CAS:12626-81-2: Lead titanium zirconium oxide	> 0.1% w/w and ≤100% w/w

TABLE 31
SVHCs Reported in SCIP Database on ECHA Portal

SUBSTANCE	MASS (KG)
Hexavalent chromium (Cr^{6+})	925

TABLE 32
SVHC Used in the Production Process

E3 Water and marine resources

E3 - 1: POLICIES RELATED TO WATER AND MARINE RESOURCES

Water-related matters are addressed through our Environmental, Health and Safety and Energy Management Policy, including: (i) the use and sourcing of water in our operations, with continuous monitoring of water use and quality to ensure compliance with environmental standards; (ii) water treatment through on-site wastewater treatment facilities and internal water recycling measures as a step towards more sustainable water sourcing; and (iii) the prevention and abatement of water pollution through the use of innovative equipment and technologies aimed at minimising emissions to water and reducing environmental risks.

We are committed to improving operational efficiency and promoting the sustainable use of resources, including water, at all our facilities. We actively work to reduce water consumption by using innovative technologies, recycling water internally, and managing wastewater through our own treatment facilities. Consideration of water-related impacts is also integrated into the product development phase, in line with our internal product development rules, which require environmentally responsible design and the production of efficient household appliances.

The policy was renewed in 2025 and applies to all companies and all operations within the Group. It does not include a specific commitment to reduce water consumption in areas of high-water stress, as our production facilities are not located in such areas. It also does not address the sustainability of oceans and seas, as our operations are not located in marine or coastal environments.

E3 – 2: ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

As part of our commitment to water conservation, we have implemented measures to reduce water consumption across production lines, including the use of advanced technologies such as water-saving rinsing systems. For all water-related projects and activities, budgeting is planned within relevant departments to ensure appropriate resource allocation.

We maintain detailed water consumption records to monitor usage patterns and identify opportunities for reduction. Water meters are installed at main entry points and along production lines to enable accurate measurement and analysis. We have launched a pilot project on water reuse within our operations to explore opportunities for reducing water consumption and promoting sustainable water management. All our production facilities – Gorenje, d.o.o., Mora Moravia s.r.o., and Gorenje Aparati za domaćinstvo Valjevo, d.o.o. – are equipped with on-site water treatment plants to manage emissions into the environment.

Our production facilities are not located in areas identified as water risk zones, including regions of high-water stress, nor are they situated near seas or oceans. As such, no specific actions or resources are allocated to these areas.

E3 – 3: TARGETS RELATED TO WATER AND MARINE RESOURCES

We have set a voluntary target to achieve a 3% year-on-year reduction in water consumption per product. This target is supported by the defined KPIs and is integrated into our strategic and operational planning, with allocated resources, responsible persons, and deadlines.

To support this objective, we have launched a pilot project at our Gorenje, d.o.o. site aimed at increasing water reuse and thereby reducing overall water consumption. This initiative directly contributes to the prevention and control of water pollution by reducing wastewater volumes and the associated environmental risks.

These efforts help mitigate the risk of water scarcity, support operational stability, and prepare us for potential future regulatory requirements. Our water targets align with the EU Water Framework Directive and contribute to sustainable water management.

Water usage is regularly monitored to identify deviations and implement corrective actions. Awareness and training activities for employees and partners further support progress toward our targets

Our production facilities are not located in areas identified as water risk zones, including regions of high-water stress, nor are they situated near seas or oceans. As such, no specific actions or resources are allocated to these areas, as water-related risks and marine resource management are not considered material to our company.

E3 – 4: WATER CONSUMPTION

Water consumption data is partially monitored through the energy management system at our production sites and partially recorded manually from on-site meters at our Velenje facility in Slovenia. At Mora Moravia s.r.o. and Gorenje Aparati za domaćinstvo Valjevo, d.o.o., all data is recorded manually from on-site meters.

Total water consumption across production sites and the Group is presented in Tables 33 to 36. As our facilities are not located in water risk zones, including areas of high water stress, this aspect is not considered material and is therefore excluded from this report.

Financial data is not included in this year's report, as it is not integrated with financial reporting. This will be addressed in the next reporting cycle.

	2024	2023	2022
Total Water Consumption (m^3)	137,572	145,153	151,810
Recycled and Reused Water (m^3)	0	0	0
Stored water (m^3)	0	0	0

TABLE 33
Water Consumption at Gorenje, d.o.o.

	2024	2023	2022
Total Water Consumption (m^3)	35,949	36,841	26,756
Recycled and Reused Water (m^3)	0	0	0
Stored water (m^3)	800	0	0

TABLE 34
Water Consumption at Mora Moravia, s.r.o.

	2024	2023	2022
Total Water Consumption (m^3)	26,700	22,800	33,213
Recycled and Reused Water (m^3)	0	0	0
Stored water (m^3)	0	0	0

TABLE 35
Water Consumption at Gorenje Aparati za domaćinstvo Valjevo, d.o.o.

	2024	2023	2022
Total Water Consumption (m^3)	269,700	255,749	211,779

TABLE 36
Water Consumption in the Hisense Europe

E5 Resource use and circular economy

E5 – 1: POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Environmental, Health and Safety and Energy Management Policy reflects our commitment to the responsible use and management of materials, components, chemicals, and waste across all business processes. In line with circular economy principles, we are actively transitioning away from the use of virgin resources by increasing the share of recycled input materials, such as internally processed polymer waste, provided product durability is not compromised. We ensure that materials and components comply with stringent environmental standards and integrate eco-design principles throughout the product life cycle.

The policy also supports the sustainable sourcing and use of resources by promoting recyclability, improving product reparability, and implementing product return and recovery programmes. Our internal rules on product development further reinforce these goals by requiring the definition and calculation of recycled content, repairability, and the integration of sustainable development principles into the design process. These efforts apply across both the upstream and downstream value chain, ensuring that sustainability considerations are embedded from sourcing and production to end-of-life product management and recovery processes. Through life cycle analysis and circular business models focused on reuse, refurbishment, and recycling, we aim to minimise environmental impacts and contribute to a more sustainable economy.

Both the Environmental, Health and Safety and Energy Management Policy and the Product Development Policy were updated last year to more explicitly incorporate circular economy principles.

E5 – 2: ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

For resource use and circular economy projects, the budget is planned in collaboration with multiple departments to ensure adequate funding and support.

Sustainable product design

In 2023, we started to rethink and adapt the design of the appliances we produce, taking into account the guidelines for their disassemblability. The aim of the project is to improve the ability of the appliances to be integrated into the circular economy. By removing decorative elements, using cleaner materials, prioritizing disassembly joints and reducing material consumption, we are reducing production and service costs, making appliances more easily recyclable and allowing for their recovery and reuse. A repairability assessment methodology is also being developed, based on the EN 45554:2020 standard, which will enable the quantification of product repairability and degradability.

Alternative materials

In 2024, we launched two projects aimed at reducing the carbon and environmental footprint of our appliances. The first focuses on testing recycled plastic materials in specific product components. The second is a pilot project for closed-loop production, where we aim to recover materials from the market and reuse them.

Carbon footprint calculation

In 2024, we launched a project to calculate the carbon footprint of a representative product from each of our main categories: cooking, refrigeration, laundry, and dishwashing. The calculation is based on the GHG Protocol – Product Life Cycle Accounting and Reporting Standard. This comprehensive approach helps us better understand and mitigate the environmental impact of our products throughout their lifecycle.

Energy efficiency

One of the key ongoing development priorities is to increase the energy efficiency of appliances. This involves improving the characteristics of appliances in accordance with the energy labels. At the same time, in 2023, we have focused on developing solutions for monitoring appliance consumption through our own mobile app, which allows appliances to be connected and is primarily designed for remote use. A key feature offered by the app is also to raise user awareness of how to reduce appliance consumption and use appliances more efficiently. This feature is already being addressed through the user support available within the app, with ongoing development focused on consumption display and monitoring solutions, which will soon be available to users.

As part of our commitment to sustainability and environmental stewardship, we have introduced the GreenTouch line of home appliances. These appliances are designed to significantly reduce resource consumption and enhance recyclability, aligning with our goals for a circular economy. GreenTouch appliances are engineered to save up to 68% of electricity, contributing to lower operational costs and supporting our sustainability objectives. Our washing machines and dishwashers use up to 45% less water and detergent, and reduce

energy consumption by 40% compared to the industry standard for A-class appliances, thereby reducing environmental impact and promoting efficient use of resources. Additionally, up to 95% of the materials used in GreenTouch appliances is recyclable, minimizing waste and supporting our circular economy initiatives.

The SteamAssist feature in our ovens helps reduce food waste by ensuring optimal cooking results through the injection of steam during the baking process. The AdaptTech system in our fridge freezers maintains a constant temperature, reducing energy consumption and ensuring food freshness by adapting to user habits. The SmartDosing feature in our dishwashers automatically dispenses the correct amount of detergent for up to 20 washing cycles, supporting efficient resource management.

Development of recyclable packaging

The development of recyclable packaging involves the development of alternative packaging solutions to replace EPS, with packaging being developed for all major household appliance categories. The key challenges slowing down the implementation of such packaging pertain to higher production costs, achieving high in-house durability testing requirements for packaging to prevent transport damage, while also meeting regulatory requirements that vary by country, thus increasing the complexity of packaging production.

User manuals optimisation

The optimisation of user manuals is a project aimed at gradually introducing dual user manuals, a shorter printed version and a longer digital one. We provide all the necessary information on safety precautions, the installation and basic use in the shorter printed version that comes with the appliances. The longer version, which users can access via a link in the printed manuals, and which is available in digital format, provides all the additional information. This ensures that customers have access to all the information they need, while reducing production costs and the environmental impact resulting from material consumption and waste.

European and national projects that enhance our circularity

CIRCTHREAD: BUILDING THE DIGITAL THREAD FOR CIRCULAR ECONOMY

The main objective of the CircThread project is to unlock access to data currently held in silos and to enhance it as decision support information for actors across and outside the extended product life cycle. To achieve this, CircThread will deliver a Circular Digital Thread methodology, a framework for facilitating information flow exchanges across the extended life cycle chain of products, components, their material and chemical data, and the related circularity, environmental, social and economic information.

The core is to establish data links between product, value, asset and life cycle chains based on a product information catalogue and enable information exchange via data contracts governed by secure and reliable management standards. The project will implement the system in cloud platforms in 3 demonstration clusters in Italy, Slovenia and Spain, which will be rolled out across the entire extended life cycle chain of household appliances (including washing machines and dish washers) and home energy systems (including boilers, solar-PV systems and batteries) to test 7 circularity use cases and associated business models.

INSPIRES: INTELLIGENT AND SUSTAINABLE PROCESSING OF INNOVATIVE RARE-EARTH MAGNETS[1]

The overall objective of INSPIRES is the development and industrial scale implementation of the circular, intelligent and sustainable recovery and processing of REE magnets extracted from EOL household appliances.

There is a strong need to implement Rare-Earths recycling technologies in large-scale systems. The INSPIRES project aims to recover and supply Rare-Earths within the EU through radical innovations in the recycling of permanent magnets, focusing on one of the most readily available sources: household appliances. INSPIRES will optimise methods at industrial scale for sustainable extraction and recycling, and the use of recycled magnets in new motors.

1 The project is partly co-financed by EIT Raw Materials GmbH in cooperation with the European Union

EUROPEAN AND NATIONAL PROJECTS THAT ENHANCE OUR CIRCULARITY

WEEE NET9

WEEE-NET: IMPROVING CRMS EXTRACTION CAPACITIES IN RIS WEEE RECYCLING[2]

WEEE-NET will improve the capacity of WEEE value chains in the RIS region to recover CRMs by transferring innovative technological solutions and know-how to key players in the region. The partners will: a) set up a novel WEEE recycling business ecosystem in SI, HU, GR, PL, CZ, RO, b) infuse it with an innovative mixture of gravitational, hydro- and bio-metallurgical technologies, and c) stimulate business development and R&D by providing direct support services to RIS market players.

2 The project is partly co-financed by EIT Raw Materials GmbH in cooperation with the European Union

LEAP: LEARNING AND DEMONSTRATION ALLIANCE FOR DESIGNING AND MANUFACTURING SUSTAINABLE INDUSTRIAL PACKAGING FROM ALTERNATIVE LIGNOCELLULOSIC BIOMASS[3]

The aim of the LEAP project is to develop the next generation of advanced functional packaging that incorporates the biomass of non-native invasive plants and enables the production of new highperformance packaging solutions. The project focuses on the problem of industrial packaging of heavier industrial products, for which there are currently no alternatives to EPS packaging. The project is therefore necessary, as it focuses on a sustainable transition to the circular economy based on biodegradability, reducing the consumption of raw material resources and at the same time addressing the problem of recycling waste from non-native invasive plants (Directive (EU) 2019/904).

Specific objectives of the project:

- Establishment of a circular business model for the design and manufacture of industrial packaging from alternative cellulose fibres.
- Establishment of a learning and demonstration alliance to disseminate knowledge for industrial packaging design based on alternative cellulose fibres
- Demonstration of a developed circular business model for household appliance packaging made from alternative cellulose fibres.

