

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. About the Report

This is the 3rd Environmental, Social and Governance (ESG) Report published by Xiaomi Corporation (“Xiaomi,” the “Group,” the “Company,” “we”). This Report sets out to present, on an objective and fair basis, the ESG performance of Xiaomi Corporation and its subsidiaries in 2020. The Report was prepared in compliance with the disclosure requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Guide” or “the Guide”) as depicted in Appendix 27 of *The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, published by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), and in accordance with the Core Option of the GRI (Global Reporting Initiative) Sustainability Reporting Standards (GRI Standards). It is recommended that this Report is read in conjunction with the section titled “Corporate Governance Report” as contained in the Company’s Annual Report.

In preparation of the Report, we strove to ensure that the information disclosed herein follow the four reporting principles, namely, materiality, quantitative, balance and consistency.

The reporting period of this Report is from January 1, 2020 to December 31, 2020 (“this year”). To enhance the comparability and completeness of the Report, part of the disclosure in this Report also covers other time periods.

The source of information and cases within this Report were mainly derived from the Company’s statistical reports, relevant documents and internal communication documents in 2020. The Company undertakes that there are no false records or misleading statements in this Report, and takes responsibility for the authenticity, accuracy and completeness of the information in this Report.

This Report is published and available in both traditional Chinese and English. If there is any discrepancy between the texts, the Chinese version shall prevail for all purposes.

II. The United Nations Global Compact and Sustainable Development Goals

In 2020, Xiaomi joined the United Nations Global Compact (UNGC) and incorporated its 10 principles governing human rights, labor, environment, anti-corruption, and more into its corporate operations and strategies for sustainable development. The UNGC gives us a clear vision on sustainability, which contributes to the creation of a better world through corporate action. Also, the UNGC is a firm supporter of the Sustainable Development Goals (SDGs) adopted by the United Nations.

Xiaomi actively supports the SDGs. We prioritize the specific targets of the SDGs according to the unique characteristics of our business and the industry value chain. We focus on the core areas of “products, users, environment and society” when we implement a wide range of initiatives to fulfill the SDGs and our corporate responsibility.

SUSTAINABLE DEVELOPMENT GOALS



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SDGs



Xiaomi's 2020 Actions

Products

Core Strategy

- Our core strategy for the next decade: "Smartphone × AIoT"

Product Quality

- Obtained ISO9001 Quality Management System certification for our Smart Hardware department and our e-commerce platform Youpin
- Introduced digitalized quality management system
- Introduced policies on safety regulations, electromagnetic compatibility, ergonomics, energy efficiency, patent certification, and so forth

Technology Innovation

- Invested RMB9.3 billion in R&D in 2020
- Named as a *Top 100 Global Innovator* by *Clarivate Analytics* for three consecutive years
- Ranked 24th in the "Top 50 Global Innovators 2020" by the Boston Consulting Group
- Recognized as one of the "50 Smartest Companies (TR50)" by MIT Technology Review
- Became the first Chinese company among the top five applicants in the International Design System (Hague System)
- Awarded a total of 19,460 patents

Standardization

- Attended more than 200 meetings of international standardization organizations and submitted more than 100 proposals
- Attended more than 300 meetings in domestic standardization conferences
- Involved in the development of more than 100 international, national, industry and group standards

Smart Manufacturing

- Approximately 92% of the manufacturing equipment at the smart factory was developed by Xiaomi or its investee companies
- Smart factory achieved automation level of approximately 63% since inception
- Launched smart manufacturing platform with more than 100 companies across the value chain

SDGs

Xiaomi's 2020 Actions



Users

User Experience

- Over 3,200 Mi Homes and retail stores in mainland China
- 656 in-store service centers nationwide
- 1,553 stores nationwide to provide door-to-door repair services
- Introduced "1-hour quick repair" and "2-hour response" services
- Trained and certified all after-sales specialists
- Held more than 200 online and 100 offline trainings during the year, with more than 10,000 participants

Privacy Protection

- Introduced Xiaomi's Privacy Brand
- Obtained ISO27001 Information Security Management System Certification
- Obtained ISO27701 Privacy Information Management System Certification
- Granted Privacy Seal of TrustArc certification
- Launched three innovative privacy protection features on the MIUI 12 operating system

Mi Fan Culture

- Revamped Mi Community, with over 120 million cumulative users and over 20 million monthly active users
- Established product proposal and feedback channels and received over 40 million user responses
- Undertook more than 100 internal testing projects, attracting more than 4 million users
- Held 12 "Internal Roast" and 45 "Weibo MIUI Leader Online" activities
- Launched a series of global Mi Fan activities such as "Mi Fan Story," "Mi Renovation," "Mi Explorers" and "ShotByMi Photo Contest"

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SDGs

Xiaomi's 2020 Actions



Environment

Green Operation

- Obtained ISO14001 Environmental Management System Certification
- Achieved the Two-star Grade of "Beijing Green Building Standards"
- Saved approximately 1,406,874 kilowatt-hours (kWh) throughout the year, and reduced greenhouse gas emissions by 1,001.6 tons of carbon dioxide equivalent
- 3,608 tons of hot water were heated by solar boiler systems
- Used water-saving facilities and promoted the use of reclaimed water
- Disposed of 1,882.5 tons of kitchen waste with non-hazardous treatment during the year
- Provided paper bags across all Mi Homes in mainland China
- Granted subsidies for a total of 30,572 orders through government energy-saving funds during the year

Green Products and Packaging

- Introduced energy-saving measures throughout product life cycles
- Utilized reduced packaging solutions in 95% of Xiaomi's self-labeled products, reaching a product-to-package ratio up to 80%
- Reduced power consumption by an average of 25% on system applications in MIUI 12.5
- Reduced plastics packages by up to 60% in weight, starting with smartphone packaging in Europe
- Recycled 127,271 smartphones, which reduced electronic waste by approximately 25 tons
- Promoted the reuse of cartons, saving a total of approximately 320,000 boxes and 10,000 wooden pallets throughout the year
- Complied with the energy efficiency standards of the US Department of Energy (DOE), California Energy Efficiency Requirements (CEC), China Energy Label (CEL) and EU Energy-related Products (ErP)

SDGs

Xiaomi's 2020 Actions



Society

Employee Care

- Employ a total of 22,074 people across four continents and 20 countries/regions
- Recruited 7,885 people, including 2,210 fresh graduates in 2020
- Implemented an appeal mechanism on performance review results
- Developed and implemented the *International Dispatched Employees Tax Balance Policy of Xiaomi Corporation*
- Awarded 137,947,024 restricted stock units through 4,686 issues to selected participants in 2020
- Obtained ISO45001 Occupational Health and Safety Management System certification
- Introduced 468 online courses and 103 learning projects on Qinghe University's Learning Platform, with more than 12,000 people who have taken courses online

