

# 2025 XIAOMI CORPORATION ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Executive Summary





## About Xiaomi

Xiaomi Corporation was founded in April 2010 and listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2018 (1810.HK), as a consumer electronics and smart manufacturing company with smartphones and smart hardware connected by an IoT platform at its core.

With an equal emphasis on innovation and quality, Xiaomi continuously pursues high-quality user experience and operational efficiency. Our mission is to relentlessly build amazing products with honest prices to let everyone in the world enjoy a better life through innovative technology.

We continued to advance our "Human × Car × Home" strategy. In 2025, our smartphone shipments reached 165.2 million units. According to Omdia, in 2025, Xiaomi maintained the top 3 global smartphone shipment ranking for the 5th consecutive year. Xiaomi has also established the world's leading consumer AIoT (AI+IoT) platform, as of December 31, 2025, with 1,079.2 million smart devices connected to its platform, excluding smartphones, tablets and laptops. In 2025, we achieved total deliveries of 411,082 vehicles.

Xiaomi products are present in more than 100 countries and regions around the world. In July 2025, Xiaomi Corporation listed as Fortune Global 500 for the 7th consecutive year.

## About Xiaomi ESG

Xiaomi believes that technology goes beyond pushing the boundaries of performance — it is about responsible innovation that builds a safer, more trustworthy, and more sustainable future for everyone. With smartphones, smart EVs, and AIoT as our core pillars, we continuously expand the application of cutting-edge technology, enabling every technological advancement to serve user experience, industry progress, and long-term value creation.

Grounded in our long-term commitment to material sustainability issues including cutting-edge technology and innovation, product quality and safety, privacy protection and data security, responsible supply chain, talent development, and climate resilience, Xiaomi is translating the "Human x Car x Home" strategy from concept into reality.

# How we work

## Stakeholder Engagement

We regard stakeholder engagement as the foundation for building our core ESG competitiveness. We have established a multi-channel communication framework overseen by the Board of Directors and implemented by management. Through channels such as our official website, Investor Day, and Supplier Conferences, we continuously identify and assess material ESG risks and opportunities that have a significant impact on the Group's business model, cash flow, and cost of capital in the short, medium, and long term. For material issues, we have established a comprehensive communication framework and diverse engagement channels to ensure that management decisions fully incorporate stakeholder feedback and suggestions.

During the reporting period, the outcomes of stakeholder engagement further validated and reinforced the Group's ESG management priorities.

Feedback from investors and regulators prompted the Group to further strengthen disclosures regarding technological innovation, climate adaptation, and governance effectiveness; feedback from users and the general public drove the Group to continuously elevate the management priority of product quality, safety, and privacy-related issues; and feedback from value chain partners and employees further supported the Group's decision to incorporate sustainable supply chains, industrial co-prosperity, and talent development into its annual key management priorities.

For details, please refer to the Stakeholder Engagement Details Table in the appendix of the Environmental, Social and Governance Report in Xiaomi Corporation 2025 Annual Report.

## Materiality Assessment

To effectively address evolving sustainability requirements and integrate sustainability factors more systematically into strategic and operational decision-making, Xiaomi has established and continues to optimize a dynamic materiality assessment mechanism. This mechanism adopts 'double materiality' as its core methodology, combining quantitative thresholds with qualitative judgments to comprehensively assess the social and environmental impacts of sustainability issues, as well as their impact on the Group's financial performance, strategic execution, and

long-term value creation. This enables the identification of the Group's material issues during the reporting period and provides a basis for resource allocation, risk management, and information disclosure.

For details, please refer to the Materiality Assessment section of the Environmental, Social and Governance Report in Xiaomi Corporation 2025 Annual Report.

## ESG Risk Management

Xiaomi manages ESG-related risks and opportunities through a dedicated ESG risk management framework to support the identification, assessment, and management of material ESG issues. These processes aim to enhance the Group's understanding of ESG-related risks and opportunities and to support informed decision-making in pursuit of long-term sustainable development.

We identify and assess ESG-related risks and opportunities through regular internal reviews and cross-functional discussions, with reference to relevant sustainability frameworks. ESG risks and opportunities are evaluated and prioritized to determine material ESG matters.

For material ESG risks identified, Xiaomi has implemented corresponding management and mitigation measures, including policies, procedures, and operational controls. In addition, we have established ESG performance indicators and targets to track and monitor progress and support continuous improvement.

For annual ESG risk management measures, please refer to each chapter of the Environmental, Social and Governance Report in Xiaomi Corporation 2025 Annual Report.

# 2025 Materiality Map

During the reporting period, based on the systematic materiality assessment process described above, we identified the material issues for the year. To clearly communicate to investors and stakeholders how ESG factors are integrated into the business value chain, we conducted an in-depth review of each highly material issue across three dimensions: the substantial social and environmental impacts (Impact), the potential risks to the Group's business stability (Risk), and the strategic opportunities (Opportunity) they present. The IRO analysis results for each material topic are presented at the beginning of the corresponding sections of the Environmental, Social and Governance Report in Xiaomi Corporation 2025 Annual Report, where the annual management measures are also disclosed in each section, enabling readers to review relevant content and comprehensively evaluate the Group's management capabilities regarding ESG issues and its long-term value creation performance.

