



Xiaomi Corporation

2021 Green Bond
Allocation and Impact Report



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Overview



Headquartered in Beijing, Xiaomi is a consumer electronics and smart manufacturing company with smartphones and smart hardware connected by an IoT platform at its core. Embracing our vision of “Make friends with users and be the coolest company in the users’ hearts”, Xiaomi continuously pursues innovations, 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. In 2021, Xiaomi ranked No.3 globally in terms of smartphone shipments. We have also established the world’s leading consumer AIoT (AI+IoT) platform, with 434.0 million smart devices connected to its platform as of December 31, 2021, excluding smartphones, laptops and tablets. Our products and services are offered in more than 100 countries and regions around the world.

In 2021, our total revenue reached RMB328.3 billion, representing an increase of 33.5% year-over-year; adjusted net profit was RMB22.0 billion, representing an increase of 69.5% year-over-year. In August 2021, Xiaomi made the Fortune Global 500 list for the third consecutive year, ranking 338th.

We view ESG management as part of our corporate strategy, and has fully integrated it into our business operations and management. In 2021, we executed our ESG strategy across a wide range of areas, including environmental issues, supply chain, employees, quality, business ethics and social responsibility. We have also set environmental targets for our business operations, aiming to reduce pollutants and consumption generated from operations at our office parks (including our self-operated data center).

Our Environmental Targets



Energy

The energy consumption per capita of self-operated office parks will be reduced by **5%** in 2026, against the 2020 level.

Greenhouse Gas (“GHG”)

The GHG emissions per capita of our self-operated office parks will be reduced by **4.5%** in 2026, against the 2020 level.

Water

Water consumption per capita of self-operated office parks will be **no higher** than that of 2020 level.

Waste

Non-hazardous wastes from self-operated office parks are separately managed by categorization.
All hazardous wastes are handled by **qualified** third-party organizations.

Our Inaugural Green Bond



Transaction Summary

Issuer	Xiaomi Best Time International Limited, a direct wholly-owned subsidiary of Xiaomi Corporation
Settlement Date	July 14, 2021
Size	US\$400 million (Net Proceeds: US\$392.8 million)
Coupon	4.100%
Maturity	30 Years (July 14, 2051)
Use of Proceeds	To finance or refinance, in whole or in part, one or more of the Xiaomi's new or existing Eligible Projects, pursuant to Xiaomi's Green Finance Framework
External Review	Sustainalytics Second Party Opinion

In July 2021, we successfully issued our inaugural green bond under our Green Finance Framework.

Our Green Finance Framework encompasses the following:

- Use of proceeds, including six categories of our Eligible Projects that are in line with corresponding Sustainable Development Goal (“SDG”)



- Project evaluation and selection
- Management of proceeds
- Reporting and assurance

We are committed to allocating the proceeds or an equivalent amount of proceeds exclusively for the financing and/or refinancing of Eligible Projects at Xiaomi, in whole or in part, including the acquisition, construction, development or re-development of such projects that provide clear environmental and sustainability benefits explicitly recognized by ICMA Green Bond Principles 2021 (“ICMA GDP”) and LMA, APLMA, and LSTA Green Loan Principles 2021 (“GLP”). Refinancing of Eligible Projects will have a look-back period of no longer than 24 months from the time of issuance. We will fully allocate the net proceeds on a best effort basis within 36 months of issuance.