Win-win Cooperation

- A total of 31 Xiaomi ecosystem companies have been listed
- More than RMB90 billion of credit support provided to over 3,000 companies by Airstar Digital Technology, reducing financing costs by an average of approximately 2% for small- and medium-sized enterprises

Social Responsibility Exploration

- Initiated projects in accessibility, disaster warning and elderly care
- Expanded the scope of earthquake warning to more than 100 cities across China in 2020
- Issued 29 warnings on earthquakes above 4.0 magnitude and 9,445,961 alerts were sent to users through the earthquake warning system
- Entered the age of accessibility 2.0, with four major upgrades in accessibility development
- Provided 185 jobs for the disabled in 2020
- Built more comprehensive support for the disabled, with the launch of an official Xiaomi webpage for the disabled

Fight against COVID-19

- Xiaomi Corporation, our employees and Beijing Xiaomi Foundation donated over 3 million pieces of protective equipment worth over RMB80 million to more than 40 countries and regions
- As of July 15, 2020, Beijing Xiaomi Foundation received monetary donations worth over RMB27 million, of which more than RMB12 million were from our executives and employees
- The 11th *China Charity Award* awarded to Mr. Lei Jun, the founder, chairman and CEO of Xiaomi Corporation and board member of Beijing Xiaomi Foundation, by the Ministry of Civil Affairs

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

III. ESG Governance and Strategy

In 2020, Xiaomi established an ESG governance structure at all levels of the Company including the Board of Directors, senior management and ESG execution team. The Board of Directors has agreed that the Corporate Governance Committee (“the CGC”), on behalf of the Board of Directors, will oversee ESG issues at Xiaomi. The ESG team and managers of each business unit across the Company constitute the ESG executive managers to coordinate resources for effective enforcement of ESG policies. At the working level, the ESG team works with relevant teams to implement the Group’s ESG strategy and policies. The CGC regularly discusses ESG topics with the board and provides guidelines and recommendations to the ESG working group based on actual performance. Meanwhile, ESG executive managers have standardized relevant workflows. The ESG executive managers report to the CGC the current progress, proposals and future targets.

We fully understand that sound ESG governance is essential for Xiaomi to achieve the SDGs, and effective ESG strategies are vital for guiding our ESG direction. We perform appropriate ESG risk assessment and proactively improve our business operations accordingly. We promote our ESG framework to all our stakeholders, including upstream and downstream business partners, to secure long-term sustainability. We also integrated sustainability concepts into our products to increase awareness among our customers and upstream and downstream business partners to further build sustainability into our brand. This year, we implemented ESG strategies in areas of green operation, quality, technological innovation, employees and employment, users, business ethics, value chain, and social contribution.

The outbreak of COVID-19 in 2020 has had a profound impact on society. As we face this unprecedented pandemic and its prevailing uncertainties, sound ESG governance can ensure stable operations and prompt and proper response during a crisis, allowing us to seize opportunities at the right time. Xiaomi has demonstrated its ability to thrive and achieve steady growth in a challenging environment, with joint efforts from its CGC and business units. Balanced with the rights and interests of our important stakeholders, we have made active contributions in the global fight against the pandemic and helped the industry value chain to recover.

We will continue to improve our ESG governance. We will work with all stakeholders to achieve our mission to relentlessly build amazing products with honest prices to let everyone in the world enjoy a better life through innovative technology.

IV. Stakeholder Engagement

Xiaomi actively responds to expectations from its stakeholders. To that end, we identify and engage with stakeholders who are relevant to our business, including our customers and users, investors, employees, suppliers and partners, government and other regulatory agencies, media and NGOs, and communities. We have established multiple effective communication channels for our stakeholders in order to achieve active stakeholder engagement.

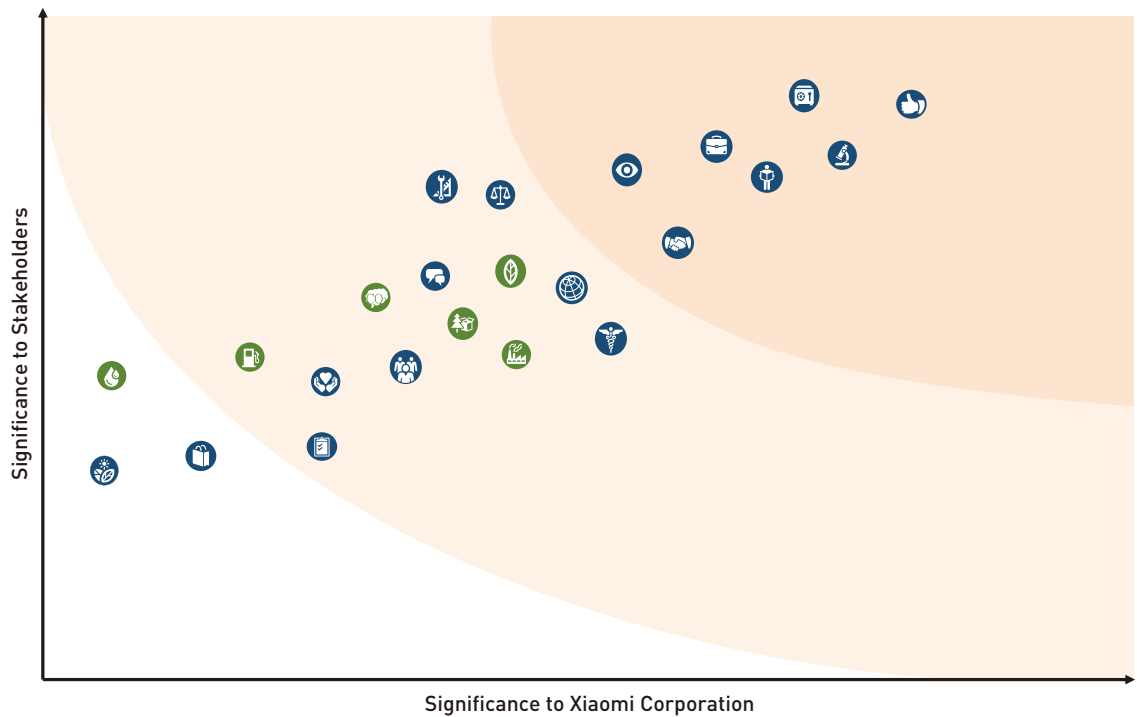
Key stakeholders	Major Communication Channels
Governments and regulators	Regular inquiries, policy consultation, high-level meetings, event reporting, on-site inspection, information disclosure, meetings with government agencies
Investors	Annual general meetings, annual reports/interim reports, results announcements, meetings with investors, news releases/announcements, surveys and questionnaires
Consumers and users	Official website, social networking platforms such as Mi Community, instant messaging software, customer service hotline, press conferences, social media, activities and programs
Employees	Staff communication meetings, labor union activities, complaint boxes, instant messaging software
Suppliers and partners	Supplier conferences, communication meetings with partners, business negotiations, on-site research, project cooperation
Media and NGOs	Social media, press conferences and news releases, interviews, surveys and questionnaires
Community	Community activities, press conferences, public welfare activities, social media participation