3 Partially financed by Norway grants

DICIM: DIGITALISED VALUE MANAGEMENT FOR UNLOCKING THE POTENTIAL OF THE CIRCULAR MANUFACTURING SYSTEMS WITH INTEGRATED DIGITAL SOLUTIONS[4]

The aim of the DiCiM project is to develop a set of integrated digital solutions that makes use of Internet of Things (IoT), Machine Learning (ML) based Artificial Intelligence (AI), Big Data, Image Processing and Augmented Reality (AR) to support different actors within the industrial value chain such as managers, engineers and operators in their decision-making and to carry out value recovery activities for the circular economy.

In particular, it focuses on integrated digital solutions to enable condition monitoring during the use phase, optimize reverse logistics, and achieve efficiency and responsiveness in the value recovery activities (i.e. collection, inspection, sorting, disassembly, testing and repairing/refurbishing/remanufacturing/recycling) to enable the reuse of products, parts and materials. The DiCiM project will demonstrate integrated digital solutions in four use cases in three industrial sectors that represent over two thirds of the European economy. They include white goods (e.g. refrigerators, washing machines), electronics (e.g. printers) and the automotive sector.

4 This project has received funding from the European Union's Europe programme under Grant Agreement No. 101091536

INCIRCULAR

INCIRCULAR: INTEGRATING CYBERNATED INNOVATION TO RAISE THE SCALE OF CIRCULAR UNITS LOOPING ALLIED REGIONS[5]

Plastics production and end-of-life processes cause siginficant damage to the environment. Innovative solutions are needed to develop new types of plastics that are environmentally friendly while maintaining the technical properties and cost efficiency that are similar to petroleum-based plastics currently on the market. The goal: reaching second-life raw materials from 100% recycled plastics. In addition, new technologies are needed to be able to use this second-life raw material in the traditional production chains of the plastics production sector. Producing plastics that have a lesser impact on the environment will provide support for the sector that is currently being perceived particularly critically by end users. 2/ Industrial Symbiosis: scaling INCIRCULAR. INCIRCULAR brings together three regional ecosystems involving complementary capabilities in a holistic demonstration project meant to scale up a unique process technology implemented in Slovenia, while sourcing technologies from Spanish and French regions (process/digital twinning). INCIRCULAR thus enables cross-regional tech transfer through TRL6 to 9, in support to the setup of an interregional circular ecosystem that will scale at the EU level. From a technological standpoint: 1. Demonstrate the production of bioplastic sourced 100% from recycled plastic, 100% recyclable and presenting technical properties similar or better to current petro-plastics. This is based on the demonstration (TRL6 to TRL9) of a R&D process developed by TECOS (SI), in collaboration with an innovative SME (ES) and meant to be installed and deployed at the Gorenje industrial site (SI). 2. Integrate this new second-life material directly into the production chain at the Gorenje site by collaborating with Omaplast (SI) which will collect, sort, and recycle on site. The innovative integration of the digital twinning of plastic injection moulding developed by two SMEs (FR) is necessary to ensure the production.

5 This project has received funding from the European Union's Europe programme under Grant Agreement No. 101114988

CREDIT: CIRCULARITY AND REMANUFACTURING-ENABLING DIGITAL TWINS[6]

The CREDIT project will address current challenges in circular remanufacturing by adopting a human-centered innovation approach, focusing on the digitalisation of assets (A), creating multi-layered Digital Twins (B), and developing an open-source-based distributed ICT platform (C), which allows for seamless data management and complex DT implementation. Additionally, a range of digital services enabling remanufacturing (D), including AI-based decision support systems, DLT-based traceability and quality control, predictive maintenance, and general support tools for remanufacturing operations, such as Augmented Reality, will be integrated. Alongside these technologies and tools, a comprehensive upskilling and education methodology (E) will be developed to ensure the factory site reaches the appropriate level of maturity. Five diverse business cases in the white goods, telecommunications, aerospace, and automotive sectors have been designed based on their relevance and potential for broad impact. These use cases will be co-created with stakeholders in accordance with the social innovation methodology to ensure that the specific objectives and technologies align with end users' needs. By providing an operational environment, these use cases will serve as the foundation for achieving the final TRL7 and demonstrating the platform's adaptability and potential for deployment in various industrial sectors. This will be consolidated through a scaled replicability study. The project's far-reaching impact will affect a broad range of target groups, leading to a more sustainable, efficient, and socially responsible future for the manufacturing industry. CREDIT will generate economic benefits such as increased efficiency, reduced production costs, and enhanced competitiveness, while addressing environmental concerns by reducing waste, lowering carbon emissions, and minimizing raw material consumption. This aligns with the EU's green manufacturing and sustainability targets.

6 This project has received funding from the European Union's Europe programme under Grant Agreement No. 101138182

EUROPEAN AND NATIONAL PROJECTS THAT ENHANCE OUR CIRCULARITY

CIRPASS-2

The CIRPASS-2 project, funded by the European Commission through the Digital Europe Programme, aims to advance the deployment of the Digital Product Passport (DPP) to support a circular economy in sectors like textiles, electronics, tires, and construction. Building on its predecessor project, CIRPASS-2 will demonstrate the DPP's functionality in real-world environments to enable sustainable practices such as reuse, repair, and recycling. This aligns with the EU's green transition goals and upcoming regulations for sustainable industry practices.

The project will implement 13 "lighthouse" pilots across various industries to validate the DPP's effectiveness, interoperability, and scalability, aiming to establish a standardized system for data collection, management, and sharing throughout a product's lifecycle. This system will allow businesses and consumers to transparently track materials and products.

To ensure wide-scale adoption, CIRPASS-2 includes expert working groups, active stakeholder engagement, and extensive community outreach efforts. By involving small and medium-sized enterprises (SMEs) and supporting knowledge-sharing, CIRPASS-2 seeks to make DPP information accessible and relevant. This project marks a significant step toward a sustainable, interconnected European economy, where products are traceable, resources are reused, and environmental impact is minimised.

E5 – 3: TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Our targets are designed to address resource inflows and outflows, including those related to waste, products, and materials.

Increase of Circular Product Design: We are committed to enhancing the durability, reparability, and recyclability of our products. Our appliances are tested for a life cycle of at least 10 years for mid-range products and 15 to 20 years for premium products, specifically in the laundry and dishwashing segments, and at least 5 years for cooking appliances in both the mid and premium ranges. In 2025, we will complete a Life Cycle Assessment (LCA) for one appliance per product group.

Increase of Circular Material Use Rate: We have set clear long-term goals to promote the reuse of materials and components, extending their life cycle and reducing waste. Our focus is on gradually increasing the integration of reused components from earlier product platforms into new premium products, as well as into production and after-sales services. To support these efforts, we are preparing to launch a pilot refurbishment centre as a first step towards scaling up circular practices. These initiatives are backed by defined internal targets and timelines, guiding our progress toward a more resource-efficient and circular product strategy.

Minimisation of Virgin Non-Renewable Raw Materials: We are actively working to implement recycled and alternative plastic materials across our product portfolio. As part of this effort, we launched a project focused on increasing the share of recycled content in our products. Extensive testing of materials is a core part of this process aimed at ensuring that the use of recycled or alternative inputs does not compromise product quality or performance. Looking ahead, we are committed to significantly increasing the use of recycled and alternative materials in our premium brand products, further reducing reliance on virgin non-renewable raw materials and supporting the transition to more sustainable and circular resource use.

Waste Management: The targets for increasing circular product design and circular material use rate directly relate to waste management. By designing products for longer life cycles, improving repairability, and reusing components, we reduce the amount of waste generated. Establishing a pilot refurbishment centre and ensuring high recyclability of materials contributes to proper waste treatment and management, aligning with our commitment to sustainability and environmental protection. Our target is also to establish a centre for material recycling, focusing on post-industrial materials from our own operations and post-consumer materials from our own products.

As a Group, we are committed to reducing the amount of waste generated by our operations and have set targets. We aim to reduce the amount of hazardous waste per product by 4% year-on-year. Similarly, we aim to reduce the quantity of non-hazardous waste per product by 4% year-on-year. The goal is to recover 99% of all waste generated, ensuring that it does not end up in a landfill. This ambitious target underscores our dedication to achieving near-zero waste to landfill. We are also pursuing Zero Waste to Landfill certification, with the goal of obtaining it to further validate our waste management efforts.

The targets described in this chapter also align with the waste hierarchy, which we have defined in our Waste Management Plan as follows: prevention, reuse, recycling, other recovery processes, and disposal, thereby promoting sustainable living and contributing to the circular economy (Table 37). Circular Product Design focuses on reuse and preparation for reuse by extending product life cycles and improving repairability. Circular Material Use Rate also emphasises reuse and preparation for reuse by reusing components. Minimisation of Virgin Non-Renewable Raw Materials targets recycling by using recycled and alternative materials.

E5 – 4: RESOURCES INFLOW

We track the mass balances of all material flows in detail to achieve full traceability and visibility of our impacts on the environment. Raw materials used in the production of household appliances include sheet metal, plastic granules, electrical components, chemicals, and packaging materials (cardboard, wood, plastic). We do not currently have complete data on Critical Raw Materials (CRM) and rare earth elements, so we are not including them in this report. The outputs of the material balance include products (household appliances), waste, as well as emissions to water and into air (Table 38).

The data required for the calculation of the material mass balances for Mora, s.r.o. and Gorenje Valjevo, d.o.o. is incomplete; therefore, we will not report it this year.

TARGET	WASTE HIERARCHY LAYER	DESCRIPTION
ESRS E5 – 3 Targets related to resource use and circular economy	Prevention	Implementing measures to minimise waste generation at the source, such as optimising production processes and reducing material use through the circular design of our products
	Reuse	Circular product design, Increase of circular material use
	Recycling	Establishing a centre for recycling post-consumer materials (from own products) or post-industrial materials (from own production)
	Disposal	

TABLE 37
Waste Hierarchy Layers

	(t)	(%)
Input raw materials	113,189.83	100
OUTPUT		
Products	94,603.00	83.58
Metal Secondary Raw Materials	12,132.73	10.72
Non-Metal Secondary Raw Materials	5,743.34	5.07
Landfilled Waste	9.92	0.01
Non-Hazardous Waste (Other)	335.32	0.30
Hazardous Waste	204.40	0.18
Construction Waste	159.98	0.14
Emissions to Water	0.348	0.00031
Emissions into Air	0.83	0.0007

TABLE 38
Material Mass Balances for Gorenje, d.o.o. for 2024

E5 – 5: RESOURCES OUTFLOW

The expected durability of our major household appliances under the Gorenje, Hisense and ASKO brands is a key focus area for our company. Our products are designed to last for an average of 10 years for the Gorenje and Hisense brands, and 20 years for the ASKO brand. This underscores our commitment to providing durable and reliable appliances to our customers.

Several factors contribute to the durability of our products. We use high-quality materials and advanced manufacturing processes, ensuring that each appliance meets rigorous quality control standards. Additionally, we also implement very rigorous internal quality control during the development of new appliances, with improved design features, and enhanced testing protocols, all aimed at further enhance product longevity.

The expected durability figures are based on comprehensive testing methods, including accelerated life testing and real-world usage data. These methods provide a reliable estimate of how long our appliances will perform effectively under normal usage conditions. The data on the industry average was obtained from reputable sources, including industry reports, market research, and competitor analysis, ensuring that our comparisons are accurate and relevant.

With our sustainable design direction, we are contributing to the use of materials with a lower environmental impact within our products, ensuring that our appliances are easy to repair and disassemble.

We are committed to promoting sustainability and transparency in our products. To achieve this, we calculate the Repairability and Durability index for our products. The reparability and durability index for appliances is calculated in accordance with the EN 45554: 2020 standard. The product line business management creates a calculation request in the SAP system. The final calculation is created based on the characteristics of the product. This index, scored out of 10, evaluates the ease of repair based on five key criteria: availability of repair documentation, ease of disassembly, availability of spare parts, price of spare parts, and the specific criteria relevant to each product category. By adopting this standardised approach, we aim to provide consumers with clear and reliable information, encouraging more sustainable purchasing decisions and supporting a circular economy.

With the implementation of a standardised method according to the EN45554:2020 standard, we can define the ability of

PRODUCT	RECYCLABILITY RATE OF APPLIANCES %
Gas hob	74 – 96
Glas-ceramic hob	34 – 37
Induction hob	4 – 40
Freestanding cooker	60 – 72
Built in oven	59 – 70
Dishwasher	63 – 76
Washing machine /Tumble dryer	71 – 74
Refrigerator	64 – 67
Refrigerator-Freezer	71 – 81
Freezer	74
Wine climate cabinet	60 – 72
Chest freezer	77

TABLE 39
Recyclability Rate Ranges Across Our Product Groups

products to be repaired, the ability of products or parts to be reused and the ability of products to be upgraded. This allows us to gain a better understanding of all factors involved in the development of new products and platforms, ensuring that product designs are optimised for later repair, reuse or upgrade.