Allocation of Net Proceeds

Total Net Proceeds

US\$392.80 million

Allocated Net Proceeds

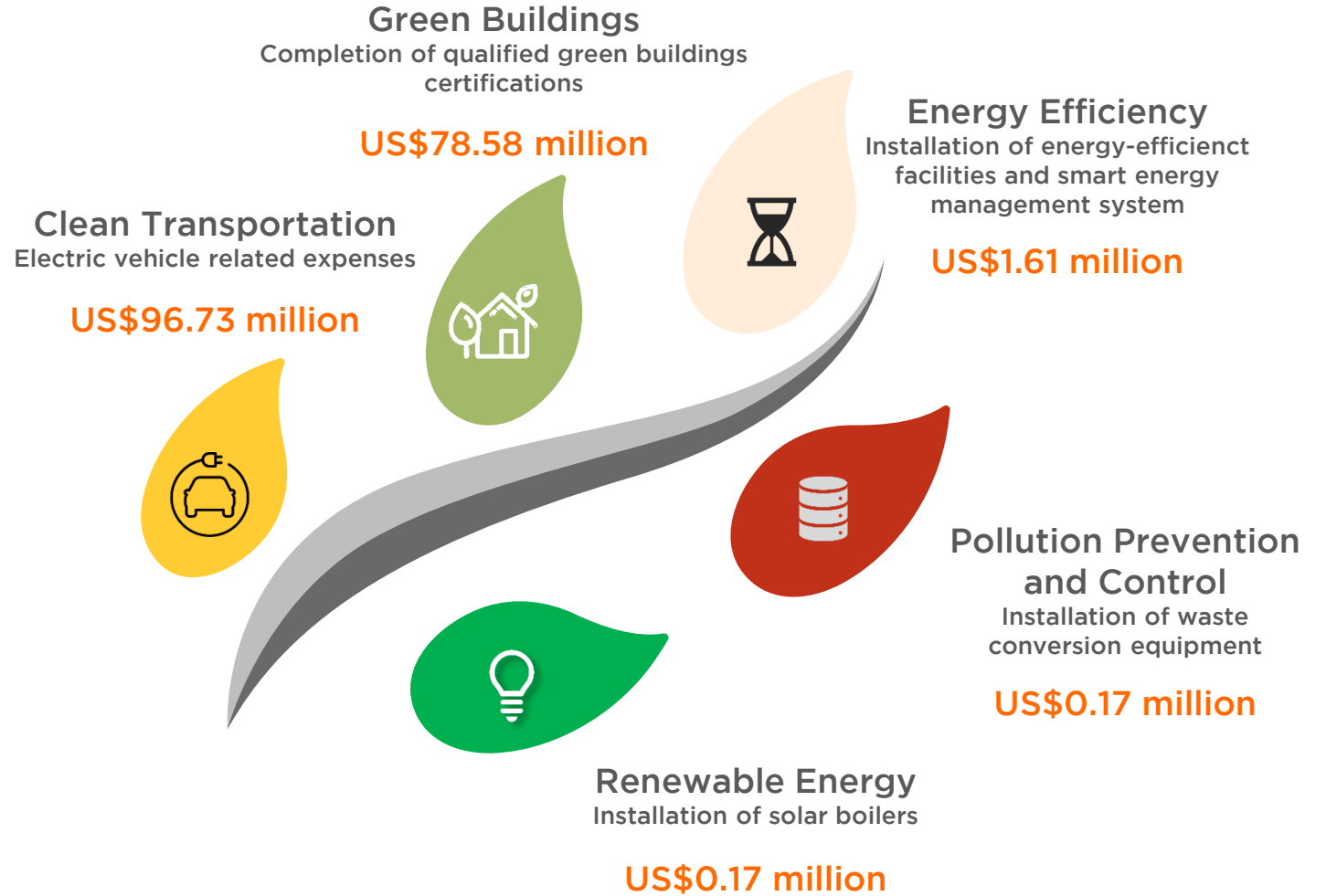
US\$177.26 million

45.13% of Total Net Proceeds

Financing Portion

US\$113.13 million

63.82% of Allocated Net Proceeds



Note: Annual review performed by Sustainalytics

Impact Reporting by Eligibility Criteria

Eligible Project Category	Impact Indicators and Projected Benefits
Clean Transportation	<ul style="list-style-type: none"> • CO₂e avoided: estimated to be 102-115 grams CO₂e per km per vehicle in use phase, compared with conventional gasoline vehicles of similar category
Green Buildings	<ul style="list-style-type: none"> • Energy saved: 465 MWh • CO₂e avoided: 283 metric tons • Water saved: 381 metric tons
Energy Efficiency	<ul style="list-style-type: none"> • Energy saved: 5,851 MWh • CO₂e avoided: 3,534 metric tons
Pollution Prevention and Control	<ul style="list-style-type: none"> • Waste treated: 4,548 metric tons • Amount of animal feeds and fertilizers converted: 444 metric tons
Renewable Energy	<ul style="list-style-type: none"> • Energy saved: 420 MWh • CO₂e avoided: 167 metric tons