## Wisdom, Born for a Better Life

G Impact+ Risk

Total R&D investment:

RMB**33.1 billion**

R&D personnel ratio:

**45.03%**

Global patent granted: over

**45,000**

## Privacy, Our First Principle

S Impact- Risk

Self-developed MITEE obtained

**EAL5+ certification**

User data subject request response time:

**15 days**

## Safety, Embedded in Our Products' DNA

S Impact+ Impact-

CAQ Performance Excellence Maturity:

**E6, highest level**

Xiaomi YU7 Max IVISTA rating:

**4G+**

Advanced driver training coverage:

**10,620 people**

## Integrity, Permeating Marketing and Services

S Impact+ Risk

After-sales NSS (Chinese mainland / overseas):

**96.72% / 80.55%**

Resolution Rate of Complaints with Identified Responsibility within 72 Hours:

**78.13%**

## Rooted, Growing with Global Communities

S Impact+ Opportunity

Xiaomi Foundation young scholars funded:

**1,082**

Industrial tour student visits:

**674 person-times**

Xiaomi Fans Charity Month participants:

**2,634**

## Inclusion, Embracing Our Differences

S Impact+ Risk

Overall female employee ratio:

**29.32%**

Annual training person-times: over

**120,000**

Employee engagement score:

**91.97%**

## Partnering to Build a Responsible Supply Chain

S Risk Opportunity

Tier-1 supplier CoC equivalent document signing rate:

**100%**

Smartphone business conflict minerals due diligence response rate:

**98.8%**

## Circularity, From Birth to Rebirth

E Opportunity Risk

Smartphone trade-in recycling: over

**2 million units**

Annual refurbished devices: over

**160,000 units**

Xiaomi YU7 Series vehicle circular materials: aluminium **14.2%** / steel **10.6%**

## Low Carbon, Foreseeing the Earth's Future

E Impact- Risk  
Opportunity Impact+

Renewable energy consumption: over

**54,000 MWh**

Products with carbon footprint accounting: over

**20**

GHG emission intensity year-on-year reduction:

**↓ 7%**

## Integrity, Built on Trust

G Impact+ Risk

ISO 37001 coverage of Group business:

**100%**

Annual business ethics training sessions:

**103**

Issues: E Environmental S Society G Governance IRO: Risk Impact+ Impact- Opportunity

# Intelligence, Designed for a Better Life

Xiaomi believes that truly valuable technological innovation should be both cutting-edge and accessible. Grounded in long-termism, we remain committed to fundamental scientific research and open innovation collaboration, deeply integrating AI with the physical world to transform cutting-edge technology into extraordinary user experiences, enabling more people to enjoy a better life through innovative technology in an affordable way.

## Annual Highlights

### Long-Term Transformative Technology Investment

**Foundation Models:** Released *MiMo-V2-Flash* open-source model at 2.5% of comparable closed-source inference cost with 2x generation speed; released *Xiaomi MiMo-V2-Pro* foundation model with hybrid attention architecture and trillion-parameter capability for enhanced complex task processing.

**Embodied Intelligence:** Released *Xiaomi MiMo-Embodied*, the industry's first cross-domain foundation model bridging autonomous driving and embodied intelligence; upgraded execution capabilities with *Xiaomi-Robotics-0*, achieving state-of-the-art (SOTA) across three major simulation benchmarks.

**AI Applications (Xiaomi XLA Cognitive Large Model):** Leveraging the spatial reasoning capabilities of *Xiaomi MiMo-Embodied*, multi-step logical inference is completed within latent space to improve reasoning efficiency. Additional modalities of information input are introduced to construct 3D environmental perception, ensuring stable assisted driving in complex scenarios.

**Smart Manufacturing:** The Xiaomi Smart Home Appliances Factory commenced operations on the Xiaomi Hyper Intelligent Manufacturing Platform, achieving one air conditioner every 6.5 seconds with first-pass yield exceeding 99.8%.

### Rich Technological Culture

Established a technology culture activity system comprising the Xiaomi Technology Awards, Hackathon, and AI Competition, reaching over 60,000 attendances.

The Young Engineer Program has been sustained for five consecutive years, with a cumulative 5,017 participants selected; more than 1,300 have grown into mid-level management roles.

The AI Competition engaged over 5,000 participants, driving a company-wide shift from AI tool adoption to business innovation.

The Universal Inclusive Proposal Initiative, themed around accessibility, received 242 valid proposals, transforming diverse needs into drivers of product innovation.

### Direction Oversight and Responsible Innovation

Regulatory, ethical, legal, and societal factors are embedded upfront into technology roadmaps, with a dual evaluation mechanism covering both algorithms and ethics.

Formulated policies including the Generative AI Service Management System and the AI Large Model Application Security Development and Deployment Specifications, covering the full lifecycle from R&D and training to deployment and operations.

Maintained an integrated "chip + model" co-design approach, with coordinated optimisation between Xiaomi MiMo and the Xring O1 chip to reduce technology roadmap deviation risks.

Throughout the year, the large model R&D team published 37 papers at leading international academic conferences including ACL, EMNLP, NeurIPS, ICCV, and Interspeech, using academic validation to support the credibility of our technology direction.

# Privacy, Where We Draw the Line

In the context of the deepening advancement of the "Human x Car x Home" strategy, data security and privacy protection are not only the compliance baseline but also the core foundation of user trust. We have deeply embedded privacy protection across the full lifecycle of product design, R&D, and operations, prioritising user awareness, user choice, and data security to build a comprehensive protection system spanning all scenarios and the entire value chain.

## Annual Highlights

### Granular Privacy Protection

Launched the Secure Access Control Panel, shifting permission management from broad-based to fine-grained, item-level authorization, returning data access control to users.

Cross-device data transfers adhere to four core principles: Authorization First, End-to-End & No Trace, Consistent Protection, and Secure Link.

Our self-developed trusted execution environment operating system, MiTEE, received China's first EAL5+ certificate at the highest security certification level, ensuring core assets never leave the device or travel beyond the endpoint.