The recyclability rate of appliances in France is also governed by the French Anti-Waste Law for a Circular Economy (AGEC), specifically under the provisions of Decree No. 2022-748. This decree outlines the criteria for assessing the recyclability of products. Data on material composition was sourced from suppliers and based on our material requirements (in certain cases). Where data was not available, estimates were made based on historical data. Table 39 presents the range of recyclability rates for our product groups.

Due to the lack of data from suppliers, it was not possible to calculate the recycled content in our appliances and packaging. Therefore, we will not report the recycled content in our appliances and packaging this year. However, we aim to obtain accurate data for this calculation in the future.

In accordance with the Environmental Permit, our company is obligated to temporarily store waste in a manner that does not endanger human health or harm the environment. We are required to store waste separately by type to comply with the requirements for its intended method of further handling, and it must be labelled with the waste name and code (Table 40). We are also obligated to temporarily store hazardous waste separately to prevent mixing with other hazardous waste types and to handle it in a manner that ensures it is suitable for treatment. In accordance with the Environmental Permit, we are required to keep records of waste generation and management, including data on waste codes and quantities (Tables 41–44).

Waste quantity data is collected by weighing all waste before it leaves the company and recording it on record sheets by the responsible person in the Environmental Protection Department.

CLASSIFICATION	NAME	WASTE TREATMENT TYPE*		
		GORENJE, D.O.O.	MORA VALJEVO, S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
06 02 01*	Calcium hydroxide	D10		
06 03 13*	Solid salts and solutions containing heavy metals	D10		
07 02 13	Waste plastic	R		R
08 01 11*	Waste solvents	D10	D10	
08 01 12	Powder coating	D10		
08 01 14	Sludge from paints and varnishes	D10		
08 01 17*	Waste from paint or varnish removal containing organic solvents		D10	
08 01 21*	Waste paint or varnish removers		D10	
08 02 01	Powder coating			D10
08 02 02	Water sludges containing ceramic materials		D1	
08 03 12*	Waste printing inks containing hazardous substances		D10	
08 03 18	Waste printing toners	R		R
08 04 09*	Waste adhesive	D10	D10	D10
08 05 01*	Waste isocyanate			D10
11 01 07*	Bases	D10		
11 01 09*	Waste sludge	D10		
11 01 98*	Waste containing hazardous substances	D10		
12 01 01	Iron filings and shavings	R	R	
12 01 02	Iron dust and particles	R		
12 01 04	Non-ferrous metal dust and particles	R		R
12 01 05	Plastic fragments and shavings	R		D1
12 01 09*	Waste machining emulsion	D10		
12 01 20*	Used abrasive tools and materials containing hazardous substances		D10	
13 01 05*	Non-chlorinated emulsion	D 10	D10	
13 01 10*	Waste oil		R	R
13 02 05*	Waste machining oil	R	R	
13 02 08*	Other motor, gear, and lubricating oils		D10	
13 05 02*	Sludge from oil separators		D9	
13 05 03*	Sludge from oil separators	D10	D10	
13 05 07*	Oil-contaminated water	D10	D9	
14 06 03*	Solvents and solvent mixtures	D10	D10	
15 01 01	Paper and cardboard packaging	R	R	R
15 01 02	Plastic packaging	R	R	R
15 01 03	Wooden packaging	R	R	R
15 01 06	Mixed packaging	R	R	
15 01 07	Glass packaging		R	
15 01 10*	Packaging containing hazardous substances	D10	D1	D10
15 01 11*	Waste pressure bottles	D10		D10
15 02 02*	Waste oily rags and filters	D10	D10	D10
15 02 03	Non-oily rags and gloves		D10	D10
16 01 07*	Oil filters	D10		
16 02 13	Discarded equipment	D10		
16 02 14	Waste oil-free compressors	R		R
16 02 15*	Waste capacitors			D10
16 02 16	Sheet metal with polyurethane and plastic (insulated housings and refrigerator doors)	R		R
16 03 03*	Inorganic waste, hazardous	D10		
16 03 04	Inorganic waste	D10		
16 03 05	Waste polyol			D10
16 03 06	Organic waste	D10		

TABLE 40
Generated Waste Name and Code

CLASSIFICATION	NAME	WASTE TREATMENT TYPE*		
		GORENJE, D.O.O.	MORA VALJEVO, S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
16 05 06*	Laboratory chemicals	D10		
16 05 07*	Discarded inorganic chemicals that are or contain hazardous substances		D11	
16 05 08	Discarded organic chemicals that are or contain hazardous substances		D10	
16 06 01*	Lead batteries			R
16 07 09*	Waste containing other hazardous substances	D10		
16 10 01*	Waste aqueous solutions	D10		
16 11 06	Linings and refractory materials	D1		
17 01 07	Mixture, concrete, tiles	R		
17 04 05	Iron and steel		R	
17 05 04	Soil and stones	D1		
17 05 06	Insulating materials	D1		
17 06 04	Insulating materials not mentioned under 17 06 01 and 17 06 03		D10	
17 09 04	Mixed construction waste	D1		
18 01 04	Waste arising from infection	D10		
19 02 05	Sludge from physico-chemical treatment containing hazardous substances		D9	
19 08 13*	Waste sludge			D10
19 12 02	Ferrous metal waste			R
19 12 03	Aluminium			R
20 01 25	Edible oils and fats		R	
20 01 01	Paper and cardboard	R		
20 01 02	Glass	R		R
20 01 21*	Waste fluorescent tubes	R		R
20 01 23*	Waste EEE (Electrical and Electronic Equipment)	R		
20 01 33*	Batteries and accumulators	R		
20 01 35*	Waste EEE	R		R
20 01 36	Waste OEEO	R		R
20 01 38	Waste wood	R		
20 01 39	Plastics		R	
20 01 40	Metals			R
20 02 01	Biodegradable waste	R		
20 03 01	Mixed municipal waste	D1	D1	
20 03 03	Waste from street cleaning	D1		
20 03 07	Bulky waste	D1	D1	

*SOURCE "UREDBA O ODPADKIH UL RS 77/22 AND 113/23"

TABLE 40
Generated Waste Name and Code

	GORENJE, D.O.O.	MORA VALJEVO, S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
Total weight of products and materials used to manufacture products and services, including packaging [t]	96,797	28,405,477.7	
The weight (in both absolute value and percentage), of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products (including packaging) [t]	/	3,368	/
Total amount of waste generated [t]	18,090	4,434	4,690.032
Hazardous waste [t], diverted from disposal	315	724.7925	46.404
Non-hazardous waste [t] diverted from disposal	17,455	3,709.207	4,643.628
Hazardous waste [t], directed to disposal	0	724.7925	/
Non-hazardous waste [t] directed to disposal	61.7	3,709.207	/
Total amount of waste [t] directed to disposal	61.7	4,434	/
Total amount of waste, directed to disposal, with following waste treatment type: incineration	/	0	/
Total amount of waste, directed to disposal, with following waste treatment type: landfill	/	15.13	/
Total amount of waste, directed to disposal, with following waste treatment type: other disposal operations	160	1,050.87	/
The total amount and percentage of non-recycled waste	3.5 %	1,066/24%	/

TABLE 41
Waste Generation at Production Sites for 2024

	2024	2023	2022
Total amount of waste generated [t]	18,090	15,981.67	16,644
Amount of hazardous waste generated [t]	315	125.25	123
Amount of non-hazardous waste generated [t]	17,455	15,856.39	16,521

TABLE 42
Waste Generation Over the Years at Gorenje, d.o.o.

	2024	2023	2022
Total amount of waste generated [t]	4,434	3,869	4,011
Amount of hazardous waste generated [t]	724.7925	674	740
Amount of non-hazardous waste generated [t]	3,709.207	3,195	3,271

TABLE 43
Waste Generation Over the Years at Mora Moravia s.r.o.

	2024	2023	2022
Total amount of waste generated [t]	4,690.032	15,127	3,640
Amount of hazardous waste generated [t]	46.404	14,064	28
Amount of non-hazardous waste generated [t]	4,643.628	1,063	3,612

TABLE 44
Waste Generation Over the Years at Gorenje Aparati za domaćinstvo Valjevo, d.o.o.



3 Social

EFFICIENCY IN ACTION, PEOPLE AT HEART

Our approach to social responsibility is founded on the principle that significant impact is achieved through deliberate and efficient actions. We prioritize the well-being, development and safety of our employees while building strong, inclusive communities. Through smart initiatives and responsible practices, we strive to generate enduring value for our employees, partners and society as a whole.

S1 Own workforce

S1 - 1: POLICIES RELATED TO OWN WORKFORCE

At Hisense Europe, we are committed to upholding the highest standards of social responsibility and ethical conduct. As part of this commitment, we have chosen to comply with the SA8000 standard, an internationally recognised framework for ensuring fair and decent working conditions.

Labour Policy defines our principles for the protection of human rights, covering health and safety management, working conditions, career management, social dialogue, prohibition of child labour, forced labour and human trafficking, the prevention of discrimination – including on the grounds of race and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulations and local legislation – the prevention of sexual and other forms of harassment and mobbing in the workplace, ethical disciplinary practices, employee engagement, and measures to provide remedy for any violations.

Our labour policy is guided by key international and regional frameworks, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. We also comply with EU directives – 2000/78/EC, 2006/54/EC, 2011/36/EU, 2011/93/EU, and 94/33/EC – ensuring fairness, equality, and respect for human and labour rights across all aspects of our operations.

The policy is structured in accordance with the corporate responsibility to respect human rights. It defines the responsibilities of both the company and employees to avoid causing or contributing to human rights violations, address adverse impacts and to conduct human rights due diligence. The policy also sets out a clear due diligence process to identify, prevent, mitigate, and account for potential and actual adverse human rights impacts.

Particular attention is paid to rights that are considered to be at higher risk in business operations, including the right to just and favourable conditions of work – such as safe and healthy working conditions, fair wages, and equal remuneration for work of equal value – the right to rest and reasonable limitation of working hours, the right to form and join trade unions and to engage in collective bargaining, the prohibition of child labour and the elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment and occupation, and the right to equality before the law and protection against cruel, inhuman or degrading treatment.

This policy applies to all employees, agency workers, students and interns, legal representatives, and other stakeholders, as well as to all Hisense Europe subsidiaries and all established business relationships. Although it applies equally to all, particular attention is paid to vulnerable groups, such as persons with disabilities, in line with our commitment to inclusivity and equal opportunity. While no separate commitments are outlined for these groups within this policy, mechanisms are in place to support their employment and active participation – see the dedicated section on persons with disabilities for more information.

The policy was reviewed once this past year, during which we further defined our principles, aligned with the requirements of the SA8000 standard, and formalised the due diligence process in more detail.

S1 - 2: PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

All employees have the right to form, join, and organise trade unions of their choice and to bargain collectively. We fully respect this right and ensure that union members are not subjected to discrimination or retaliation.

Social dialogue is a fundamental element of cooperation and communication between social partners. At Hisense Europe, its primary purpose is to raise mutual awareness on key issues and ensure continuous information exchange with employees. We have signed collective bargaining agreements in countries where our factories are located, covering a wide range of rights, interests, obligations, and responsibilities. In other countries, where no collective bargaining agreements exist, local legislation sets out the minimum requirements for social dialogue, which are further detailed in internal regulations.

We recognise both the Workers' Council and the Social Council as key institutional mechanisms for the promotion of quality social dialogue. Workers' Council representatives are elected by employees and usually meet monthly. Minutes of the meetings are documented and shared with employees to ensure transparency. The meetings include the collection of suggestions, concerns, and initiatives from employees. Each item is assigned a deadline by which management must respond. This process is monitored continuously, and the minutes are recorded by a dedicated staff member from the legal department, who also ensures that management responds appropriately.

The Social Council, where established, operates in line with the company's collective bargaining agreement. It oversees the implementation of provisions from the agreement and addresses other significant matters affecting employees.

In addition to formal structures, the employer organises quarterly management–worker meetings to facilitate direct dialogue. These meetings provide an open platform for employees to raise questions or concerns without the need for intermediary representatives.

Group companies certified according to the SA8000 social accountability standard have established additional bodies, including the Health and Safety Committee and the Social Performance Team, which focus on ensuring compliance with health, safety, and broader working condition standards. These committees operate in accordance with local legal frameworks, ensuring that their composition reflects regulatory requirements and worker representation. The gender distribution of the committees is shown in Table 45.

The perspectives of our employees directly inform our decisions and our approach to managing impacts. All dialogue mechanisms – from the Workers' Council to quarterly meetings – are designed not only to collect feedback but also to pass it on to management, with responsibility resting primarily with the HR Director and Production Directors. Where necessary, issues may be escalated to the CEO, ensuring strategic alignment and accountability at the highest level.

All meetings involving employee dialogue are formally documented in written minutes, which include concerns raised, suggestions, and proposed actions. A designated representative of the Legal department is responsible for preparing and maintaining these minutes. This representative also ensures that each issue raised is assigned to the appropriate management representative and that a formal written response is provided within a specified timeframe.

Once actions are agreed upon, implementation is systematically monitored across relevant departments or sites, and progress is reviewed in follow-up meetings. This type of structured feedback loop not only ensures that employees are heard, but also that their input has a tangible impact on operational practices, workplace conditions, and decision-making processes.