V. Materiality Assessment

In 2020, we conducted a materiality assessment on the 11 ESG areas listed in the ESG Reporting Guide and further divided the areas into 23 sub-topics. This was done through continuous and effective engagement with our stakeholders in combination with targeted surveys. As a result, we were able to gain a better understanding of stakeholders' expectations on our ESG activities. The assessment serves as an important reference to our actions and helps us better respond to our stakeholders.

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We identified the following issues to be highly material: product quality and safety, information security and privacy, technology innovation, business ethics, talent attraction, suppliers' ESG management, and intellectual property protection. Material issues include greenhouse gas (GHG) emissions, health and safety, employee development and training, green attributes of product and packaging, customer complaint management, employee rights, anti-corruption, use of energy, climate change response, diversity and equal opportunity, advertising management, use of water resources, and public welfare activities. We will discuss each of these issues separately in the following chapters.



Environment

- GHG Emissions
- Product Recovery & Disposal
- Energy Use
- Water Resources Use
- Climate Change Response
- Environmental Protection Attributes of Product and Packaging Materials

Society

- Employee Rights
- Diversity & Equal Opportunities
- Talent Attraction
- Employee Health & Safety
- Employee Development & Training
- Business Ethics

- Suppliers' ESG Performance
- Product Quality & Safety
- Service Quality
- Product and Technology Innovation
- Information Security & Privacy
- Intellectual Property Protection

- Advertising Management
- Customer Complaint Management
- Anti-corruption
- Community Investment
- Public Welfare Activities

1. Environmental Management

Climate change is a global challenge, and reducing its impact requires collective efforts to realize low-carbon development. Xiaomi actively addresses this challenge through practices that align with China's "30.60" carbon neutrality pledge¹. We have adopted measures such as energy saving, water conservation and resource recovery in order to continuously improve and enhance our resource management. We also increased the use of renewable energy and applied sustainability concepts across product life cycles. And we are fully committed to working with various partners to explore and develop a business model for sustainable growth.

1.1 Green Operations

Xiaomi aims to run its business in the most environmentally responsible way possible. We strictly adhere to applicable environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and other laws and regulations. In addition, we followed the ISO14001 Environmental Management System and have developed a series of policies and procedures in environmental management, such as the *Xiaomi EHS Environment, Health and Safety Manual*, the *Environment and Occupational Health and Safety Monitoring Management Procedure*, the *Environment Protection Management Procedure* as a guide for resource efficiency improvement, emissions control, waste reduction and recycling. This year, the Xiaomi Science and Technology Park, and our Hong Kong office obtained the ISO14001 Environmental Management System certification .

Based on our operating model, energy is mainly consumed at offices, Mi Homes and data centers. We took a series of measures, including energy efficiency improvement and the use of renewable energy, to reduce carbon emissions in these areas.

Xiaomi's offices and Mi Homes in mainland China are the main places of operation that involve the use of resources. Resource consumption for 2020 was as follows:

Total Comprehensive Energy Consumption²
48,608.45 MWh
 Direct Energy Consumption
 3,192.70 MWh
 Indirect Energy Consumption
 45,415.75 MWh

Total GHG Emissions³
31,347.06 t
 Direct GHG Emissions
 624.29 t
 Indirect GHG Emissions
 30,722.77 t

Total Water Consumption⁴
303,132.92 t
 Running Water Consumption
 187,339.02 t
 Reclaimed Water Consumption
 115,793.90 t

1 In 2020, Chinese President Xi Jinping announced that China will strive to have its CO₂ emissions peak before 2030 and achieve carbon neutrality before 2060 at the 75th Session of the UN General Assembly.

2 Total energy consumption is calculated according to the power and natural gas consumption and the conversion factors set out in the National Standards of the People's Republic of China *the General Rules for Calculation of Comprehensive Energy Consumption*, the national standard of the People's Republic of China. Direct energy consumption arises from the consumption of natural gas during the Group's operation. Indirect energy consumption arises from the consumption of purchased electricity during the Group's operation.

3 Due to its operational features, the significant air emissions of the Group are GHG emissions arising mainly from natural gas and electricity generated from fossil fuels. According to *Measures for Administration of Carbon Emissions Trading [For Trial Implementation]* issued by the Ministry of Ecological and Environment of the People's Republic of China, the inventory of GHG includes carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons, perfluorocarbons and nitrogen trifluoride. The Group's GHG inventory includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and the calculation is based on the "2019 Baseline Emission Factors for Regional Power Grids in China" issued by the Ministry of Ecology and Environment of the People's Republic of China, and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" (2019 Edition) issued by the Intergovernmental Panel on Climate Change (IPCC). GHG emissions [Scope 1] arise mainly from the consumption of "direct energy" (natural gas) by the Group's operation. GHG emissions [Scope 2] arise mainly from the consumption of "indirect energy" (purchased or acquired electricity) by the Group's operation, which include the electricity consumption of main offices and self-operated Mi Homes in mainland China.

4 The Group's water resources come from the municipal water supply and the reclaimed water supply. In 2020, the Group had no issues in sourcing water.

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Office

We introduced and promoted water-saving, energy-saving and paper-saving initiatives in all of our offices. Xiaomi Science and Technology Park, Xiaomi's headquarters, is designed, constructed, and operated in accordance with green building standards. A smart energy management system was installed in our headquarters to control temperature, electricity and lighting. In 2020, the Xiaomi Science and Technology Park was awarded a Two-star Grade Certificate of Green Building Design Label under the Beijing Evaluation Standard for Green Building. The energy saving rate for buildings reached 65%, the percentage of reusable and recyclable materials reached 10%, and the ratio of green space was 20%. In 2020, about 20.8% of the hot water in the park is heated by solar boiler systems, and 35.2% of the water comes from non-traditional water sources⁵.