### Privacy Security Capability Reuse Across Business Lines

Established a cross-category, full-ecosystem Security and Privacy Working Group, leveraging a unified organisational structure to enable privacy governance capabilities to be shared across business lines.

Using Xiaomi HyperOS as the foundation, and drawing on its shared-source architecture and proprietary security kernel, security capabilities are reused across business lines.

### System Resilience and Security Drills

Invited 17 top white-hat security teams to conduct a 7-day live penetration test on the *Xiaomi YU7 Series*, with 100% of vulnerabilities remediated before product launch.

Established an end-to-end intelligent monitoring system covering cloud, vehicle, and supply chain software, enabling 24/7 risk monitoring and response.

Conducted quarterly phishing simulation exercises throughout the year, with two dedicated reinforcement drills at Xiaomi EV Factory.

### User Transparency and Rights Protection

The processing timeframe for user Data Subject Requests (DSRs) has been standardized to 15 days worldwide, significantly faster than the one-month period required by EU's GDPR, with a 100% response rate.

Xiaomi Community established a direct R&D closed-loop mechanism, ensuring effective resolution on user-reported data security bugs and privacy optimization suggestions.

Xiaomi EV introduced an upgraded Super Privacy Mode, enabling one-click shutdown of all interior and exterior cameras, microphones, LiDAR, and location sensors.

### Global Compliance Framework

Dynamically maintains a data protection regulatory obligation list covering 106 countries/regions, using the Overseas Compliance Mapping System to precisely align with the privacy legal requirements of target markets.

Completed the annual Personal Information Protection Law (PIPL) compliance audit (covering mi.com, Xiaomi Account, and the App Store) and comprehensive EU's GDPR internal audits across multiple products.

Participated in and contributed to the publication of 10 data security and privacy-related standards during the year, including 3 national standards.

# Safety, In Our Product DNA

Safety is the premise, safety is the foundation, safety is everything. Quality is Xiaomi's lifeline. Only by upholding the highest standards in protecting every single user interaction can we sustain the long-term trust of hundreds of millions of users worldwide. We have deeply embedded product quality and safety standards throughout the full lifecycle of design, R&D, and manufacturing — from chips to complete vehicles, from material selection to recall transparency — with zero-compromise commitment to safeguarding the safety and trust of global users in every use.



## Annual Highlights

### Quality Systems and Excellence in Delivery

ISO 9001 quality management system certification achieved across all business lines.

Xiaomi EV's safety-related team exceeds 3,500 personnel, dedicated to building a full-domain safety system with reliable performance and functional redundancy.

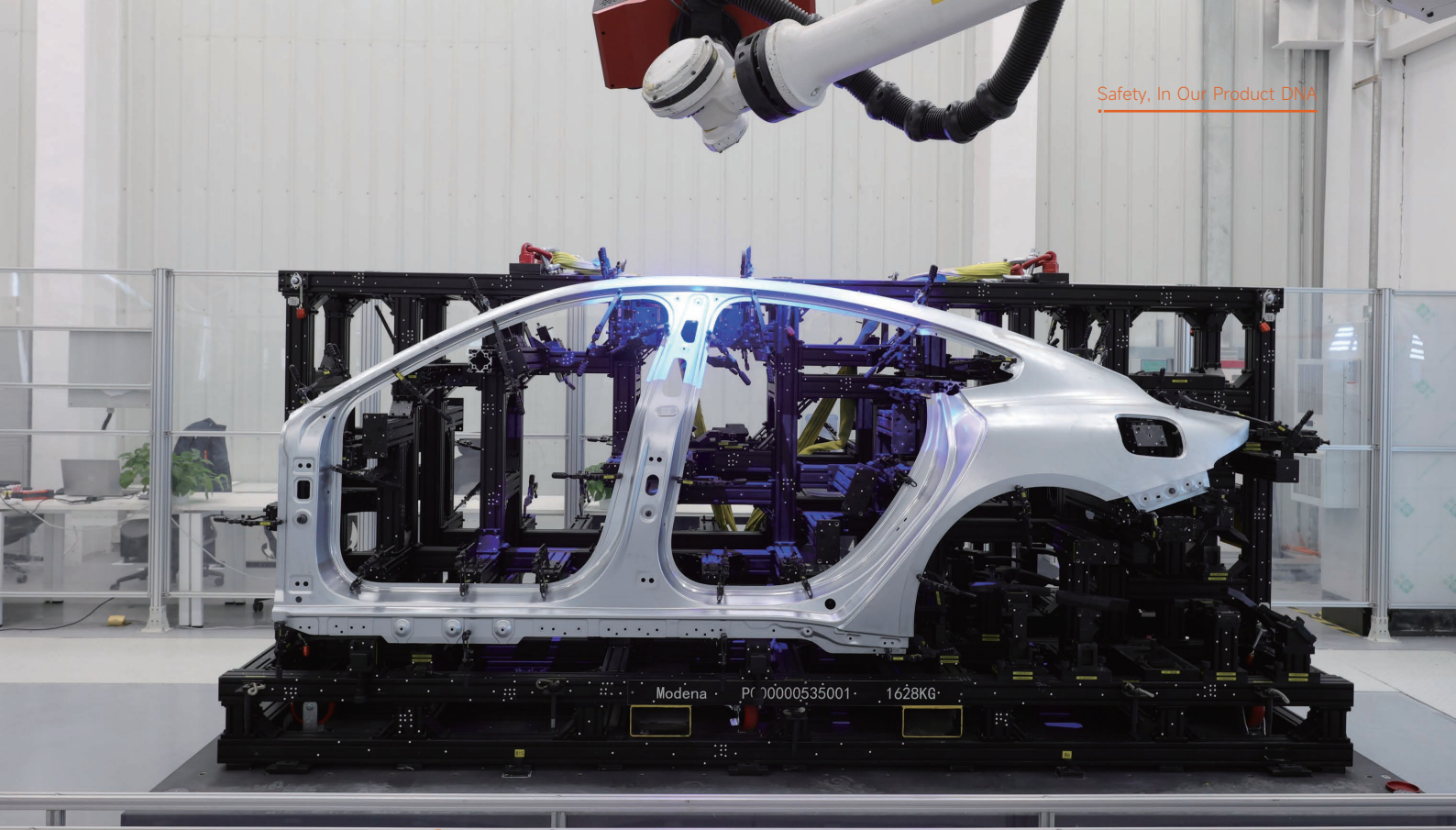
The factory inspection pass rate for smartphone hardware products reached 99.97%, with user quality-related complaint rates declining by 18.2% year-on-year.