We ensure that employees from vulnerable or potentially marginalised groups, such as women, migrants, and persons with disabilities, are included in all engagement processes. All employees have equal rights to participate in social dialogue structures, and in practice, representatives of these groups are members of trade unions and the Workers' Council, where they can voice specific concerns on behalf of said groups.

	FEMALE	MALE
Social performance team Slovenia	2 (66.67 %)	1 (33.335%)
Social performance team Serbia	2 (66.67 %	1 (33.335%)
Social performance team CZ	3 (100 %)	/
Health and safety team SLO	1 (33.33 %)	2 (66.67 %)
Health and safety team SRB	1 (33.33 %)	2 (66.67 %)
Health and safety team CZ	1 (33.33 %)	2 (66.67 %)

TABLE 45
Number and Percentage of Members by Gender in Decision-Making Committees and Teams

S1 - 3: PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERN

The process for managing concerns and raising issues is outlined under G1-1, where we describe our mechanisms aimed at ensuring effective and confidential reporting channels. In our day-to-day operations, employees are encouraged to raise concerns through regular and accessible channels.

They can address issues directly with their immediate superiors, which often allows for prompt resolution and fosters a culture of open communication. Additionally, employees have the option to contact their designated HR officers, who are available specifically to support them in raising questions, expressing concerns, or submitting complaints. These HR officers are trained to handle such matters confidentially and with care, ensuring that each issue is addressed respectfully and in accordance with company policies.

Managers and HR officers have a clear understanding of their responsibilities and limitations, and know how to act appropriately in different situations. If necessary, they escalate issues either up the management hierarchy or through HR.

Employees are kept informed about available communication channels, and we promote a culture of regular team meetings to support open dialogue. Where possible, HR officers are now also directly present in factories to be more accessible and provide on-site support.

For matters of a more serious or sensitive nature, the organisation provides a secure whistleblowing channel, which ensures confidentiality and allows for anonymous reporting. This mechanism is intended for exceptional cases where employees may not feel comfortable using the regular channels. In 2024, we focused on raising awareness of the availability and purpose of this channel to ensure that all employees feel informed and confident in using it. To support this, we prepared concise one-pagers with key information, which we displayed them on notice boards and on our intranet, and conducted training sessions at all production sites. These sessions explained what types of concerns can be reported, how to report them, and what protections are in place for those who speak up – emphasising our zero-tolerance policy for retaliation. The training also clarified how reports are managed and followed up to strengthen trust in the system.

These combined efforts – regular engagement channels and a formal whistleblowing mechanism –reflect our commitment to fostering a culture of openness and accountability, where every employee is empowered to raise concerns responsibly and safely.

S1 - 4: TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

Based on our materiality assessment, we have identified the following topics as material in relation to our own workforce: health and safety and wellbeing, working conditions, and equal treatment and opportunities for all. To address these and manage the related the risks and opportunities, we have adopted a structured approach aligned with internationally recognised standards:

Health and Safety and Wellbeing: Our occupational health and safety management system is certified in accordance with the ISO 45001 standard, ensuring a systematic approach to identifying and mitigating health and safety risks in the workplace. Regular risk assessments, preventive measures, and employee training are conducted to foster a safe and healthy working environment. In addition, we promote employee wellbeing through targeted initiatives, including access to ergonomic workplace equipment and mental health support.

Working Conditions: In line with the SA8000 standard, we maintain fair and decent working conditions across all operations. This year, we implemented new internal rules governing working hours to further support the work-life balance and ensure compliance with both national legislation and international best practices. These rules clearly define expected availability, limit excessive working hours, and reinforce the right to disconnect outside of the agreed working time.

Equal Treatment and Opportunities for All: We are committed to promoting diversity, equity, and inclusion in the workplace. Our human rights and non-discrimination policies, based on the principles of the SA8000 standard, ensure that all employees are treated fairly, regardless of gender, age, nationality, or other personal characteristics. We actively monitor our practices to ensure equal access to development, training, and promotion opportunities.

The effectiveness of these actions is monitored through internal audits, feedback mechanisms, and workforce indicators, such as employee satisfaction, incident rates, and turnover. Continuous improvement is a core element of our management approach, ensuring that our policies and practices remain effective, relevant, and aligned with stakeholder expectations and regulatory requirements.

Some of the key actions are presented in more detail below.

ISO 450001

The Health and Safety Management System is in place at all production sites, and the production sites in Slovenia and Serbia are also certified according to the ISO 45001 standard. The ISO 45001 management system is integrated with the ISO 14001 environmental management system, creating a comprehensive approach to workplace safety and environmental responsibility. This integration allows us to systematically manage risks, set clear objectives for continuous improvement, and ensure compliance with both health and safety as well as environmental regulations. By aligning these systems, we enhance operational efficiency, reduce workplace hazards, and minimise our environmental impact, reinforcing our commitment to the well-being of employees and the sustainability of our production processes.

SA8000

As part of our commitment to ethical business practices, Hisense Europe has successfully implemented the SA8000 social accountability standard at Gorenje d.o.o., Gorenje Valjevo d.o.o., and Mora Moravia s.r.o. This certification, achieved in the past year, underscores our dedication to upholding workers' rights, improving workplace conditions, and maintaining a robust social accountability management system.

The SA8000 standard is an internationally recognized framework based on the UN Declaration of Human Rights, International Labour Organization (ILO) conventions, and national labour laws. It ensures compliance with key social responsibility principles, including the prohibition of child and forced labour, adherence to fair working hours and wages, respect for freedom of association, and a commitment to non-discriminatory and ethical disciplinary practices. By implementing SA8000, we not only strengthen our corporate social responsibility efforts, but also promote a more transparent, fair, and inclusive work environment. This certification underscores our ongoing commitment to human rights, employee well-being and sustainable business operations.

Hisense Elite Program (HEP)

The Hisense Elite Program (HEP) is the most significant development initiative at Hisense Europe, designed for our most successful employees identified as high-potential candidates and future leaders. Officially launched in November 2023, the program currently includes 150 participants.

Each participant is paired with a mentor—their direct line manager—who collaborates with them to design a personalised Individual Development Plan (IDP). This plan outlines their target role and defines key developmental milestones to help them achieve their career goals.

At the start of the program, every participant is assigned a strategic project, which they will work on throughout the program and present to top management upon its completion in February/March 2025.

To further enhance leadership skills, all participants receive LinkedIn Learning access, featuring structured training across five key learning modules:

- M1: Leading Self
- M2: Leading Others
- M3: Leading Innovation
- M4: Organizational Culture
- M5: Giving and Receiving Feedback

In 2024 alone, we invested over 760 hours of learning through LinkedInLearning, with participants completing a total of 15,791 videos and 962 courses. On average, each participant devoted over four hours to structured learning.

The Hisense Elite Program is not just a structured career development initiative—it also increases employee engagement, strengthens leadership skills, and drives overall performance. Managers play a crucial role in this process. In addition to their regular responsibilities, they actively participate in mentorship and leadership training, ensuring they support employees' professional growth while unlocking new business opportunities.

College Recruit Training

Starting in the second half of 2022, Hisense Europe has been strengthening the recruitment of new graduates from various universities and implemented its student recruitment program to introduce outstanding new graduates from universities, thus enhancing the company's strategic talent pool.

To improve the training mechanism for recently employed college recruits, Corporate HR organized the first centralised training event for these new colleagues. 34 college graduates from Slovenia, the UK, France, Italy and other countries, who joined the company in 2024, came to Velenje to participate in the training. The company's top management met with the new colleagues, presented the company's strategic and operational goals and shared their personal insights.

Through HQ visits, corporate culture training, and team collaboration challenges, our new employees, who have recently graduated, have gained a better understanding of the company and strengthened team cohesion.

Hisense Europe Fit & Fun

In 2024, we organised the second Hisense Europe Fit & Fun Festival, where we hosted colleagues from Slovenia, Serbia, and Mora in the Czech Republic, as well as top Slovenian athletes. More than 1000 colleagues took part in the Festival, which is an exceptional achievement. They demonstrated team spirit and goodwill, while the numerous sports competitions and over 20 other fun activities proved to be an exceptional opportunity for building company culture.

With the Hisense Europe Fit & Fun Festival, we emphasised inclusion and a healthy lifestyle in a relaxed, enjoyable environment for our employees.

Global Hisense Sport Games

In October 2024, the 25th Hisense Group Sports Meeting took place in Qingdao, China. Hisense employee from around the globe, their families, retired colleagues, and business partner representatives came together and participated in this cultural event.

Sports games are an opportunity for Hisense employees to unleash their vitality and passion. It is a cultural event that involves broad participation and passes down Hisense traditions from generation to generation. It also carries Hisense employees' aspirations for progress, unity, health, and dreams.

Active breaks at the workplace

We have introduced active breaks at the workplace as part of our commitment to employee well-being and safety. Recognising the importance of movement in maintaining health and preventing injuries, we are encouraging our employees to take a few minutes each day to stretch and engage in light physical activity. These active breaks not only help alleviate the physical strain of prolonged sitting, but also boost energy levels, improve circulation, and promote mental clarity. By prioritising these brief moments of movement, we promote a culture of care and vitality, helping our team stay healthy, happy, and productive.

Health promotion program

Employees seeking relaxation and an active respite from work have the opportunity to participate in a preventive health vacation program. This preventive program is a targeted initiative designed to support the physical and mental well-being of our employees in Gorenje d.o.o.. Held in Slovenia, specifically at Terme Topolšica and Terme Dobrna, the 10-day program offers various activities aimed at promoting physical and mental health. In 2024, we organised eight sessions at Terme Topolšica for 10 to 15 employees each and six sessions at Terme Dobrna for 15 employees.

Young Potentials Alumni

In 2024, participants of the Young Potentials Program Alumni Club were provided with access to a comprehensive 360° Assessment Survey. Conducted in collaboration with the external partner Leadbacker, this assessment allowed participants to evaluate their strengths, gain valuable insights, and refine their personalised development plans.

To further support their professional growth, each participant was also offered a one-on-one coaching session. During these sessions, participants had the opportunity to review their assessment results, set individual development goals, and discuss strategies for achieving them effectively.

Job Shadowing in Corporate Finance

The Job Shadowing Program in Corporate Finance aims to develop the next generation of talent by facilitating structured knowledge transfer and hands-on learning across departments. The initiative enhances cross-functional collaboration and fosters T-shaped employees—those with deep expertise and broader functional skills.

Implemented in 2024, the program engaged 11 young talents (YT) and 14 mentors from the Corporate Finance department. Over a 4–16-week period, participants attended weekly observation sessions, combining real-time learning with guided mentoring.

Key outcomes include enhanced skill development, intergenerational knowledge transfer, and employee retention, as well as strengthened team collaboration, improved work efficiency, and clearer career paths for participants.

Moving forward, the program's impact will be evaluated in Q1 2025, with the goal of establishing it as a sustainable HR practice to support business continuity and strategic talent development.

We have established dedicated internal resources to manage the material impacts, risks, and opportunities related to our workforce. These include the Human Resources (HR) Department and HR officers operating across multiple sites. Occupational health and safety is supported by qualified health and safety specialists and engineers. The Corporate Sustainability Governance department is actively involved in overseeing and coordinating all of the relevant activities to ensure alignment with the company's overall sustainability strategy. Governance and oversight are further strengthened through dedicated committees, such as the Sustainability Performance Team (SPT) and the Health and Safety Committee.

S1 – 5: TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

To reduce negative impacts, enhance positive outcomes, and manage material workforce-related risks and opportunities, we have set a range of goals across key areas. In talent development, our goals include achieving annual performance appraisals for 75% of employees, ensuring an average of 2 training hours per employee annually (excluding OHS), and delivering two sustainability trainings per year. In talent acquisition, our goals include providing over 100 student scholarships annually, being listed among Forbes' top global employers, and strengthening our talent pipeline through collaborations with universities.

In health and safety, we aim to provide an average of 3 hours of OHS training employee annually, ensure a 100% OHS training coverage for agency workers, and deliver specialised safety education for high-risk roles. To support employee wellbeing, our goals include reducing sick days by 5%, promoting voluntary team-building and cross-departmental activities, and implementing job rotation in production to prevent repetitive strain injuries.

We set targets where deviations or areas for improvement have been identified, particularly in relation to health and safety, working conditions, and equal treatment. When defining such targets, we consider input from employees to ensure relevance and practicality.

Where appropriate, proposed targets are shared with the Workers' Council for comments and suggestions. In some cases, they are also posted on our internal portal, where employees have up to a month to provide feedback

To monitor our performance against the set targets, we have implemented a robust tracking system. It includes performance metrics and progress reports. Our workforce and their representatives are kept informed of the progress through meetings. This transparency ensures that everyone is aware of our performance and can contribute to achieving the targets.

S1 – 6: CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

The metrics shown in Tables 46 to 50 reflect the company's employment data as of December 31, 2024.