Main Office Areas in Mainland China**Energy Consumption per Employee****2.22 MWh****GHG Emissions Intensity****0.061 t/m²****Water Consumption per Employee****15.80 t**

A smart energy management system has been installed for the entire complex of the Xiaomi Science and Technology Park, which features AI-powered smart control of energy-saving lamps, power sockets and air conditioners; outdoor lighting with seasonal adjustments; lighting brightness adjustments tailored to timing of car parking; and hot water heaters in the washroom sinks with seasonal adjustments. With the above measures, the park saves approximately 1,406,874 kWh of energy per year, equivalent of the reduction of greenhouse gas (GHG) emissions by approximately 1,001.6t of carbon dioxide.

⁵ Non-traditional water sources refer to water sources that are different from traditional surface water supply and underground water supply and include reclaimed water, rainwater, seawater, and so forth.



We selected sanitary appliances and accessories that meet the Tier-2 water efficiency and requirements of *Domestic Water Saving Devices*, the *Technical Conditions for Water Saving Products and General Regulation for Management*, the *Technical Specifications for Water Saving Devices* and evaluation standard for green building certification. We also took actions to reduce water consumption, such as posting water conservation reminders, adopting spray irrigation for green spaces and increasing the use of reclaimed water.



We installed two sets of solar boiler systems in the park, with 124 sets of solar collectors and daily heat absorption of 17.2MJ/m². Each system provided 11.6 tons and 6.8 tons of hot water per day in the summer and winter months, respectively, totaling 3,608 tons of hot water.

Our non-hazardous waste mainly consisted of domestic waste and kitchen waste in offices. We undertake several measures such as reducing waste generation, promoting waste classification and instant waste conversion in order to mitigate its environmental impact. Hazardous waste generated during our office operations primarily consisted of toner cartridges and ink cartridges, which were processed and recycled via our printing suppliers.

Main Offices in Mainland China

Hazardous Waste	Non-Hazardous Waste
0.367 t	4,661.07 t
Hazardous Waste per Employee	Non-Hazardous Waste per Employee
0.019 kg	0.24 t

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For domestic waste, we labeled trash bins to facilitate waste classification. In addition, all waste was classified once again at the transit depot where office cleaners gathered waste to ensure the accuracy of sorting. We conducted garbage classification training through short films and WeChat mini programs to make employees aware of the significance and protocols of waste sorting. Meanwhile, we provided trainings to cleaning staff to ensure accurate, proper waste sorting.

The canteen at the Xiaomi Science and Technology Park provides more than 20,000 meals per day. Utilizing the professional waste processing equipment we purchased, we were able to convert kitchen waste into organic fertilizer in accordance with national standards. In 2020, we treated 1,882.5 tons of kitchen waste, converting it into about 188.25 tons of organic fertilizer. We simultaneously continued to increase the food yield, posting reminders to encourage employees to reduce food waste. In the procurement process, we prioritized reusable packaging bags to reduce the consumption of single-use products.

Mi Homes

In 2020, we extended the “paperless” concept from the headquarters to Mi Homes, by using electronic price tags and offering paper instead of plastic bags. Our self-operated Mi Homes actively responded to the stimulus plan of the Beijing Municipal Government, selling energy-saving products including TVs, refrigerators, air conditioners and air purifiers. In 2020, a total of 30,572 units of products we sold received municipal energy-saving subsidies.

Mi Homes in Mainland China

Energy Consumption Intensity

0.16 MWh/m²

GHG Emissions Intensity

0.096 t/m²

Data Centers

We endeavored to build green and energy-efficient data centers and we have adopted several measures to reduce energy consumption.

- We chose servers with high energy efficiency and platinum-grade power saving technology;
- Our data centers were equipped with both water-cooling air-conditioners and natural cooling system, where water cooling technology is used in winter and natural cooling is used in spring and autumn to lower the energy consumption of chillers;
- UPS (uninterruptible power supply) system was considered to be energy efficient, thus used in our self-owned data centers. The overall efficiency of the equipment could exceed 96% under normal mode, and 99% under energy-saving mode.

In the meanwhile, we are now gradually moving from physical servers toward more efficient cloud servers. We also take energy efficiency as one of the most important considerations when choosing cloud service providers and data centers.

1.2 Green Product and Packaging

Xiaomi has provided our users with more than 2,000 types of products. Our products are the best testament of our commitment to practicing low-carbon concept. We are striving to implement this concept throughout the entire product life cycle — including research and development, design, material selection, production, logistics, in-use and recycling.

**Total Packaging Materials
for Finished Products⁶**

46,808.15 t

**Intensity of Packaging Materials
for Finished Products**

0.19 t/RMB million

In 2020, we continued to reduce the usage of packaging materials, increase the adoption of non-plastic and environmentally friendly materials, and maximize the utilization of environmentally friendly materials. We strived to leverage our technological capabilities to design and optimize power-saving features across our software and hardware, ultimately reducing energy consumption of our products. At the same time, we helped our ecosystem supplier partners streamline product packaging design toward a more environmentally friendly method. We also steadily promoted product and material recycling, and thereby extending the life cycle of our products.

Energy-saving System

Xiaomi has a top-notch engineering team in smartphone operating system development. In 2020, we released a number of proprietary and industry-leading functions in the MIUI 12 and MIUI 12.5 operating systems, which leveraged technology innovation to consistently reduce power consumption.

- **Lower MIUI 12.5 Power Consumption:** On average, power consumption of the MIUI system dropped 35% in terms of memory usage and dropped 25% for system utilization.
- **Full Dark Mode:** The display consumes the most power in a smartphone. MIUI 12 features a “night shift” recommendation prompt on the power-saving advice page and results page, encouraging more users to turn on dark mode for energy-saving.
- **AI Power 4.0 Smart Energy-Saving:** Energy-saving could be achieved through various AI-powered energy-saving technology, on functions such as the shift between 4G and 5G, display adaptive brightness, frame rate switch, activation of sleep mode, applications management and push notifications smart management.
- **Adaptive Sync Technology:** Xiaomi’s proprietary Adaptive Sync technology enables 7 stages of refresh rate adjustment from 30Hz to 144Hz in accordance with different display needs for different content. This innovative display technology can also prolong battery life as it ensures superior viewing experience by applying the most appropriate refresh rate.

⁶ Total packaging material used for finished products is the total amount of packaging materials used for smartphones, TVs and major products of ecosystem products. In 2020, the packaging materials of ecosystem products are managed by ecosystem companies.