Note: Annual review performed by Sustainalytics

Featured Projects - Green Buildings

Project: Beijing Xiaomi Science and Technology Park

Location: Haidian, Beijing

Certification: Leadership in Energy and Environmental Design (LEED) Platinum®



- **Temperature Control System:** natural cooling tower to shorten cooling time
- **Lighting System:** outdoor floodlight system to save electricity
- **Office Area:** AI-powered smart control of energy-saving lamps, power sockets and air conditioners
- **Carpark:** lighting brightness adjustments
- **Water-saving System:** installation of a rainwater harvesting system, control of water pressure, and optimization of water consumption in sanitary wares

Energy saved:
465 MWh

CO2e avoided:
283 metric tons

Water saved:
381 metric tons





Appendix

Eligible Projects

Eligible Project Category	Eligible Criteria and Example Projects	Sustainable Development Goal (SDG)
<p>Eco-efficient and Circular Economy Adapted Products, Production Technologies and Processes</p>	<p>Expenditures related to Research & Development (R&D) of products to achieve energy efficiency and to be certified by the China Energy Label (CEL), China Energy Conservation Product Certification (CECP), and European Union Energy Label</p> <ul style="list-style-type: none"> Reduction in energy and water consumption, as well as Green House Gas emission <p>R&D expenditures related to facilitating the use of eco-efficient materials in its products and packaging, including but not limited to:</p> <ul style="list-style-type: none"> Designing product packaging to reduce packaging material usage and weight and to reduce/avoid the adoption of plastic and film materials by utilizing biodegradable paper Replacing existing phone components with bio-based or other recycled materials 	
<p>Energy Efficiency</p>	<p>Design, installation, development and operation of infrastructure that reduce energy consumption or avoid Green House Gas emission in operations, including but not limited to:</p> <ul style="list-style-type: none"> Design and development of energy-efficient infrastructures that enable unmanned production and achieve 24-hour lights out production Improvement and maintenance of energy-saving electrical appliances controlled by a smart energy management system 	

Eligible Projects (Cont'd)

Eligible Project Category	Eligible Criteria and Example Projects	Sustainable Development Goal (SDG)
Green Buildings	<p>Expenditures related to (1) improvement or refinancing of existing and (2) design or construction of new, office space, commercial buildings, or surrounding communities certified in accordance with any one of the following selected certification systems:</p> <ul style="list-style-type: none"> • Chinese Green Building Evaluation Label (GBL) – Two stars or above • U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above • Building Research Establishment Environmental Assessment Model (BREEAM) – Excellent or above • BCA Green Mark – Gold or above 	
Clean Transportation	<p>Expenditures related to investment in property, plant and equipment (PP&E), as well as R&D expenditures of alternative vehicles, sample projects including but not limited to:</p> <ul style="list-style-type: none"> • Electric vehicle • Electric scooters and electric self-balancing scooters 	
Pollution Prevention and Control	<p>Promoting waste classification and instant waste conversion in order to mitigate its environmental impact</p> <p>Recycling domestic waste and kitchen waste in offices to reduce solid waste disposal</p> <ul style="list-style-type: none"> • Installation and maintenance of waste processing equipment in Xiaomi Science and Technology Park canteen which converts kitchen waste into organic fertilizer in accordance with national standards 	
Renewable Energy	<p>Expenditures related to new or existing renewable energy projects (solar and wind projects) or the associated transmission solutions</p> <ul style="list-style-type: none"> • Installation and operation of two sets of solar boiler systems in Xiaomi Science and Technology Park 	



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