	GORENJE, D.O.O.			MORA MORAVIA S.R.O.			GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.		
Year	2024	2023	2022	2024	2023	2022	2024	2023	2022
Male	1,986	1,467	1,536	248	314	240	710	826	758
Female	1,975	1,432	1,468	307	229	218	971	1,072	1,000
Total Employees	3,961	2,899	3,004	556	543	458	1,681	1,898	1,758

TABLE 46
Number of Employees by Year, Gender and Production Site

	FEMALE	MALE	TOTAL
Number of employees (head count)	1,975	1,986	3,961
Number of permanent employees (head count)	1,632	1,739	3,371
Number of temporary employees (head count)	343	247	590
Number of employees on non-guaranteed hours (head count)	62	317	379
Number of full-time employees (head count)	1,906	1,970	3,876
Number of part-time employees (head count)	69	16	85
Total number of employees who have left	/	/	555
Rate of employee turnover	/	/	19.2

TABLE 47
Number of Employees by Employment Type and Gender at Gorenje, d.o.o.

	FEMALE	MALE	TOTAL
Number of employees (head count)	248.14	307.92	556.06
Number of permanent employees (head count)	174	218	392
Number of temporary employees (head count)	74.63	89.37	164
Number of employees on non-guaranteed hours (head count)	9	22	31
Number of full-time employees (head count)	247.14	307.92	555
Number of part-time employees (head count)	1	0	1
Total number of employees who have left	/	/	410
Rate of employee turnover	/	/	22.73

TABLE 48
Number of Employees by Employment Type and Gender at Mora Moravia, s.r.o.

	FEMALE	MALE	TOTAL
Number of employees (head count)	971	710	1,681
Number of permanent employees (head count)	854	639	1,493
Number of temporary employees (head count)	117	71	188
Number of employees on non-guaranteed hours (head count)	0	0	0
Number of full-time employees (head count)	971	710	1,681
Number of part-time employees (head count)	0	0	0
Total number of employees who have left	/	/	497
Rate of employee turnover	/	/	26

TABLE 49
Number of Employees by Employment Type and Gender at Gorenje Aparati za domaćinstvo Valjevo, d.o.o.

	PRODUCTION BUSINESS UNITS	SALES BUSINESS UNITS	TOTAL
Number of employees (head count)	7,722	2,006	9,728
Number of permanent employees (head count)	6,570	1,915	8,485
Number of temporary employees (head count)	1,152	69	1,221
Number of employees on non-guaranteed hours (head count)	433	2,424	2,857
Number of full-time employees (head count)	5,812	1,806	7,618
Number of part-time employees (head count)	228	176	404

TABLE 50
Number of Employees by Employment Type and Gender at Hisense Europe Group

DISCLOSURE REQUIREMENT	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
The percentage of total employees, covered by collective bargaining agreements	100	100	100
The percentage of total employees, covered by workers' representatives - EEA	100	100	/
The percentage of total employees, covered by workers' representatives - non EEA	/	/	100

TABLE 51
Employee Coverage by Collective Bargaining and Workers' Representatives (EEA)

	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.
Number of females	16 (19.3 %)	0	2 (28.6 %)
Number or males	67 (80.7 %)	2 (100 %)	5 (71.4 %)

TABLE 52
Gender Distribution at Top Management Level

AGE GROUP	PRODUCTION SITES	SALES BUSINESS UNITS
Under 30 years old	1,230	261
30–50 years old	3,999	1,456
Over 50 years old	2,037	561

TABLE 53
Distribution of Employees by Age

S1 – 8: COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

The data in Table 51 shows the coverage of collective bargaining agreements and social dialogue for the company's own employees.

The global percentage of employees covered by workers' representatives is 100% in each EEA country with significant employment, as all employees are represented in the Workers Council. Coverage by the European Workers Council is not applicable, as the undertaking is not included in this body.

S1 – 9: DIVERSITY METRICS

The data in this section highlights the gender diversity at the top management level (Table 52) and the age distribution of employees (Table 53).

S1 – 10: ADEQUATE WAGES

According to the Global Living Wage Coalition, living wage refers to "the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."
At Hisense Europe, we strive to pay all our employees (and contractors) a fair and competitive salary that exceeds the living wage. To ensure our approach is both effective and transparent, we conduct an annual review of employee compensation against a recognized living wage benchmark. Specifically, we apply a benchmark aligned with the IDH Living Wage Methodology Recognition process. This enables us to track our progress, identify potential gaps, and continuously improve our compensation practices. As of 2024, 100% of direct employees at Gorenje d.o.o., Mora Moravia d.o.o., and Gorenje Valjevo d.o.o. were covered by a living wage benchmarking analysis. In all three entities, no direct employees, individual contractors, or dispatched workers were paid below the average living wage*.

* The living wage benchmark is calculated based on a methodology recognised by the IDH Living Wage Methodology Recognition process, for more information on the methodology, see: https://wageindicator.org/ .

	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.	TOTAL
The percentage of persons with disabilities among employees (%)	4	1.08	2.26	7.95
Female (%)	2	0.36	0.59	8.4
Male (%)	2	0.72	1.66	4.0

*ALL HISENSE EUROPE COMPANIES

TABLE 54
Percentage of Employees with Disabilities

	2024	2023	2022
Gorenje, d.o.o.	4	4	4
Mora moravia, s.r.o.	1.08	0.83	2
Gorenje Aparati za domaćinstvo Valjevo, d.o.o.	2.26	2.05	2

TABLE 55
Percentage of Employees with Disabilities by Year and Production Site

	GORENJE, D.O.O.			MORA MORAVIA S.R.O.			GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Female	2.8	4.57	26.4	1.64	6.4	2.33	0.5	3.2	5.7
Male	5.3	9.1		1.64	4.6		0.5	1.9	5.3

TABLE 56
Average Number of Training Hours per Employee

S1 – 11: SOCIAL PROTECTION

In all the countries where the companies included in this report operate, employees are provided with social protection against loss of income due to the following major life events, as regulated by local legislation: sickness; unemployment starting from when the worker is employed by the undertaking; employment injury and acquired disability; parental leave; and retirement.

S1 – 12: PERSONS WITH DISABILITIES

The data in this section discloses the inclusion of persons with disabilities among the undertaking's employees. Tables 54 and 55 disclose the percentage of employees with disabilities, including a breakdown by gender.

S1 – 13: TRAINING AND SKILLS DEVELOPMENT METRICS

The data in this section (Table 56) discloses the average number of training hours per employee broken down by gender. These training sessions included legally required training programmes and additional training, but did not include initial onboarding.

The data is collected by the Human Resource Department. Each training session is recorded in the personal portal of the employee.

	GORENJE, D.O.O.	MORA MORAVIA S.R.O.	GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.	TOTAL*
The percentage of people in own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	100	100	100	Applicable only for production sites
The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0
The number of work-related accidents	195	3	51	317
The number of work-related ill health cases	0	0	0	2
The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	2,536	9,876	240	1,462

*ALL HISENSE EUROPE COMPANIES

TABLE 57
Workforce Health and Safety Metrics

S1 - 14: HEALTH AND SAFETY METRICS

This section discloses key health and safety metrics in Table 57. The information disclosed pertains solely to our own employees. In the initial years of preparing our sustainability statement, we have chosen not to report consolidated metrics for non-employee due to the current lack of sufficiently detailed data across all relevant indicators. No fatalities resulting from work-related incidents involving subcontractors occurred during the reporting period.

S1 - 16: REMUNERATION METRICS

This disclosure has been omitted due to its classification as sensitive business information.

S1 – 17: INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS

In 2024, we recorded 4 incidents of discrimination or harassment, and 5 complaints were filed through channels used by people in the undertaking's own workforce to raise concerns (including grievance mechanisms) at Gorenje, d.o.o, Mora Moravia s.r.o. and at Gorenje Aparati za domaćinstvo Valjevo, d.o.o.

No fines, penalties, and compensation for damages were imposed for the incidents described. There were no confirmed incidents of corruption or bribery, no confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents and no confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery.

In the reporting period, the undertaking did not identify any cases of severe human rights violations, such as forced labour, human trafficking, or child labour, that were in any way connected to its workforce. Consequently, no fines, penalties, or compensation for damages related to such incidents were incurred or recorded.

Please refer to Chapter 4.1 for more information.

S2 Workers in the value chain

S2 - 1: POLICIES RELATED TO VALUE CHAIN WORKERS

Sustainable Procurement describes our approach to the management of impacts in the upstream value chain, with a focus on respecting human rights, including labour rights, and the prohibition of child labour, forced labour, slavery, and human trafficking. Our Sustainability Policy outlines the due diligence process for specific groups of business partners, including suppliers not covered by the Sustainable Procurement Policy, logistics partners, marketing agencies, service providers, and on-site subcontractors.

Our due diligence process is guided by a risk-based approach. All business partners are required to acknowledge and sign our Code of Conduct for Business Partners, committing to the ethical, social, and environmental principles that underpin our operations.

Our Code of Conduct is rooted in key international and regional frameworks, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. It also aligns with EU directives – including 2000/78/EC, 2006/54/EC, 2011/36/EU, 2011/93/EU, and 94/33/EC – ensuring fairness, equality, and respect for human and labour rights in our expectations of business partners. The Code addresses various topics, including respect for human rights and social standards, such as the prohibition of child labour, forced labour, slavery, and human trafficking, as well as commitments to equal opportunities, fair employment practices, and the responsibility for managing suppliers and subcontractors. If breaches of these principles or negative impacts are identified, we focus on collaboration by implementing action plans to address the issues. However, if corrective measures are unsuccessful or risks remain unresolved, we reserve the right to reduce or terminate a business relationship.

All key policies, including the Sustainability Policy, Code of Conduct, and Sustainable Procurement Policy, have been reviewed and revised within the past year. This review focused on further defining our principles, aligning with the requirements of the SA8000 standard, and enhancing the formalisation of due diligence measures to ensure consistency and effectiveness across all operations.

S2 - 2: PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS // S2 - 3: PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

We regularly engage with the workers employed by on-site subcontractors, as they can report concerns or irregularities through the same channels available to our own employees, as described in the Whistleblowing Policy. Other workers throughout the value chain are encouraged to raise concerns through our external stakeholder system, as detailed in the publicly accessible Code of Conduct for Business Partners on our website.

By signing the Codes of Conduct (CoC), our suppliers and subcontractors are required to ensure the enforcement of the principles set out in our CoC throughout their organization and supply chain. This includes ensuring that their officers, directors, employees, contractors, agents, and representatives, who are directly or indirectly involved in business with Hisense are aware of, understand, and comply with the provisions contained therein. Failure to implement these measures may result in alternative actions, including termination of employment or supplier contracts. Compliance with the Code of Conduct is mandatory for all employees and business partners, and breaches may lead to disciplinary action or legal proceedings to recover damages. The Internal Audit Department monitors adherence to these principles through independent reviews and an internal control system.

Suppliers and subcontractors are expected to record information regarding their business activities, working methods, health and safety, and environmental practices. This information should be disclosed upon request, provided such disclosure does not violate legal requirements.

In the event of a violation of the Code of Conduct that affects value chain workers, counselling and financial compensation is provided to the individuals affected, in accordance with the procedures outlined in the Whistleblowing Policy. Each case is reviewed on an individual basis and corrective action is required within a specified timeframe.

S2 - 4: TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS

We implement measures based on a risk-based approach. For high-risk partners, we have integrated sustainability clauses into contracts and perform regular audits to monitor compliance. In cases where breaches of principles or negative impacts are identified during these audits, we prioritise collaboration by developing and implementing action plans to address the issues. However, if corrective actions fail or the risks remain unresolved, we reserve the right to reduce business activity or terminate the relationship entirely.

For on-site subcontractors, we regularly engage with their employees, who can also raise concerns or any irregularities using the same channels that are available to own workers, as described in the Whistleblowing Policy. Other workers are invited to raise any potential concerns using our system for external stakeholders, as described in the Code of Conduct for business partners, available publicly on our website. The budget for projects for the workers in the value chain is planned on an annual basis in collaboration with multiple departments to ensure adequate funding and support.

Table 58 shows key procurement and supplier management metrics over the years.

Due diligence analysis for conflict minerals origin

Hisense Europe has recognized 188 suppliers within the supply chain, who are required to report the content of conflict minerals in the material they supply. By the end of November 2024, we have received information from 23 % suppliers and 3% suppliers provided incorrect documents. Suppliers who did not provide the CMRT and EMRT reports or they sent them in using the incorrect template were asked to submit the proper documents by end of Q1 2025.