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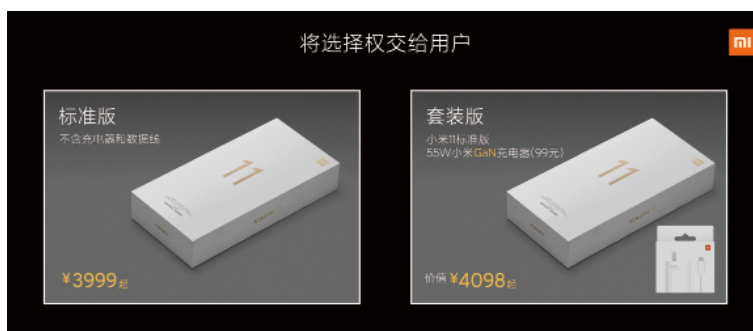
- Smart Charging Protection:** The system can learn a user's charging pattern and automatically switch to the energy safe mode when the user is inactive. This feature is designed to prolong battery life while reducing safety risks.
- Abnormal Power Usage Alert:** A notification alerting abnormal power usage would pop up when the real-time monitoring function detects any usual application consumption over a short period of time. Furthermore, our operating system has brought power usage issues and power-saving suggestions to the homepage to users via notification prompts.



Energy-saving Products

In terms of manufacturing and proper use of our products, we closely followed the most up-to-date global policies and regulations that address energy efficiency. As such, we integrated energy-saving and eco-friendly concepts into our products which were well-received by the market and users.

Smartphone: At the launch of Mi 11, we introduced two options for consumers, the "full version" with a charger and the "standard version" without a charger. We offered two options at the same price, encouraging consumers to make the selection. As China's first smartphone maker to launch this program, we not only promoted the reduction of carbon emissions across key components of supply chain management including manufacturing, transportation and packaging, but also transmitted the concept of "Go Green" to our users. On the day Mi 11 went on sale, about 20,000 consumers chose the "standard version" without a charger.



Mi TV: Xiaomi leveraged its strengths in supply chain to drive advanced and power-saving technology in the injection moulding of metal back covers of TVs, and in the quality of embedded structure elements. These technologies not only reduced the risk of product damage due to careless contact and scratches, but also decreased energy consumption during the manufacturing process. It reduced electric power consumption by 0.06 kWh per TV unit at average and an annual reduction of 326 tons CO₂-eq emission. Furthermore, painting techniques for the plastic back cover were upgraded, leading to average energy savings of 0.084 kWh per each TV unit and an annual reduction of greenhouse gas emissions by 457 tons CO₂-eq.



Packaging Material Reduction

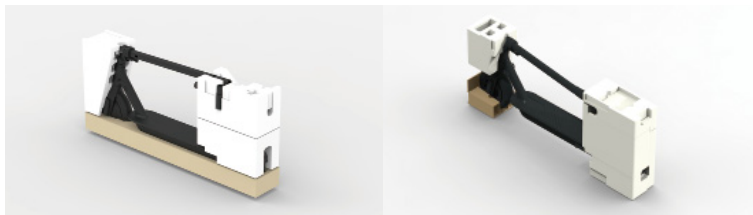
In 2020, the packaging materials used for a wide range of Xiaomi products amounted to 46,808.15 tons. We wanted our packaging to be eco-friendly and continued to explore various ways to accomplish this from package design to material selection. As of the end of 2020, Xiaomi had applied a packaging materials reduction solution across 95% of our self-branded products and increased the packaging space utilization rate to 70%–80%.

- **One Paper Box:** Xiaomi launched One Paper Box in 2019, saving up to 40% of the packaging materials compared with traditional packaging. In 2020, we successfully applied this design solution to more products, including headsets, wireless Bluetooth headsets, outdoor speakers, Mi Bands, mouse and keyboards, smartwatch accessories, smart light bulbs, electric toothbrushes, hair dryers, electronic thermometers, handheld vacuum cleaners, and so forth.
- **Smartphone package:** In 2020, Xiaomi optimized its packaging design for smartphones, streamlining the inner tray design, reducing adhesive surfaces for mid-to-high end smartphone packages and removing adhesive surfaces in other packages. This initiative saved an average of 5g of weight for one single package box and approximately 770 tons of white cardboard for all smartphones sold in 2020, equivalent to 731 tons CO₂ emission. Our flagship smartphone Mi 11, released in December 2020, used a box with reduced space saving 45% of container volume.

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- **Product manual:** In 2020, manuals for IoT & lifestyle products used more environmentally friendly materials. Paper consumption was reduced by up to 30%.

Mi Electric Scooter Pro: A series of actions were taken to optimize the packaging design, including reducing the size of the bottom paper support and eliminating the EPE gasket. This significantly lowered the use of raw packaging materials, labor hours, and transportation and storage costs. In addition, the packaging consumed 12% less plastics and 83% less paper.

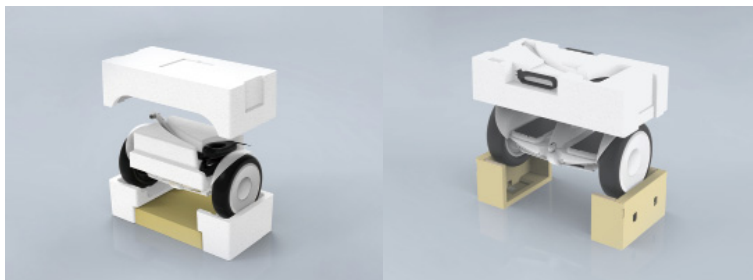


Packaging Plastic Reduction

We identified the usage of plastics in Xiaomi product packaging and replaced some with paper and other environmentally friendly materials. Since October 2020, we have reduced the weight of plastics in smartphone packaging by 60%, starting in Europe.

- **Smartphones:** Replaced gift box shrink wrap with biodegradable paper; replaced plastic sealing tape with biodegradable materials; replaced plastic waterproof bags with white kraft paper bags
- **TVs:** Eliminated EPS foam and used more environmentally friendly air column bags
- **Other IoT and lifestyle products:** Used paper structures or pulp trays instead of plastic for buffer and shock resistance; reduced plastics in packaging and used honeycomb boards/pulp tray structures to protect and contain medium and large size products

Ninebot Minis: By replacing the two EPS-lined inserts for tires with a paper structure, the amount of EPS foam was reduced by 40%. We also removed the accessories box and reduced paper usage.



Equipment Recycling

Recycling equipment extends product life cycle while reducing electronic waste and contributes to a more sustainable economy and creates new business opportunities for relevant industries and regions. Xiaomi is committed to product recycling and resource recovery initiatives, including an array of recycling and trade-in programs.

In 2020, we upgraded our trade-in plans across our online and offline stores to cover a wide range of product categories, such as smartphones, laptops, tablets, TVs and speakers. We did a detailed and thorough quality inspection report to offer a reasonable price for trade-ins. After a trade-in, the offered price can be paid to users in the form of cash or “cash coupons” within 2 hours. This plan was designed to facilitate various online and offline recycling approaches, such as free door-to-door pick-up to encourage user engagement in our trade-in programs. We also extended trade-in programs and relevant maintenance services in overseas operations. As of the end of 2020, Xiaomi’s trade-in program was available in Hong Kong, Italy, France, Germany and the Netherlands.