Xiaomi EV's key manufacturing processes are 100% automated. The proprietary X-Eye AI inspection system (X-ray defect detection) achieves an accuracy rate exceeding 99.9%.

### Active and Passive Safety Enhancements

Active safety: Smartphones: Upgraded the SBMS safety algorithm with three new hazard monitoring and early-warning functions covering internal short circuits, lithium plating, and battery swelling, with 100% closed-loop handling of thermal-related safety incidents. Smart EVs: The full model range completed the Xiaomi HAD Enhanced Version OTA upgrade, adding active safety functions including AEB, LAEB, RAEB, and AES; reinforcement learning and world models were introduced to cover training across complex scenarios including sunny, rainy, snowy, and foggy conditions, enhancing complex intersection comprehension and defensive deceleration capabilities. The Advanced Driving Training Program has been rolled out across 9 cities, with 10,620 graduates to date, elevating user capability as the last line of active safety defence.

Passive safety: EV batteries feature 18 layers of physical protection with no thermal diffusion, fire, or explosion in fully charged conditions at 55°C. The *Xiaomi YU7 Series* and *New-Generation Xiaomi SU7 Series* use proprietary 2,200MPa ultra-high-strength steel, improving the front and rear doors' load-bearing capacity by 52.4% and 37.6% compared with 1,500MPa door beams. Smart large home appliances upgraded with dual leakage protection and overload protection; wearables adopt 6A-grade natural silk straps, reducing skin sensitivity risk at the source.



### Recall Transparency and User Trust

Issued three public recall notices in 2025 (2 EV OTA recalls + 1 portable power bank recall).

Average completion rate of the 2 Xiaomi EV OTA recalls exceeded 97%. Established a safety improvement closed loop following "Investigation—Assessment—Optimisation—Verification—Re-verification."

The 60-second response rate for eCall emergency calls improved to 100%, with 24/7 intelligent incident monitoring achieving 100% coverage of severe collisions.

### Hazardous Substance Control

Strictly restricted the use of brominated flame retardants (PBBs and PBDEs), hexavalent chromium, lead, mercury, cadmium, and their compounds, with ongoing targeted management of perfluorinated compounds (PFCs), volatile organic compounds (VOCs), and other substances.

Automotive interior components use environmentally friendly adhesives, low-emission PVC and PP materials, and water-based damping coatings such as Liquid Applied Sound Damping (LASD), reducing VOC emissions at the material level to ensure clean and healthy cabin air quality.

Participated in drafting China's first mandatory national standard for RoHS, Requirements for Restricted Use of Hazardous Substances in Electrical and Electronic Products (GB 26572).



# Sincerity, From Marketing to Service

We uphold sincerity, transparency and accountability, and long-termism as the shared baseline for all marketing communications and service delivery. From product promotion to after-sales response, we reject information asymmetry and short-term opportunism, and are committed to building user trust through every touchpoint.

## Annual Highlights

### Informed Decision-Making and User Trust Building

Implemented three red lines for responsible marketing (safety / truthfulness / ethical standards), enforced on a "one-vote veto" basis to eliminate false advertising and misleading statements.

OTA upgrade content and associated risks are communicated transparently in advance. Through the official channel "Xiaomi EV Answers Questions from Netizens," we provided 96 focused responses addressing concerns raised by users and the public throughout the year.

Advanced the Xiaomi HyperOS Beta public testing program, inviting over 1.5 million users to participate in co-creation, collecting more than 30,000 user suggestions, with User Feedback Index (UFI) improvement of 32.49%.

Institutionalized the VOC (Voice of Customer) monthly mechanism and the Listening Program, enabling management to directly receive user feedback and incorporate it into improvement closed loops.

### Timeliness and Professionalism of Service

The All-in-One-Order service streamlines coordination among customer service, engineers, and logistics, reducing resolution time from 24 hours to within 4 hours.

AI-powered customer service intent recognition and automatic ticket generation drove a 52% year-on-year improvement in customer satisfaction.

Established a tiered response mechanism for non-routine service timelines, with an actual annual average response time of 0.44 hours and a response rate of 99.18%.

Globally certified repair engineers reached 95,903.

### Localized Marketing and Service Capabilities

Marketing training covered 23 countries in 13 languages, with 22,400 cumulative participants and 100% coverage of relevant positions.

Standardized response mechanism for controversial incidents: first-response immediacy, full-process transparency, and user rights as priority, with a full-year closure rate of 95.7% for marketing-related emergency incidents.

By the end of the reporting period, we operated over 18,450 stores globally, and our after-sales service network covered 83 countries and regions overseas (including Hong Kong, Macau, and Taiwan).

MiCare services tailored to local needs: theft coverage added in Europe; the "Replacement Only" solution introduced in Japan.