	2024	2023	2022
Percentage of procurement funds spent on local suppliers (%)	36	36	37
Percentage of audits that include sustainability topics, relative to the total number of audits (%)	80	56	48
Percentage of all suppliers who signed the Code of Conduct for business partners (%)	91	74	45

TABLE 58
Supplier Compliance and Local Procurement Metrics

CMRT & EMRT

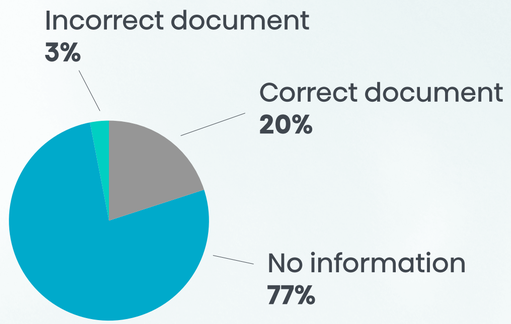


FIGURE 15
Received Supplier Information Regarding CMRT

% OF CONFLICT MINERALS

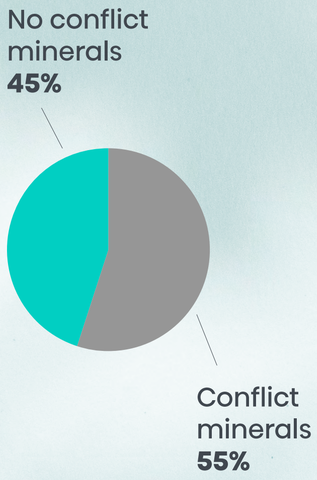


FIGURE 16
Percentage of Supppliers who Declared CMRT

KNOWN AND UNKNOWN ORIGIN

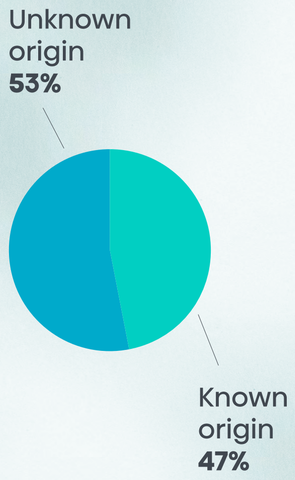


FIGURE 17
Percentage of Known and Unkown Origin of CMRT

LOW-RISK, AFFECTED, AND HIGH-RISK COUNTRIES

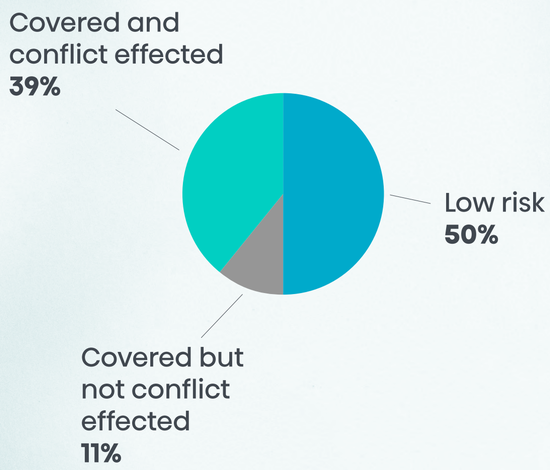


FIGURE 18
Analysis of Supplier Risk and Source Replacement Needs

55% of all 38 suppliers who provided the correct document declared their products contain conflict minerals and 45% declared their products do not contain any. We requested the suppliers who declared their materials free of conflict minerals to provide chemical analysis data for the verification of the chemical composition of said materials. Should conflict minerals be detected, suppliers will be required to trace the origin within their supply chain and provide an updated report within six months. If a supplier fails to declare the origin, it will be considered as originating from affected and high-risk areas.

Out of all suppliers who provided the correct documentation, 47% are aware of the origin of conflict minerals, while 53% do not know.

Our analysis also includes an assessment of low-risk, affected, and high-risk countries. 39% of the suppliers who provided the correct documentation need to replace the source of tantalum, tin, tungsten, and gold.

S2 - 5: TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The targets for addressing material impacts, risks, and opportunities in our value chain are based on the identified actual and potential negative impacts, as derived from audits and the tracking of the origin of conflict minerals.

Our first target is to include sustainability topics in 100% of the audits we conduct. This approach ensures a comprehensive assessment of our value chain, enabling us to evaluate suppliers with respect to sustainability-related impacts and understand where the greatest impacts occur. By 2025, we plan to analyse the data obtained from these audits to identify the most critical suppliers and supplier groups. This analysis will serve as the foundation for defining corrective and preventive actions to effectively address the identified risks and impacts.

For conflict minerals, our initial goal is to achieve 100% traceability of the origin of critical material groups, ensuring a thorough understanding of sourcing practices. Over time, we aim to reduce the percentage of conflict minerals sourced from conflict-affected areas. Our ultimate objective is to achieve a conflict-free supply chain by 2030, minimising the negative impacts associated with the sourcing of these materials.

S4 Customers and end users

S4 - 1: POLICIES RELATED TO CONSUMERS AND END-USERS

Hisense Europe is committed to respecting the human rights of consumers and end-users throughout the entire product lifecycle, as outlined in our Environmental, Health and Safety, and Energy Management Policy and updated in 2025. We comply with the Consumer Protection Act and all relevant safety regulations, and where necessary, implement additional internal safety measures. Remedies, including compensation, are available in cases of health or safety impacts.

The organisation ensures alignment with internationally recognised frameworks – such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration, and the OECD Guidelines – in relation to the rights of customers and end-users. These principles are embedded in internal policies governing product safety, data protection, responsible marketing, and customer engagement. Key internal policies supporting this approach include our Internal Data Protection Act (GPR-OS-008), updated in 2025, which defines organisational and technical measures for the secure handling of personal data, including that of customers and users, in line with applicable data privacy laws. Additionally, our Guidelines for Organising Product Servicing Operations in the Market (GPR-SE-001) set out clear procedures for managing the service network, handling complaints, and supporting after-sales activities, while ensuring full compliance with EU and national legislation.

Procedures are in place to prevent and address potential human rights impacts on consumers, including mechanisms for feedback, complaint handling, and remediation. This approach ensures that customer rights are respected throughout the product lifecycle and across the value chain.

Customer engagement is an integral part of our approach to responsible product development and impact management. We prioritise the inclusion of consumer and end-user perspectives in decision-making processes to effectively identify and address both current and potential impacts. Insights gathered by the Consumer Insight Department are systematically integrated into all cross-functional teams involved in the development of major appliances. In accordance with our internal protocols, all new appliances undergo structured testing with end-users prior to market release. Feedback is collected through various formats – including structured questionnaires, interviews, and home visits – and is regularly shared with product development teams to ensure that user needs and concerns are addressed early in the design process.

S4 – 2: PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Engagement is carried out through various testing and research activities to ensure product quality and drive innovation. We carry out regular monthly internal testing across all product categories, and major projects undergo acceptance testing 2–4 times per year in different European markets.

Consumer reviews are analysed periodically, with key insights reported to the product team. Field tests are conducted in-home before product launch, while ad-hoc research is performed at least monthly for specific purposes, such as design direction evaluation. Mystery shopping is conducted every half a year or as required, to collect feedback on our appliances from sellers. The effectiveness of engagement is assessed both qualitatively – through interviews and content analysis – and quantitatively, using metrics such as Net Promoter Score, consumer reviews, churn rates, and purchase conversion rates, including through the GfK database. The Insight Consumer Department is regularly involved in all cross-functional teams for major appliance development, and its findings are integrated into internal development processes, enabling project leaders to access end-user research and needs. Engagement measures apply equally to all consumers and end-users, regardless of vulnerability or marginalisation. Based on the insights from consumer engagement, we have developed specific appliances to address diverse user needs – for example, ATAG cooking hobs adapted for use by blind and partially sighted persons, and appliances sold in the U.S. that meet the accessibility requirements of the Americans with Disabilities Act (ADA). Oversight of the consumer and end-user engagement process is the responsibility of the Management Board.

S4 - 3: PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Consumers and end-users can raise concerns or complaints using multiple channels, including a customer service hotline, online complaint form, and dedicated email address. These channels are monitored regularly to ensure timely and appropriate responses. At the point of sale and on our webpages, we ensure that users are informed about available communication channels and trust the established mechanisms for addressing their concerns.

Product-related incidents are managed through the Customer Care department. Complaints can be initiated directly by end-users through various channels (phone, email) or via retailers. All complaints are entered into an internal IT system. The Call Center monitors these entries, which generate service work orders – automatically or manually – depending on the region. Service providers then coordinate directly with customers to conduct repairs in line with technical documentation, servicing procedures, and occupational safety standards. Each case is reviewed and approved by a responsible person upon completion. The process is also regularly monitored by the Quality Department to ensure compliance and identify areas for improvement.

Security incidents are detected through system monitoring, personal data processing activities, or individual reports. Incidents may be identified by the company or data processors and must be reported through designated notification channels. Critical incidents are additionally reported to cert@gorenje.com. Upon detection, the IT department takes technical measures to contain the breach, conducts a root cause analysis, and prepares a remediation plan. An assessment of scope and impact – including affected data types and individuals – is also performed.

In the case of a personal data breach, the supervisory authority is notified within 72 hours, unless the breach is unlikely to pose a risk to the rights and freedoms of the individual. All incidents are documented, including their effects and corrective actions. Where there is a high risk to individuals, those affected are informed directly, unless mitigated by safeguards such as encryption, or where individual notification would require disproportionate effort, in which case public communication is used.

S4 - 4: TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

To address material actual and potential impacts on consumers and end-users, we implement a range of targeted actions across key areas of concern.

We apply rigorous product testing and quality assurance processes to ensure our appliances meet high safety standards. Customers receive comprehensive usage instructions, safety warnings, and self-repair instructions to support safe and responsible product use. Together, these measures reduce the risk of accidents and promote product reliability throughout the lifecycle.

To mitigate the risk of legal claims and regulatory fines related to consumer safety, we maintain a robust compliance programme. This includes regular employee training, continuous monitoring of relevant legislation, and timely updates to our compliance procedures. We also cooperate with the Slovenian Institute for Standardisation (SIST) to ensure alignment with applicable regulations and standards.

We further address risks related to the management of personal data through our internal data protection act and strict adherence to the General Data Protection Regulation (GDPR). Our approach includes ongoing policy updates, regulatory monitoring, and implementation of technical and organisational safeguards to ensure data security.

In supporting the ability of our customers to make informed choices, we provide detailed product information, including use and safety instructions, self-repair instructions, and digital tools that help users understand the sustainability and energy efficiency of our appliances.

To further build trust and strengthen customer loyalty, we promote responsible marketing practices grounded in transparency and compliance. All claims in our marketing materials are internally verified, and we continuously monitor regulatory developments – especially under the Green Claims Directive – to ensure that our environmental messaging remains accurate, credible, and non-misleading.

In the event of an adverse impact on consumers or end-users – such as a product-related safety concern or data breach – we apply structured remediation processes. These may include corrective technical measures, customer notifications, counselling, financial compensation, or product servicing. Each case is considered on an individual basis and appropriate remedial action is taken in accordance with internal policies and legal requirements.

In the reporting year, no severe human rights incidents or issues were identified in relation to consumers or end-users.

S4 – 5: TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

We aim to reduce negative environmental impacts and advance positive outcomes for consumers by improving the energy and water efficiency of our appliances and developing digital sustainability solutions to help users manage their environmental footprint. Targets are defined for each product group to ensure measurable and relevant progress.

These targets are informed by regular consumer engagement. Insights gathered are analysed and, where relevant, integrated into product development. Performance against targets is tracked, and the lessons learned are used to refine our approach. This process helps manage material risks and opportunities, while ensuring alignment with customer expectations and regulatory trends.

4 Governance



EFFICIENCY IN ACTION, GUIDED BY ETHICS

To us, strong governance is the foundation of sustainable growth. With a focus on transparency, integrity and accountability, we enhance decision-making processes and ensure compliance across all operations. Through efficient governance structures and ethical practices, we aim to build trust, manage risks responsibly and create long-term value for all stakeholders.

G1 - 1: BUSINESS CONDUCT POLICES AND CORPORATE CULTURE

At Hisense Europe, we are committed to the highest levels of ethics and integrity as essential pillars of our long-term success and reputation. Our Code of Conduct, updated in 2024, sets ethical and professional standards for employees, agency workers, students and interns, legal representatives, managers, business partners, subsidiaries, and other stakeholders. It promotes ethical conduct and addresses misconduct through structured programmes and actions.

The Code includes principles of integrity and transparency, strictly prohibiting fraud, corruption, bribery, facilitation payments, and other improper advantages. It aligns with the UN Convention against Corruption and is supported by additional internal policies and guidelines.

To ensure implementation, the Code is published on the Group's intranet and introduced to all new employees during onboarding. Employees must read and acknowledge it annually. In addition, mandatory trainings are conducted regularly on topics covered by the Code, with updated learning materials distributed throughout the organisation.

Business partners receive the Code of Conduct for Business Partners before entering a relationship and are required to comply. Where feasible and commercially viable, we conduct due diligence on their operations and ethical standards.

In cases of violations, the Human Resources Department oversees remediation, including counselling and financial compensation, in accordance with the procedures outlined in the Whistleblowing Policy. Disciplinary measures may include termination of employment or legal action. Each case is reviewed individually with a defined timeframe for corrective measures. The Group reserves the right to terminate contracts or take alternative action unless immediate preventive measures are convincingly demonstrated.

A comprehensive whistleblowing system is in place for both internal and external stakeholders. Employees and on-site non-employees can report concerns anonymously using a dedicated application, secure physical drop boxes, or direct communication with a designated person. External stakeholders may submit reports via email at corporate.compliance@gorenje.com. All reports are treated confidentially and consistently under the internal whistleblowing procedure. The Whistleblowing Policy outlines the appointment and responsibilities of an independent whistleblowing officer, the process for receiving and handling internal reports, guidance on external reporting and public disclosures, and strict protections against retaliation. Protective measures are applied to all whistleblowers, and all reports are addressed with equal diligence and transparency.