Internally, functioning office electronic devices of satisfactory quality were donated or sold to our employees at a discount to extend product lifecycle. In 2020, we donated 280 laptops to external organizations and our employees purchased 420 laptops.



Scooter maintenance project: In 2020, Xiaomi officially launched a scooter maintenance service overseas, ensuring our scooter products are in good condition for even longer periods, leading to a reduced carbon footprint.

We partnered with licensed third parties for product recycling and post-processing. We monitored the entire handling process to ensure material extraction after dismantling or compliance in sales to minimize environmental impact. In addition, we implemented a strict privacy protection policy and conducted complete data erasure on recovered devices. In 2020, 127,271 Xiaomi and Redmi brand smartphones were recycled, reducing approximately 25 tons of electronic waste.

Logistics Packaging Recycling

We also promoted the recycling and reduction of logistics packaging: cartons of certain products that met the requirements for appearance and quality were reused in the warehouse. This increased the recycling rate of product packaging to 9%, saving approximately 3 million single-use cartons in one year. We promoted the reuse of transfer boxes and pallets. 320,000 boxes and 10,000 wooden pallets were saved in 2020.

We also developed a packaging material recycling system that was implemented across all distribution centers nation-wide for systematic and proper management of product recycling.

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Recognitions

In 2020, Xiaomi was widely recognized by users and the industry for its efforts in promoting green products and packaging. Our products complied with the energy efficiency standards across different organizations, such as the US Department of Energy (DOE), the California Energy Commission (CEC), the China Energy Label (CEL) and the EU Energy-related Products (ErP). This year, some of Xiaomi's products received China Energy Conservation Product Certification (CECP).

CECP-certified Products

Redmi Display 1A 23.8 inches

Mi Fast LCD Monitor 24.5 inches

Mi Display 23.8 inches

Mi Curved Display 34 inches



2. Quality as Always

At Xiaomi, we understand the importance of product quality, and it is a guarantee that we make to all our stakeholders. In 2020, in addition to bringing numerous ground-breaking product innovations to market, we specifically concentrated our efforts on strengthening quality control and enhancing user experience.

2.1 Holistic Quality Management

We utilize a holistic, user-centric approach to drive all our initiatives towards product quality, user experience and service quality. Employee input is vital in this approach so our management system is designed to encourage, enable and promote employee participation at every step. By harnessing the collective creativity and insight from a wide spectrum of vantage points, we are able to drive quality advancements that continually reinforce our success.

Management System

The Quality Committee, established in 2019, is responsible for overall quality management at Xiaomi. In 2020, the committee introduced a series of internal policies, including the *Quality Performance Evaluation Standard of Xiaomi Corporation*, *Xiaomi Quality Award Selection Standard*, and the *Quality Incident Management Protocol of Xiaomi Corporation*. We also standardized and promoted key quality indicators, developed a reward-penalty mechanism as well as an emergency response mechanism. When key quality indicators are triggered, we conduct immediate targeted analysis and emergency corrective measures, followed by post-event reviews and process optimization. With this closed-loop management, we ensured constant improvements in quality, user experience as well as brand competitiveness.

In 2020, Youpin and Smart Hardware department obtained the ISO9001 Quality Management System Certification. By the end of the year, our Smartphone, Mi TV, Laptop, Smart Hardware, and Large Home Appliance departments and e-commerce platform Youpin also held the ISO9001 certifications.

Practices

The Mi TV department employed a full lifecycle accountability mechanism for quality management, supported by an alliance group consisting of product development section, manufacturing section and quality operation section. Each sub-team is responsible for the product's entire life cycle. This has led to a 15% year-over-year reduction in the fault feedback ratio (FFR) of TV products.

The Smart Hardware department established a multi-dimensional quality monitoring system, including QMS, Eagle Eye data analysis and an early warning system. In addition, we selected FFR targets in a thoughtful way, established real-time complaint tracking system, held quality management meeting per week, conducted analytical reviews on specific quality issues, and therefore we were able to achieve lower-than-market-level fault feedback ratios.

Youpin also established a risk control mechanism to screen products before they are available for sale on the platform. If existing product standards cannot fulfill our users' needs, we will promptly upgrade product standards along with product quality concurrently.

For more information regarding service quality, please refer to Section 5.1 and Section 5.2.

2.2 Product Safety

Xiaomi pledges to ensure product safety. We assess product safety throughout a product's entire life cycle, covering product development and design, material selection, quality verification, market launch and after-sales. We also pay close attention to developments of international standards and update our standards accordingly. As such, we are able to steadfastly persist in delivering outstanding performances in safety specifications, electromagnetic compatibility, wireless certification, environmental protection, ergonomics, energy efficiency, and patent certification.

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Xiaomi enforces strict management of hazardous substances. We comply with the restrictions on harmful substances and chemicals listed in the *Stockholm Convention on Persistent Organic Pollutants* (POPs), the *Restriction of Hazardous Substances* (RoHS), the *Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH), and the *Toy Safety Directive*. In addition, we also followed the local regulatory requirements related to toxic and hazardous substances.

We update our internal guidelines in accordance with relevant international and domestic standards or the Group’s general quality guidance. In 2020, the Group issued *Management Guidelines for Environmentally Hazardous Substances in Products*. We also voluntarily applied for additional certifications on product health and safety and were successfully certified.

- CQC Mark Certification is a voluntary product certification developed by the China Quality Certification Center. The Certification focuses on safety, electromagnetic compatibility, performance, hazardous substance limits, and other indicators on product quality and safety. It aims to protect consumer interests, promote product quality improvement and enhance the competitiveness of domestic enterprises in global markets.



Products with the CQC Mark Certification

- Xiaomi Mijia Household Electric Oven 32L
- Xiaomi Mijia Handheld Steamers
- Xiaomi Mijia Smart Switch
- Xiaomi Mijia LED Bulb Bluetooth MESH Version
- Electric Scooter M365

- TÜV Rheinland Low Blue Light (Software Solution) Certification.



Products with the TÜV Rheinland Low Blue Light Certification

- Redmi Monitor 1A 23.8-inch
- Xiaomi Monitor 27-inch 165Hz
- Xiaomi Fast LCD Monitor 24.5-inch
- Xiaomi Monitor 23.8-inch
- Xiaomi Curved Gaming Monitor 34-inch

- TÜV Rheinland Eye Comfort Certification



Products with the TÜV Rheinland Eye Comfort Certification

MIJIA Desk Lamp Pro

2.3 Quality Awareness Building

In 2020, Xiaomi established a comprehensive training system for quality management. We conducted both online and offline trainings, covering topics such as the overall quality system, product safety and health standards, and user insights. This year, over 3,500 employees participated in these quality trainings. We also arranged a series of activities to promote quality awareness.