## Rooted, Growing with Communities

We believe that true brand growth requires not only commercial presence but also deep roots in the fabric of each local community. Community engagement is our core pathway for fulfilling responsibilities and deepening trust. Only by responding to local cultures with respect and addressing real needs with the power of technology can we transcend our products and become a sustainable, human-centred part of the lives of users worldwide.

### Annual Highlights

#### Global New Retail

Xiaomi Stores are our highest-frequency touchpoint with global users, and the most meaningful venue for authentic local integration. While maintaining consistency in our global brand identity, we proactively embed local culture into every aspect of store operations:

When our first Xiaomi Store opened in Spain, we designed exclusive gifts featuring the local cultural icon "Las Meninas" to connect with the local community.

In markets such as Indonesia, Malaysia, and the UAE, we provided customized festive visuals and display solutions for traditional occasions such as Ramadan.

A unified global digital retail system enables real-time visibility of merchandise, inventory, and sales data, supporting efficient local decision-making.

#### Community Philanthropy and Technology Inclusion

The Xiaomi Foundation has cumulatively planned donations totalling RMB 1.78 billion, supporting 285 youth fundamental research projects, 1,082 Xiaomi Young Scholars, and over 16,000 scholarship recipients.

The Xiaomi Library program has been operated for ten consecutive years, with cumulative resources exceeding RMB 6.6 million.

Provided tablets and smartphones to students in remote mountain regions in partnership with local NGOs in Peru and Chile, to support government Remote-Education Programs and advance education equity.

Launched the "Symbiosis" photography exhibition across ten locations, complemented by a photographer-in-residence program, using photographic art to engage with public issues such as rural revitalisation and local memory.

Adopted 250 mu of a poverty-alleviation coffee plantation in Lancang, Yunnan, producing coffee gift boxes distributed free of charge through more than 2,000 Xiaomi Stores nationwide, building connections between rural communities and users.

#### Brand Experience and Industrial Tourism

The Xiaomi EV Factory launched the "Science Classroom" industrial science-education program, transforming the smart manufacturing production floor into a real-world learning environment for young students, integrating tours, lectures, and hands-on activities.

Through the "Little Car Doodler" parent-child activity and the "Mi Star Cup — Co-Creation with Childlike Hearts" painting competition, product design and colour philosophy were translated into creative experiences accessible to children, building genuine connections between the brand and user families from an early age.

# Inclusion, United in Our Differences



## Decent Work

Employees are the foundation of Xiaomi's innovation and long-term success. We are committed to providing every employee with a safe, fair, and dignified working environment, safeguarding the physical and mental well-being and quality of life of each employee through comprehensive compensation, safety management, and employee care.

### Annual Highlights

#### Compensation, Benefits and Well-being Support

Uphold equal pay for equal work and performance-based fairness, with transparent appraisal mechanisms ensuring reasonable compensation. In 2025, equity incentives were granted to 11,322 employees.

Commercial insurance covered 71,342 employees and 23,594 children of full-time employees. The Employee Assistance Program (EAP) provided 789 psychological consultations, with the online platform serving over 3,220 employees.

In 2025, 4,548 employees took parental leave, with a 100% return-to-work rate. Paternity leave exceeds statutory requirements, with support for flexible usage in multiple installments.

#### Occupational Health and Safety

Full ISO 45001 certification coverage was achieved across all mature operations. During the year, 1,047 potential hazards were identified and rectified at the Xiaomi Smart Factory, and 1,874 at the Xiaomi EV Factory, achieving a 100% rectification completion rate in both cases.

No Grade IV or above safety incidents occurred throughout the year, and zero occupational disease cases were recorded.

#### Open Employee Communication Channels

Established diversified grievance mechanisms, advancing localized social dialogue mechanisms in markets including France, Vietnam, and Kazakhstan.

The Group achieved an overall employee engagement score of 91.97%, with year-on-year improvement in engagement indicators across all business units.

# Equal Development

We believe that equitable development opportunities are the foundation of long-term organizational resilience. Regardless of seniority, gender, or cultural background, every employee should have access to a clear career pathway and adequate capability support. Through systematic training, an inclusive culture, and fair and transparent promotion mechanisms, we enable employees to evolve in step with the Company's strategy.

## Annual Highlights

### Career Development and Skills Building

Established a systematic talent development mechanism, the "Xiaomi Employee Development Three-Stage Rocket" program, and implemented dual career development pathways across professional and management tracks.

Delivered 552 training courses, covering nearly 120,000 training attendances, with an average training duration of 21.6 hours per employee.

Launched 16 AI productivity courses covering nearly 10,000 employees, with a course completion rate of 73%, supporting employees in adapting to the "Human x Car x Home" and AI strategic transition.

### Diversity and Inclusion

Female employees account for 29.32% overall, and approximately 87% of overseas employees are locally hired.

Supported overseas employees in understanding and integrating into Xiaomi's culture, with 1,080 participants throughout the year.

Awarded the "National March 8th Red Banner Collective" and "National Advanced Private Enterprise in Employment and Social Security" honours.

### Talent Attraction and Employer Brand

The autumn campus recruitment offer acceptance rate reached 75%, while the intern-to-full-time conversion rate reached 95%, with 677 outstanding candidates in the talent pipeline.

Received 13 employer brand awards, including Forbes' "World's Best Employers 2025" and being named among Forbes China's "Most Popular Employers of the Year 2025."

# Partnership, for Supply Chain Responsibility

The long-term stability of the supply chain depends on the collective evolution of the broader value ecosystem. Through a unified global compliance baseline and a tiered governance framework adapted to each business context, Xiaomi ensures reliable global market access and supply resilience in an era of uncertainty, working with partners to advance a just transition — so that every delivery is built on a foundation of responsibility and sustainability.