In the case of irregularities reported through our whistleblowing channels, the Management Committee is informed of the acceptance and processing of each report in regular monthly updates. These updates are provided by the Holding Board Office, which is notified by the Whistleblowing Officer about each report received, the content of the report, proposed further measures, and the resolution status. This process ensures oversight, accountability, and a systematic handling of whistleblowing cases at the highest governance level.

We maintain a robust internal control system, with the Internal Audit Department serving as an independent oversight body for financial and compliance matters. It identifies irregularities and strengthens controls. Under the internal Risk Assessment Policy, annual risk assessments are conducted to identify operations exposed to adverse impacts. Actual impacts are primarily addressed through internal audits and structured follow-up.

Table 59 provides an overview of the incidents reported, legal actions taken, and severe human rights cases involving the workforce.

Our organisation actively establishes, develops, promotes, and evaluates its corporate culture. Clear values and principles form the foundation of our culture and are embedded in all aspects of our operations – from hiring practices to daily work routines. To strengthen cultural alignment, we conduct regular workshops, training sessions, and team-building activities. Communication channels, such as internal newsletters, the intranet, and regular meetings are used to raise awareness of the importance of corporate culture and to encourage ongoing employee engagement with these values.

	GORENJE, D.O.O.			MORA MORAVIA S.R.O.			GORENJE APARATI ZA DOMAĆINSTVO VALJEVO, D.O.O.		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Total number of incidents reported through internal whistleblower mechanism	3	0	3	1	0	0	2	0	0
Number of reported incidents where legal action was taken	0	0	0	0	0	0	0	0	0
Number of severe human rights incidents connected to the undertaking's workforce	0	0	0	0	0	0	0	0	0

TABLE 59
Reported Incidents and Human Rights Violations at Our Production Sites over the Years

G1 - 2: MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Our Sustainable Procurement Policy describes the approach to our relationships with suppliers, taking account of risks to the undertaking related to its supply chain and of impacts on sustainability matters and the implemented due diligence measures. This Policy applies to all our employees conducting activities concerning purchases and procurement, including, but not limited to, needs assessment, supplier evaluation, selection and post-contract review.

Environmental practices (e.g. energy and water consumption, carbon emissions, waste management), labour practices (e.g. health and safety, working conditions, training) and human rights (e.g. prohibition of child labour, forced labour, anti-discrimination, responsible sourcing of conflict minerals) are among the highest risk areas for potential and actual negative impacts.

Potential risks are identified based on purchasing categories, country risk, and level of supplier engagement, using data from audits, site visits, whistleblowing, and other sources. Actual impacts are identified through audits of all new suppliers and periodic reviews of existing ones, with criteria based on country risk (e.g. the amfori BSCI rating) and supplier engagement.

Suppliers must sign the Code of Conduct for Business Partners, committing to best practices in environmental protection, labour standards, and human rights, aligned with international frameworks such as the OECD Guidelines, UN Guiding Principles, and the ILO Declaration. Suppliers are also required to ensure subcontractor compliance. For conflict minerals, suppliers are required to periodically submit declarations (CMRT and EMRT) using our internal supplier management portal, which tracks the origins for critical materials such as electronics, steel, and enamels. Suppliers undergo an audit before engagement. Low audit scores limit the scope of collaboration, and compliance is continuously monitored through periodic audits and assessments.

In the event of late payment practices, we have a system in place to regulate and manage these occurrences, as described in chapter G1-6.

CASE STUDY

SUPPLIER AWARDS

In 2024, we launched the Hisense Europe Supplier Awards for the first time, recognising and motivating our suppliers while reinforcing our core values. Awards were given in four categories: Purchasing, Quality, Innovation, And Sustainability. The Sustainability category focused on evaluating social and environmental practices based on audits and self-assessments, ensuring alignment with our commitment to responsible sourcing and ethical business conduct. This initiative marks the start of a new tradition, strengthening collaboration with our suppliers and driving continuous improvement in sustainable supply chain management.

G1 - 3: PREVENTION OF CORRUPTION AND BRIBERY

Hisense Europe operates under a strict zero-tolerance policy on corruption and bribery, applicable to all business dealings and transactions in every country where we operate. This policy covers all individuals within the Hisense Europe, including full- and part-time employees, agency workers, interns, directors, trustees, and officers. All forms of bribery and corruption are strictly prohibited and not tolerated under any circumstances.

To prevent and detect corrupt practices, we conduct annual risk assessments under our internal Risk Assessment Policy, with special attention given to high-risk management functions. Based on the results, we develop and deliver a structured, mandatory online training programme, focused on the most relevant and high-risk areas of compliance. This training is required annually for all members of the administrative, management, and supervisory bodies. In addition, all employees must regularly complete mandatory Code of Conduct training, confirm acknowledgment of the Code, and are supported with continuously updated learning materials. Particular emphasis is placed on high-risk roles with authority to execute business transactions.

We extend these expectations to our business partners, who are required to sign and adhere to the Code of Conduct for Business Partners. Prior to establishing business relationships, due diligence is carried out where practicable. Where possible anti-corruption clauses are included in contracts with third parties to ensure our ability to efficiently address any unethical conduct.

To report potential misconduct, we operate an anonymous whistleblowing channel accessible to both internal and external stakeholders. Reports can be submitted using a dedicated application, secure drop boxes, or direct communication. The Whistleblowing Officer informs the Holding Board Office of each case, including the content, proposed measures, and resolution. The Management Committee is updated monthly to ensure oversight and accountability.

All allegations of bribery or corruption are thoroughly investigated by the Holding Board Office and Internal Audit Department, both acting independently. Where necessary, external audits are conducted. If risks or violations are identified, a formal escalation process to top management is triggered to ensure a timely and coordinated response.

Non-compliance with anti-corruption policies results in disciplinary action, including termination of employment or cessation of business relationships. All remedial actions follow the procedures outlined in the Whistleblowing Policy, and corrective measures are implemented on a case-by-case basis to prevent recurrence and ensure accountability.

G1 - 4: INCIDENTS OF CORRUPTION AND BRIBERY

During the reporting period, we have not detected any incidents of corruption or bribery within our organisation. There have been no convictions, fines, or breaches of anti-corruption and anti-bribery procedures. No employees were dismissed or disciplined for such incidents, and no contracts with business partners were terminated or not renewed due to violations related to corruption or bribery.

G1 - 5: POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Our Group does not engage in lobbying activities or seek to exert political influence. None of the members of the administrative, management, or supervisory bodies held comparable roles in public administration, including regulatory bodies, during the two years prior to their appointment in the current reporting period.

G1 – 6: PAYMENT PRACTICES

Payment terms are agreed in advance with suppliers and recorded in the purchase contract and SAP master data. Any changes are mutually agreed. Additionally, we offer supply chain financing (SCF factoring) to suppliers.

All supplier obligations are settled weekly, with urgent payments handled separately. Payments are processed only if invoices match orders; discrepancies are verified through an internal confirmation platform, and payments are made after reconciliation.

Information on the average time taken to pay invoices (from the start of the contractual or statutory payment period), the description of standard payment terms by main categories of suppliers, the percentage of payments made in accordance with these terms, and the number of ongoing legal proceedings related to payment delays is currently not available in consolidated form. As this data is considered sensitive in the context of current business operations and supplier relationships, it has been omitted from this reporting period.

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ESRS STANDARDS	ESRS DISCLOSURE	DISCLOSURE DESCRIPTION	REFERENCE	NOTE
	E1 - 9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
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ESRS – E4 (Biodiversity and ecosystems)				
	E4 – 1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	E4 - 2	Policies related to biodiversity and ecosystems		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	E4 - 3	Actions and resources related to biodiversity and ecosystems		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	E4 - 4	Targets related to biodiversity and ecosystems		Not included in this report, as it has been assessed as not material to our business operations and impact areas.

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ESRS STANDARDS	ESRS DISCLOSURE	DISCLOSURE DESCRIPTION	REFERENCE	NOTE
	E4 - 5	Impact metrics related to biodiversity and ecosystems change		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	E4 - 6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities		Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
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	S1 - 7	Characteristics of non-employees in the undertaking's own workforce		Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
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	S1 - 9	Diversity metrics	102	
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	S1 - 11	Social protection	103	Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
	S1 – 12	Persons with disabilities	103	Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1

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ESRS STANDARDS	ESRS DISCLOSURE	DISCLOSURE DESCRIPTION	REFERENCE	NOTE
	S1 – 13	Training and skills development metrics	103	Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
	S1 – 14	Health and safety metrics	104	Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
	S1 – 15	Work-life balance metrics		Disclosure omitted for the first year of reporting, as permitted under the phased-in provisions of Annex C in ESRS 1
	S1 – 16	Remuneration metrics (pay gap and total remuneration)	104	
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	S2 - 5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	109	
ESRS – S3 (Affected communities)				
	S3 – 1	Policies related to affected communities		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	S3 - 2	Processes for engaging with affected communities about impacts		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	S3 - 3	Processes to remediate negative impacts and channels for affected communities to raise concerns		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	S3 – 4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
	S3 - 5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunitie		Not included in this report, as it has been assessed as not material to our business operations and impact areas.
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GRI INTEROPERABILITY INDEX

GRI content index

Statement of use: Hisense Europe Holding GmbH, including Gorenje d.o.o., has reported the information cited in this GRI content index for the period 1.1.2024 to 31.12.2024 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 1 used	GRI 1: Foundation 2021	
GRI 2: General Disclosures 2021	2-1 Organizational details	See requirements of Directive 2013/34/EU
	2-2 Entities included in the organization's sustainability reporting	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i
	2-3 Reporting period, frequency and contact point	ESRS 1 §73
	2-4 Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)
	2-5 External assurance	See external assurance requirements of Directive (EU) 2022/2464
	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)
	2-7 Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52
	2-8 Workers who are not employees	ESRS S1 S1-7 §55 to §56 / Razlika v definiciji
	2-9 Governance structure and composition	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b) See also corporate governance statement requirements of Directive 2013/34/EU for publicinterest entities
	2-10 Nomination and selection of the highest governance body	Not covered
	2-11 Chair of the highest governance body	Not covered
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)
	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 ©
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 §36; IRO-1 §53 (d)
	2-15 Conflicts of interest	Not covered
	2-16 Communication of critical concerns	ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 AR 1 (a); G1-3 §18 ©
	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23
	2-18 Evaluation of the performance of the highest governance body	Not covered
	2-19 Remuneration policies	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13 See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings
	2-20 Process to determine remuneration	Ommision - not listed entity
	2-21 Annual total compensation ratio	ESRS S1 S1-16 §97 (b) to ©
	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)
	2-23 Policy commitments	ESRS 2 GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)
	2-24 Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)
	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)
	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)
	2-27 Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)
	2-28 Membership associations	Political engagement' is a sustainability matter for G1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.
	2-29 Approach to stakeholder engagement	SRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21
	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv
	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g)
	3-3 Management of material topics	ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDRA, MDR-M, and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material
	304-2 Significant impacts of activities, products and services on biodiversity	Not material
	304-3 Habitats protected or restored	Not material
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not material
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Not covered
	201-2 Financial implications and other risks and opportunities due to climate change	ESRS 2 SBM-3 §48 (a), and (d) to (e); ESRS E1 §18; E1-3 §26; E1-9 §64
	201-3 Defined benefit plan obligations and other retirement plans	Not covered
	201-4 Financial assistance received from government	Not covered
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	ESRS S1 S1-10 §67-71 and §AR 72 to 73, Additional info required
	202-2 Proportion of senior management hired from the local community	Not covered
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Not covered
	203-2 Significant indirect economic impacts	ESRS S1 S1-4 §AR 41; ESRS S2 S2-4 §AR 37; ESRS S3 S3-4 §AR 36
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not covered
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	ESRS G1 G1-3 §AR 5 / Additional info required
	205-2 Communication and training about anti-corruption policies and procedures	ESRS G1 G1-3 §20, §21 (b) and (c) and §AR 7 and 8 / Additional info required
	205-3 Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25

GRI STANDARD	DISCLOSURE	LOCATION
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not covered
GRI 207: Tax 2019	207-1 Approach to tax	Not covered
	207-2 Tax governance, control, and risk management	Not covered
	207-3 Stakeholder engagement and management of concerns related to tax	Not covered
	207-4 Country-by-country reporting	Not covered
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESRS E5 E5-4 §31 (a) / GRI 301-1 requires a breakdown by nonrenewable and renewable materials used.
	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)
	301-3 Reclaimed products and their packaging materials	Not covered
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESRS E1 E1-2 §25 (c) to (d); E1-3 §26; E1-4 §33
	302-2 Energy consumption outside of the organization	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)
	302-3 Energy intensity	ESRS E1 E1-5 §40 to §42
	302-4 Reduction of energy consumption	Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.
	302-5 Reductions in energy requirements of products and services	Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §AR 15 (a); E3-2 §15, §AR 20
	303-2 Management of water discharge-related impacts	ESRS E2 E2-3 §24 / GRI 303-2 refers to minimum standards in water quality discharges. ESRS E2-3 refers to the consideration of ecological thresholds in setting pollution targets.
	303-3 Water withdrawal	Water withdrawals' is a sustainability matter for E3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.
	303-4 Water discharge	Water discharges' is a sustainability matter for E3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and €