Xiaomi Quality Month: In September 2020, we launched the inaugural Xiaomi Quality Month. With the theme “strengthening quality management and enhancing user experience,” we held more than 40 online and offline events that saw participation from our executives, employees, select suppliers and partners.

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Annual Xiaomi Quality Award: To inspire a spirit of craftsmanship and encourage outstanding quality at Xiaomi, we created the Xiaomi Quality Award in 2017. In 2020, we introduced a new Department Quality Award. More than 20 departments participated with nearly 200 projects. The Xiaomi Quality Award became the most prestigious honor for quality at Xiaomi.



Mobile Phone Quality Achievement Exhibition: 2020 marks the 10th anniversary of Xiaomi. We co-organized a Mobile Phone Quality Achievement Exhibition with quality assurance authorities and an array of selected Beijing-based companies. At the event we showcased how an ordinary piece of glass is transformed into the back cover of a smartphone. With real-life examples, we demonstrated our persistent pursuit of excellence in quality.

2.4 Recognition

In 2020, Xiaomi received a number of industrial recognitions for its achievements in quality management.

Awards	Organization
Quality Technology Award, Second Prize	China Association for Quality
Air Purifier Enterprise Standardization Leader	China National Institute of Standardization
2020 Enterprise Standardization Leader — Air Purifier Industry	State Administration for Market Regulation
2020 Enterprise Standardization Leader — Water Purifier Industry	State Administration for Market Regulation
2020 “Group Standards Application Paradigm Projects” — Technical Specifications of Intelligence Evaluation for Smart Door lock	Ministry of Industry and Information Technology
Best User Experiences Award	Indonesia Contact Center Association (ICCA)

Note: The table above shows selected quality awards received by Xiaomi in 2020.

3. Technology Innovation

Our company is built on technology innovation. In 2020, our research and development and design personnel achieved breakthroughs and continued to push the boundaries of technology innovation. We have been pioneers in technologies including operating systems, hardware products, platforms, and others.

In 2020, Xiaomi invested RMB9.3 billion in R&D, and we ranked among the top 20 Chinese companies in terms of R&D spending. We were included among the *Top 100 Global Innovators* by *Clarivate Analytics* for the third consecutive year, and ranked 24th by Boston Consulting Group’s *Top 50 Global Innovators 2020*. Xiaomi was also recognized as one of the “50 Smartest Companies (TR50)” by the *MIT Technology Review* at the EmTech China 2020 Global Emerging Technology Summit.



3.1 Technology-driven Business

Our Technology Committee was established in 2019. The committee seeks to improve our technology capability through five key areas: technology strategy, technology talent, technology organization,

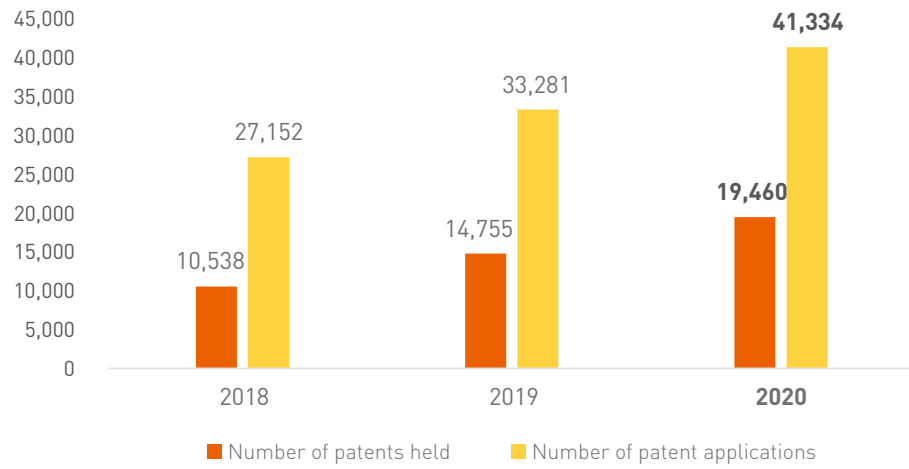
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technology cooperation, and technology culture. In 2020, the committee further strengthened and optimized its organizational structure and functions by establishing the Technology Organization, Technology Cooperation, and Technology Culture teams to facilitate more systematic and professional technology management.



We take intellectual property rights seriously and motivated and incentivized our employees to submit patent applications. To this end, we established a generous rewards program for patent applicants: *Measures for Patent Incentives and Compensation Management at Xiaomi Corporation*. This year, Xiaomi submitted 8,053 patent applications worldwide, of which 3,372 were granted and over 180 copyrights were registered. By the end of 2020, we held a total of 19,460 patents and we were among the top AI patent applicants among internet services companies in the world.

Amount of Xiaomi patents in 2018-2020



This year, we organized various events such as the Xiaomi Million Dollar Technology Award, Data Mining Competition and our first Hackathon to motivate our employees and raise technology awareness within the company.

Xiaomi’s first Hackathon was held in October 2020. In 48 hours of non-stop programming, 24 creative projects were submitted by 11 participating departments and led to 13 patent filings. This type of activity provides a great platform to demonstrate our engineers’ capabilities and explore innovative ideas.



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To reward outstanding contribution to Xiaomi’s innovative technologies , Mr Lei Jun, Chairman and CEO of Xiaomi awarded the 2020 Xiaomi Million Dollar Technology Award to the engineering teams that contributed to the development of fast-charging technology and MIUI privacy protection features.



As we upgrade our strategy of “5G × AIoT,” we attended domestic and international industry standard-setting meetings. We also proactively work with universities and scientific research institutions in various joint technology projects.

For more information on industry standardization and technological cooperation, please refer to section 7.4 Industrial Influence.

3.2 Product & Technology Innovation

Xiaomi’s Technology Highlights in 2020

Mi TV Lux Transparent Edition

In 2020, Xiaomi unveiled its first transparent TV at its 10th-anniversary press conference. Unlike traditional TVs that come with a back panel, with an edge-to-edge transparent self-luminous display transmitting images that seem to be suspended in the air. This TV adopts an aesthetic design that combines a 5.7mm ultra-thin body rectangular screen.

Large-aperture Telescopic Lens

Developed by Xiaomi, this lens technology brings professional photography to smartphone cameras, enabling smartphone users worldwide to take professional quality photos. It adopts a large aperture and increases light collection by 300%, providing better night and portrait photography capabilities. We also improved image stabilization to boost image quality by up to 20%.