## Annual Highlights

### Governance and Risk Management

The Board exercises the highest level of decision-making authority over supplier ESG compliance assurance and improvement programs, overseeing their implementation.

Achieved a 100% signing rate for the Supplier Code of Conduct, the Integrity Agreement, or other equivalent contractual documents among all Tier-1 suppliers, upholding the baseline for responsible procurement.

During the year, supply chain risk assessment covered geopolitical and regulatory stability risks, industry-level technology barriers and market volatility, as well as credit, legal, and financial risks. Supported by systematic risk-trigger mechanisms and documentation verification modules, the Group maintains real-time monitoring of legal, compliance, and reputational risks to ensure the stability and continuity of global operations.

In 2025, Xiaomi's smartphone business became one of the first in the industry to obtain two international certifications in parallel: ISO 28000 for supply chain security management and ISO 22301 for business continuity management, and an ISO 31000 conformity statement for risk management.

For suppliers with slower rectification progress, Xiaomi provided dedicated expert coaching support, conducting more than 60 targeted sessions throughout the year to assist suppliers in developing compliance pathways for complex requirements such as the EU Regulation on Prohibiting Products Made with Forced Labour, driving coordinated improvement in supply chain compliance capabilities.

### Supply Resilience and Geopolitical Risk Mitigation

Applied AI agents to integrate complex operational processes, enabling simulation of order increases or reductions and early-stage demand identification. Through algorithm-based evaluation, the system automatically identifies supply-demand imbalances to prevent material overstock or shortages caused by demand fluctuations.

Regulatory policies, international trade dynamics, and geopolitical factors are comprehensively integrated into the supply chain risk management system, with timely impact assessment and end-to-end investigation of triggered materials, suppliers, and production regions. The smart EV business also implements a "Local for Local" strategy to continuously strengthen supply chain resilience and risk mitigation capabilities.

### Responsible Minerals Sourcing

The smartphone business expanded its due-diligence scope to include four additional critical minerals — lithium, nickel, natural graphite, and copper — beyond the original tin, tantalum, tungsten, gold (3TG), cobalt, and mica, achieving full coverage of smartphone batteries and essential electronic components.

Responsible minerals due diligence was conducted through to the Tier-3 supplier level. In 2025, the supplier response rate within the smartphone supply chain reached 98.8%, with 1,045 upstream smelters and refiners identified across 72 countries and regions.

Among Xiaomi EV's core suppliers relevant to this topic, approximately 40% had undergone third-party audits related to responsible sourcing, and around 60% provided Xiaomi EV with information on the smelters or refiners of critical materials.

### Supplier Capability Building and Just Transition

Xiaomi shared the *Xiaomi Hyper Intelligent Manufacturing Platform* and advanced digital manufacturing capabilities with supply chain partners. During the Reporting Period, 35 core automotive business suppliers engaged in deep collaboration with Xiaomi, significantly improving delivery efficiency and production stability.

Supplier collaboration was deepened through concurrent engineering and industrialization models, with cross-functional shadow teams deployed to drive end-to-end co-management. This year, the model was applied at 3 key component suppliers, improving R&D and mass-production alignment efficiency.

For high-risk operations such as high-temperature environments in the smart large home appliances supply chain, suppliers are guided to implement workplace environment monitoring mechanisms, provide adequate safety protection facilities, conduct regular emergency drills, and establish occupational health monitoring records for employees, ensuring the right to decent work across the supply chain.

Diversified supply chain financing instruments, including factoring and equipment leasing, are utilized to meaningfully reduce overall financing costs for small and medium-sized manufacturers, supporting the healthy operations and quality improvement of ecosystem chain suppliers.



# Circularity, From Creation to Renewal

## Green Product Design

True sustainability is not a retrofit — it is a systemic choice that begins at the design stage. We deeply embed resource efficiency and low-carbon principles into material selection, structural design, and energy management, making green an inherent capability of our products.

### Annual Highlights

#### Green Design as a Competitive Differentiator

Smartphones have incorporated bio-based lightweight nylon and bio-based epoxy resin to drive lightweighting and structural optimisation. Multiple mass-production smartphone mid-plates use 100% recycled, high-strength and high-thermal-conductivity die-cast aluminum.

In collaboration with an academician-led university research team, and empowered by our proprietary AI model, we successfully developed and mass-produced the world's leading 2,200MPa ultra-high-strength steel, breaking through strength-toughness technology boundaries. This simultaneously builds fortress-level vehicle body safety and enables vehicle lightweighting, achieving a dual breakthrough in safety and driving range.

The *Xiaomi YU7 Series* incorporates recycled aluminium at a proportion of 14.2% and recycled steel at 10.6%, with a body-in-white lightweighting coefficient as low as 1.397 — a leading level in its class.

Xiaomi air conditioners feature the industry's first dual-millimetre-wave radar module for home use, with energy savings exceeding 70% in intermittent use scenarios.

#### Durability and Repairability Improvements

The *Xiaomi 17 Series* pioneered the use of ordered mesoporous silicon-carbon anode materials, increasing battery capacity by approximately 12% and maintaining over 80% capacity after more than 2,000 charge-discharge cycles.