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)
	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)
	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)
	305-4 GHG emissions intensity	ESRS E1 E1-6 §53; §54; §AR 39
	(c); §AR 53 (a)	
	305-5 Reduction of GHG emissions	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56
	305-6 Emissions of ozone-depleting substances (ODS)	Not covered
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §31; §AR 21; §AR 26
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Pollution of air', 'Pollution of water', and 'Pollution of soil' are sustainability matters for E2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entityspecific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30
	306-2 Management of significant waste-related impacts	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 ©
	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40
	306-4 Waste diverted from disposal	ESRS E5 E5-5 §37 (b), §38 and §40
	306-5 Waste directed to disposal	ESRS E5 E5-5 §37 (c), §38 and §40
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESRS G1 G1-2 §15 (b)
	308-2 Negative environmental impacts in the supply chain and actions taken	ESRS 2 SBM-3 §48 (c) i and iv
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESRS S1 S1-6 §50 (c)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESRS S1 S1-11 §74; §75; §AR 75
	401-3 Parental leave	ESRS S1 S1-15 §93
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not included
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESRS S1 S1-1 §23
	403-2 Hazard identification, risk assessment, and incident investigation	ESRS S1 S1-3 §32 (b) and §33
	403-3 Occupational health services	Not included
	403-4 Worker participation, consultation, and communication on occupational health and safety	Not included
	403-5 Worker training on occupational health and safety	Not included
	403-6 Promotion of worker health	Not included
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)
	403-8 Workers covered by an occupational health and safety management system	ESRS S1 S1-14 §88 (a); §90
	403-9 Work-related injuries	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82
	403-10 Work-related ill health	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84
	404-2 Programs for upgrading employee skills and transition assistance programs	ESRS S1 S1-1 §AR 17 (h)
	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) and §84
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79
	405-2 Ratio of basic salary and remuneration of women to men	ESRS S1 S1-16 §97 and §98
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESRS S1 S1-17 §97, §103 (a), §AR 103
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not included
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	ESRS S1 §14 (g); S1-1 §22 ESRS S2 §11 (b); S2-1 §18
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESRS S1 §14 (f); S1-1 §22 ESRS S2 §11 (b); S2-1 §18
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not included

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not material
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Not material
	413-2 Operations with significant actual and potential negative impacts on local communities	Not material
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b)
	414-2 Negative social impacts in the supply chain and actions taken	ESRS 2 SBM-3 §48 (c) i and iv
GRI 415: Public Policy 2016	415-1 Political contributions	ESRS G1 G1-5 §29 (b)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not complete
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4 S4-4 §35
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not included
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not included
	417-3 Incidents of non-compliance concerning marketing communications	Not included
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESRS S4 S4-3 §AR 23; S4-4 §35

DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

Datapoints that derive from other EU legislation

The table below includes all the datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found as “Material” or “Not material”.

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENTS | APPENDIX	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	STATEMENT
ESRS 2 GOV-1	21 (d)	Board's gender diversity	●		●		Y
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			●		Y
ESRS 2 GOV-4	30	Statement on due diligence	●				Y
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	●	●	●		N.A.
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	●		●		N.A.
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	●		●		N.A.
ESRS 2 SBM-1	40 (d) iV	Involvement in activities related to cultivation and production of tobacco			●		N.A.
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				●	Y
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		●	●		Y
ESRS E1-4	34	GHG emission reduction targets	●	●	●		Y
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	●				Y
ESRS E1-5	37	Energy consumption and mix	●				Y
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	●				N.A.
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	●	●	●		Y
ESRS E1-6	53-55	Gross GHG emissions intensity	●	●	●		Y
ESRS E1-7	56	GHG removals and carbon credits				●	Y
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			●		Y
ESRS E1-9	66 (a), 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		●			N
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		●			N
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			●		Y
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	●				Y
ESRS E3-1	9	Water and marine resources	●				Y
ESRS E3-1	13	Dedicated policy	●				Y
ESRS E3-1	14	Sustainable oceans and seas	●				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	●				N
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	●				N
ESRS 2- SBM 3 - E4	16 (a) i		●				Not material
ESRS 2- SBM 3 - E4	16 (b)		●				Not material
ESRS 2- SBM 3 - E4	16 (c)		●				Not material
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	●				Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	●				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	●				Not material
ESRS E5-5	37 (d)	Non-recycled waste	●				Y

DATAPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENTS | APPENDIX	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	STATEMENT
ESRS E5-5	39	Hazardous waste and radioactive waste	●				Y
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	●				Y
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	●				Y
ESRS S1-1	20	Human rights policy commitments	●				Y
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			●		Y
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	●				Y
ESRS S1-1	23	Workplace accident prevention policy or management system	●				Y
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	●				Y
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	●		●		Y
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	●				Y
ESRS S1-16	97 (a)	Unadjusted gender pay gap	●		●		N
ESRS S1-16	97 (b)	Excessive CEO pay ratio	●				N
ESRS S1-17	103 (a)	Incidents of discrimination	●				Y
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	●		●		N.A.
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	●				Y
ESRS S2-1	17	Human rights policy commitments	●				Y
ESRS S2-1	18	Policies related to value chain workers	●				Y
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	●		●		N.A.
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	●				Y
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	●				Y
ESRS S3-1	16	Human rights policy commitments	●				N.A.
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	●		●		N.A.
ESRS S3-4	36	Human rights issues and incidents	●				N.A.
ESRS S4-1	16	Policies related to consumers and end-users	●				Y
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	●		●		Y
ESRS S4-4	35	Human rights issues and incidents	●				Y
ESRS G1-1	10 (b)	United Nations Convention against Corruption	●				Y
ESRS G1-1	10 (d)	Protection of whistle- blowers	●				Y
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	●		●		Y
ESRS G1-4	24 (b)	Standards of anti- corruption and anti-bribery	●				Y

CONTRIBUTION TO THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS (UN SDG)

Contribution to the United Nation Sustainable Development Goals (UN SDG)*

CHAPTER NAME	UN SDG
ESRS – E1 (Climate Change)	
ESRS – E2 (Pollution)	
ESRS – E3 (Water and marine resources)	
ESRS – E5 (Resource and circular economy)	
ESRS – S1 (Own workforce)	
ESRS – S2 (Workers in the value chain)	
ESRS – S4 (Consumers and end-users)	
ESRS – G1 (Business conduct)	

* The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

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Independent Limited Assurance Opinion Statement on the Sustainability Report
(Non-Accredited Verification)

To Gorenje d.o.o., Stakeholders, and Interested Parties,

At the request of **Gorenje d.o.o.**, we have conducted an **independent limited assurance engagement** on selected disclosures within their **Sustainability Report 2024**, prepared in accordance with the **European Sustainability Reporting Standards (ESRS)** under the **Corporate Sustainability Reporting Directive (CSRD)** framework.

Scope of Engagement

Our engagement covered the **sustainability disclosures** and related non-financial information included in the **Sustainability Report 2024** for the reporting year ending **December 31, 2024**. The objective was to assess whether the reported sustainability information is **fairly stated, in all material respects, in accordance with ESRS requirements**.

Exclusion of part of submitted scope

This assurance engagement has been performed only for the production sites of **Gorenje d.o.o.** situated in Slovenia, Serbia and Czech Republic. All other organizational units of corporation Hisense Europe are excluded from engagement and this opinion does not cover them.

Criteria of Engagement

Our assurance engagement was conducted **as a limited assurance engagement**, in compliance with:

- **ISO/IEC 17029:2019 Conformity assessment,** General principles and requirements for validation and verification bodies
- **International Standard on Sustainability Assurance 5000 (ISSA 5000)**, General Requirements for Sustainability Assurance Engagements.

This **verification is non-accredited** and does not constitute an assurance engagement under any regulatory framework requiring accreditation.

Responsibilities

- **Company Management: Gorenje d.o.o.** is responsible for the preparation and integrity of the sustainability report in accordance with **ESRS**.
- **Our Responsibility:** Our responsibility is to provide **limited assurance** and to express a conclusion based on the procedures performed.

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Assurance Methodology & Procedures

The assurance engagement included:

- Reviewing the **sustainability data, policies, and processes** used in the preparation of the Sustainability Report.
- Conducting **interviews with key personnel** responsible for sustainability reporting.
- Assessing **internal controls and data collection processes**.
- Performing **analytical procedures** and examining supporting evidence.
- Identifying areas of **potential material misstatement or inconsistencies**.

Due to the **limited assurance** nature of this engagement, the procedures performed were **less detailed than those of a reasonable assurance engagement**. As such, we do not provide a **reasonable assurance opinion** on the report.

Conclusion

Based on the procedures performed and the evidence obtained, **nothing has come to our attention** that causes us to believe that the selected sustainability information in **Gorenje's Sustainability Report 2024** is not **fairly stated, in all material respects, in accordance with ESRS**.

Limitations & Non-Accredited Nature of the Verification

- This **verification is not accredited** by any regulatory body for CSRD assurance purposes. It is an **independent, voluntary assurance engagement** (readiness assessment) intended to support Gorenje d.o.o. in preparing for **future regulatory assurance requirements**.
- This statement should not be construed as **an official certification** under CSRD **mandatory assurance requirements**, which will apply from **2025 onwards**.

Assurance Provider Information

Assurance Firm Name: Bureau Veritas d.o.o.

Lead Assurer: Sani Marko Bašič

Date: March 31, 2025

Location: Ljubljana

BUREAU VERITAS, d.o.o. Linhartova cesta 49A, 1000 LJUBLJANA

Digitally signed by BORUT MLAKAR
Date: 2025.04.01 13:36:38 +02'00'

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Signature

Bureau Veritas Certification

VERIFICATION STATEMENT SUMMARY

Verifier Bureau Veritas d.o.o., Slovenija declares that the client:

Gorenje d.o.o.
Partizanska cesta 12 3320 Velenje, Slovenia

has monitored and reported greenhouse gas emissions in accordance with the requirements of the critera for the preparation of environmental information. The client has determined the following emissions for the reporting period 01.01.2024 - 31.12.2024 as follows

Reporting period:	**01.01.2024 - 31.12.2024**	
	Location based approach	**Market based approach**
SCOPE 1 (S1) [tCO2,eq]	**12.255**	**12.255**
SCOPE 2 (S2) [tCO2,eq]	**31.223**	**28.340**
SCOPE 3 (S3) [tCO2,eq]	/	/
ADDITIONAL SOURCES [tCO2,eq]	/	/
CARBON OFFSETS [tCO2,ekv]	/	/
TOTAL EMISSIONS [tCO2, eq]	**43.478**	**40.595**
Anthropogenic biogenic emissions [tCO2]	/	/

Bureau Veritas d.o.o. confirms that the environmental information contained in the report represents the correct calculation and presentation of data and information, and that it was prepared in accordance with relevant international standards, monitoring and reporting requirements, relevant national requirements and legislation.

Environmental information subject to the procedure	**Organizational Carbon footprint (GHG Protocol) GHG_inventory_scope 1_2_ed_V2 6.3.2025**
VERIFIER OPINION	**POSITIVE OPINION.**
Organizational boundaries	Gorenje d.o.o., Partizanska cesta 12, Velenje, Slovenia Mora Moravia s.r.o., Nádrazní 50, Hlubocky-Mariánské Údolí, Czechia Gorenje Valjevo d.o.o., Bulevar Palih Ratnika 91-92 5, Serbia
Reporting boundaries	All emissions in Scope 1 and Scope 2.
Criteria for the preparation of the environmental information, including the calculation methodology	GHG Protocol - Corporate Standard, WRI - World Resource Institute, https://ghgprotocol.org/standards The client's own methodology presented in document Scope 1,2 calculation_V2 (3) 6.3.2025

Verification/validation of clients environmental information was performed by Bureau Veritas d.o.o. (according to a non-accredited procedure) in accordance with the requirements of ISO 17029: 2020, ISO 14065: 2020 and ISO 14064-3: 2019. Details of the procedure performed are described in the verifier's report, which includes the opinion, and in the internal documentation of the procedure.

Procedure nr.: 25457655_G-INV-25/1 Date of issue: 06. 03. 2025

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Gorenje d.o.o.Partizanska cesta 12 3320 Velenje, Slovenia

Organizational Carbon footprint (GHG Protocol)
GHG_inventory_scope 1_2_ed_V2 6.3.2025

Organizational boundaries	
Company / Organisation	**Location**
Gorenje d.o.o.	Partizanska cesta 12 3320 Velenje, Slovenia
Mora Moravia s.r.o	Nádrazní 50, Hlubocky-Mariánské Údolí, Czechia
Gorenje Valjevo d.o.o.	Bulevar Palih Ratnika 91-92 5, Serbia

Procedure nr.: 25457655_G-INV-25/1 Date of issue: 06.03. 2025