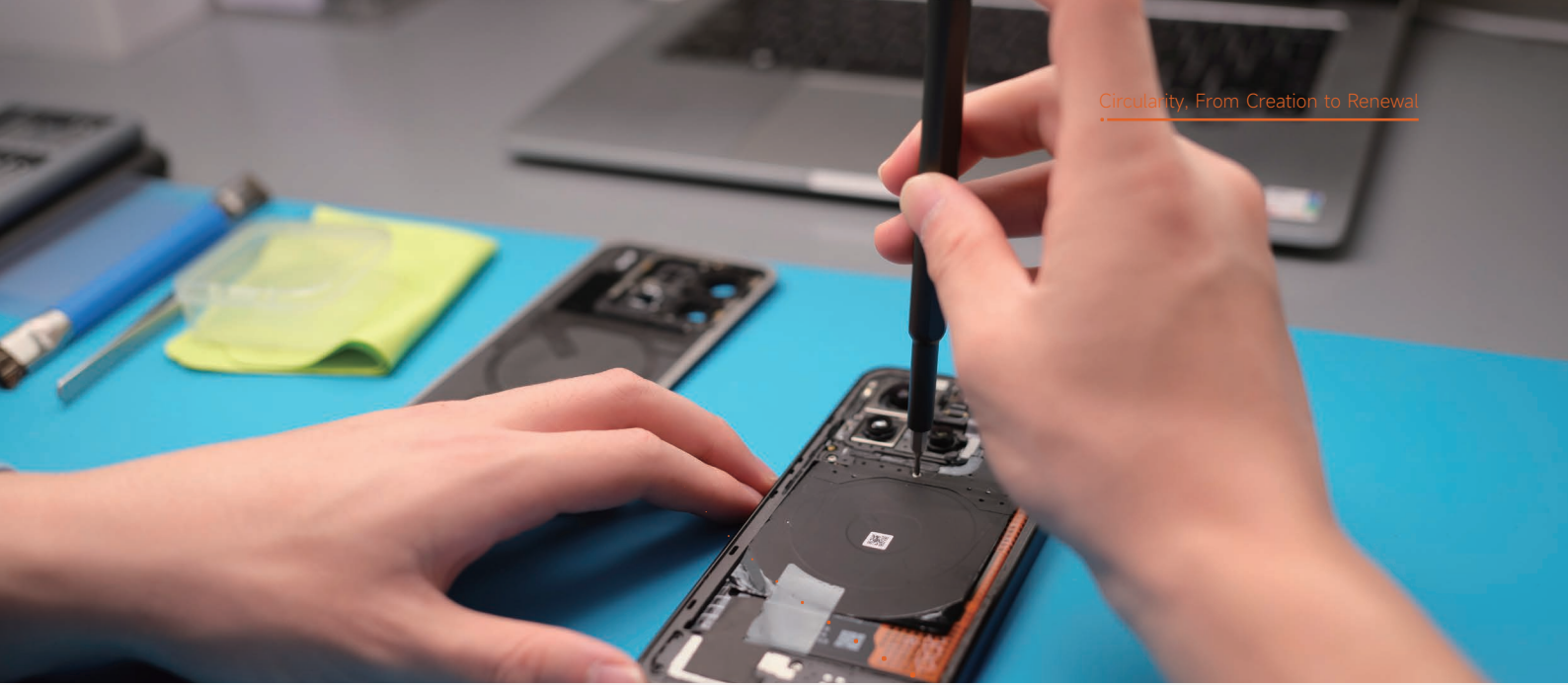
Principles of easy disassembly and recyclability are incorporated at the automotive product design stage, with a preference for screw connections, snap-fit connections, and other low-disassembly-difficulty joining methods to improve end-of-life recyclability.

The *Xiaomi YU7 Series* achieves a reusability rate of 92.6% and a recyclability rate of 98.8%. Its aluminium alloy recycling solution received the 2025 "ELV Recyclability Design Exemplary Case" award issued by China's market-regulation authorities.

#### Quality Control of Circular Material Supply Chain

Established a materials database identifying dozens of low-carbon and circular materials, with carbon emission tracking at the bill-of-materials level for the top 20 key materials.

Circular material qualifications are verified by third parties or confirmed through Xiaomi factory audits, ensuring consistent quality standards and compliance.



## Extended Producer Responsibility

Product responsibility does not end at the point of sale — it extends to every stage after a product's useful life. With Extended Producer Responsibility (EPR) as our core philosophy, we drive the standardised collection and resource recovery of end-of-life products through a mature reverse logistics system, a compliant recycling network, and transparent waste management.

### Annual Highlights

#### Reverse Logistics and Recycling Network Development

Trade-in capabilities now cover 24 countries and regions worldwide. In 2025, 54,811 new device conversions were achieved, representing a year-on-year increase of 135%.

Electronic waste collection in Chinese Mainland covered 100% districts and counties nationwide, with 213,000 collection orders, representing a year-on-year increase of 19.7%.

Six refurbishment factories globally refurbished over 160,000 devices throughout the year, a year-on-year increase of 22.27%. All refurbished products undergo 100% random inspection before dispatch.

#### Compliant E-Waste Management

Strictly adhering to the Basel Convention, with an explicit commitment not to export e-waste to non-OECD countries.

Recycling partners must hold locally approved whitelist qualifications, with priority given to establishing cooperation with recyclers holding R2 (Responsible Recycling), WEEE, and other international certifications.

Partnering with enterprises on China's market-regulation authorities' power battery recycling whitelist to proactively implement requirements for power battery coding, digital identification, and information reporting, thereby fulfilling our extended producer responsibility.



# Low Carbon, A Vision for Tomorrow

## Energy Management

Climate change is the most profound systemic challenge of this era. Using the Paris Agreement's target of limiting global warming to 1.5° C as our reference point, we continuously advance emissions reduction across our operations and value chain based on climate science, and provide global users with technology products and services that are more resilient to climate change.

### Annual Highlights

#### Operational Decarbonisation and Green Manufacturing

Xiaomi Smart Factory and Xiaomi EV Factory have obtained ISO 50001 Energy Management System certification. The Xiaomi Smart Home Appliances Factory established a four-tier energy management system, achieving energy management precision down to the individual equipment level.

The Xiaomi EV Factory deployed a regenerative thermal oxidizer (RTO) system, enabling total annual heat recovery of 38,333 GJ. Leveraging Xiaomi HyperCasting integrated die-casting technology to optimise production line layout, annual electricity savings of approximately 1.82 million kWh were achieved.

Continued to optimise logistics structures by shifting from air freight to sea and rail transport, reducing emissions by approximately 2,471 tonnes of CO<sub>2</sub>e in 2025. Carriers are also guided to increase their use of Sustainable Aviation Fuel (SAF), which reduces carbon emissions by approximately 30% compared to conventional aviation fuel.

#### Carbon Data Compliance and Energy Infrastructure

Completed full lifecycle carbon footprint accounting for more than 20 representative products, continuously building product-level carbon data.

Closely tracked emerging international regulatory requirements such as the EU CBAM and EU Battery Regulation, embedding carbon-related binding provisions into product R&D and design processes upfront to mitigate market access risks.

Scaled deployment of distributed photovoltaic systems at owned facilities. During the reporting period, the Xiaomi EV Factory's rooftop PV consumed 13.34 million kWh of green electricity, with corresponding emission reductions of approximately 8,000 tonnes of CO<sub>2</sub>. The Xiaomi Smart Home Appliances Factory simultaneously advanced a combined model of "direct rooftop PV connection + green electricity trading" to enhance green electricity self-sufficiency.

Promoted transition in clean energy across the supply chain of smart large home appliances. The total estimated annual power generation of the photovoltaic projects across third-party contract manufacturers is approximately 31.88 million kWh, with potential annual carbon emission reductions of approximately 26,400 tonnes of CO<sub>2</sub>.

# Climate Resilience

Increasingly frequent extreme weather events and intensifying electrification competition — climate change is fundamentally reshaping our operating environment from the outside in. Rather than reacting passively, we proactively integrate climate resilience into our product portfolio, supply chain design, and operational decisions, enabling Xiaomi to remain steady in the face of climate uncertainty.

## Annual Highlights

### Electrification Transition

Continuing to scale up investment in key technologies across the industrial chain, with a focus on low-carbon core technologies, such as automotive-grade lightweight materials and efficiency thermal management systems.

To address the winter driving range challenge for electric vehicles, we developed an AI intelligent thermal management system achieving 98% low-temperature energy utilisation efficiency, effectively alleviating range anxiety in cold climates and supporting the broader adoption of battery electric vehicles across wider regions.

### Extreme Weather Supply Chain Resilience

Core components are sourced from multiple regions and multiple suppliers to diversify geographic concentration risk and reduce the likelihood of supply disruptions caused by extreme weather events.

A "weather warning — advance inventory positioning — logistics route switching" linkage mechanism has been established for coastal production and warehousing hubs, providing normalised response capability to extreme weather events such as typhoons and heavy rainfall.

### Electrification Competitive Resilience

Continuing to deepen the differentiated positioning of the "Human x Car x Home", building competitive advantages through smart cabin, assisted driving, and full-ecosystem integration.

Continuously iterating on driver assistance capabilities with the release of the Xiaomi XLA Cognitive Large Model, advancing intelligent driving from "data-driven" to "cognition-driven" and reinforcing product competitiveness through technological leadership.

### Climate-Adaptive Products and Market Positioning

With continued growth in demand for smart EVs, high-efficiency smart large home appliances, low-power devices, and green supply chain products, Xiaomi anticipates that related product innovation, market expansion, and efficiency improvements will support revenue growth, product premium capability, and long-term asset value.

Optimised global warehousing and logistics networks, with a focus on strengthening supply chain risk resistance in core markets such as Europe and Southeast Asia, ensuring stable delivery in extreme weather conditions and seizing market opportunities.



# Integrity, as Our Foundation

Integrity is Xiaomi's most important commercial asset. Guided by the principles of zero tolerance, full coverage, and no exceptions, we deeply embed ethical business conduct throughout our entire operations — from anti-corruption to anti-monopoly, from intellectual property protection to whistleblower safeguards — making trust the foundation of every business decision.

## Annual Highlights

### Anti-Corruption Framework

Passed the ISO 37001 Anti-Bribery Management System Review and updated the Anti-Bribery Management Guidelines to align with the latest ISO 37001 requirements. Four top prohibitions are in place, maintaining zero-tolerance principles.

Established a conflict of interest management mechanism covering the full cycle of recruitment, onboarding, and ongoing employment.

Delivered 103 in-person professional ethics training sessions. 100% of newly onboarded employees completed integrity and compliance courses and assessments.

### Global Compliance Management

Organized 51 anti-monopoly and anti-unfair competition training sessions across operating regions including Chinese Mainland, Europe, Southeast Asia, Africa, and the Middle East, with over 16,000 participants.

Conducted routine antitrust risk reviews covering more than 60 projects. A mock dawn-raid exercise was organized at Xiaomi's Türkiye office to test internal response mechanisms.

Strictly adhered to the newly revised Anti-Money Laundering Law, updated internal policies, and strengthened customer identity verification and suspicious transaction management mechanisms.

Removed over 1.26 million infringing links and assisted law enforcement agencies in confiscating over 350,000 counterfeit products.

### Whistleblowing and Appeals Protection

Established a top-down integrity grievance mechanism with reporting channels open to employees, business partners, and consumers.

Established a whistleblower reward fund in accordance with the Xiaomi Corporation Whistleblower Protection and Reward Policy, with rewards provided to whistleblowers for 6 major valid cases throughout the year.