3rd Generation Under-screen Camera Technology	This 3 rd generation technology allows the screen to pass light through the gap of sub-pixels, doubling the number of horizontal and vertical pixels compared with other common solutions on the market. Combined with Xiaomi's optimization algorithm, the new under-display camera offers a groundbreaking photography experience that rivals the imaging performance of conventional front cameras.
Compound-eye Camera Open Protocol	The compound-eye camera encompasses functions of photo shooting, video chat, projection and smartphone interconnection whereby multiple cameras can function simultaneously. It allows image sharing and collaboration between smartphones and IoT devices for better picture quality and higher resolution.
"Point to Connect" UWB Technology	Ultra-wideband (UWB) is the latest development in connection technology with extremely precise positioning. With UWB and Xiaomi's array antenna technology and algorithms, a smartphone can control the smart devices in its surroundings simply by pointing toward them with an angle accuracy within $\pm 3^\circ$, bringing users a brand-new interactive experience.
120W Wired Fast Charging	Xiaomi is the first company to develop 120W wired fast-charging technology, and the first to bring this technology into mass-production. It only takes 23 minutes to fully charge a 4500 mAh battery, marking multiple breakthroughs in hardware structure and charging algorithms.
80W Wireless Fast Charging	As a pioneer in charging technology, Xiaomi launched the industry's first 80W wireless fast charging technology in 2020. A 4000 mAh battery can be charged to 50% in 8 minutes and fully charged in 19 minutes, setting new industry charging speed records.
MiNLP 3.0	MiNLP 3.0 (Xiaomi Natural Language Processing Platform) is upgraded with more features, adding content understanding and public opinion analysis to the original basic algorithms and the semantic parsing module. MiNLP 3.0 boasts accurate content processing based on multimodal features such as text, speech, images, video, and so on.
MACE Micro	MACE Micro is Xiaomi's proprietary deep learning inference framework. It is an AI engine that integrates extensive AI algorithms and is specifically built for small IoT products. It supports all aspects of AIoT products with its advantages in low power consumption and low-cost.
Xiaomi Kaldi	The new version of Kaldi speech recognition tools consist of core algorithms, training data preparation and sample scripts. The upgrade makes it easier for developers to create algorithms for various kinds of voice recognition, and process metadata of audio and text content.

Note: The chart shows Xiaomi's selected technologies in 2020.

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Artificial Intelligence (AI)

AI technology is at the core of our technology development. We continuously work to develop AI technology, making it more accessible to the broader community, including our value chain partners, to empower their business operations.

We have identified six major fields for development — computer vision, acoustics, speech, natural language processing (NLP), knowledge graphs and other machine learning capabilities. Through years of dedication, Xiaomi has built its own AI platform with unique capabilities. Built upon this platform, we developed many applications to form a hardware ecosystem which in return lays the groundwork for machine learning capabilities.

In an effort to build up our AI infrastructure and tools, Xiaomi has launched and continuously upgraded our AI assistant “小愛同學.” Our achievements with our AI assistant demonstrate our well-established capabilities in this area, as well as our competence in AI technology. It includes more than 1,400 features and has been integrated into smartphones, Xiaomi AI speakers, Xiaomi TVs and many other devices. By the end of 2020, our AI assistant “小愛同學” had been activated a cumulative of 49.5 billion times.



In 2020, Xiaomi released “小愛同學” 5.0 with five major upgrades:

- **All-scenario smart collaboration:** Allows intelligent decision-making in a multi-device environment to achieve collaborative activation, response and reminders.
- **Dialogue-based active intelligence:** Actively learns user knowledge, establishes “memory,” and makes conversation with users.
- **Customized emotional voices:** Synthesizes customized sounds via adaptive learning.
- **Multimodal interaction:** Through an array of modes, such as voice, body language, text, images, users can interact with their devices in different scenarios.
- **Smart learning assistant:** Integrates a large volume of high-quality online education resource, including AI translation, AI class timetables and other functions.



Xiaomi MACE — Deep Learning Framework ranked in the “Top 30 Projects” of the 2020 SAIL Award, recognized by the World Artificial Intelligence Congress.

Top Design

Xiaomi weaves technology innovation and design aesthetics into its products and packaging. Based on the concepts of rationality, practicality and universality, Xiaomi has created its characteristic “Mi Look” style. During 2020, Xiaomi won a number of major design awards.

Products	Awards
Xiaomi AX3600	Recognized as a Five-Star product by the Shenzhen Consumer Council and the Macao Consumer Council
Xiaomi AI Touch Screen Speaker Pro8	Red Dot Design Award
Redmi AI Speaker Play	Red Dot Design Award
Xiaomi AI Touch Speaker Large Screen UI Design	Red Dot Design Award
Mi Kids Sonic Electric Toothbrush Packaging Design	Red Dot Design Award
Mi Watch Packaging Design	Red Dot Design Award
Xiaomi Bluetooth Earphone Youth Version Packaging Design	Red Dot Design Award
HiFi Hybrid Flagship Earphone Packaging Design	Graphics Design Annual 2021 Competition Gold Award
India Series Packaging	A' Design Award Silver Award
HiFi Hybrid Flagship Earphone Packaging Design	A' Design Award Gold Award
Mi Watch Packaging Design	A' Design Award Silver Award
Mi Kids Sonic Electric Toothbrush Packaging Design	Dieline Personal Care Third Place
Mi Kids Sonic Electric Toothbrush Packaging Design	Pentawards Bronze
HiFi Hybrid Flagship Earphone Packaging Design	Pentawards Silver
Mi Watch Packaging Design	Pentawards Silver
One Paper Box — Packaging Structure Design	iF Design Award

Note: The chart above shows selected design awards for Xiaomi mobile phone and smart hardware products in 2020.

3.3 Smart Manufacturing

We gained valuable experience in smart manufacturing through years of working with our manufacturing partners. In 2019, we began production at Xiaomi's first smart factory with investment of RMB600 million. Our 16,800 m² smart factory is equipped with our proprietary smart manufacturing equipment, including a fully automated production line for our flagship smartphones.

This factory features several important innovations and breakthroughs, including an automatic production system, an upgrade in industrial robots and a visual calibration system. These cutting-edge technologies enable our factory to run 24 hours a day. In addition, 92% of the manufacturing equipment was designed and developed by Xiaomi and our investee companies. Our automation level reached 63% since inception and is expected to improve in the future.

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Lights Out Production

Unmanned production plan; achieving 24H lights out production



Fast line-switching

System-level co-production; achieving model switching in 20 minutes



Board testing System

Industry-first, one-click precision testing & line change



Full Testing System

industry's first linear type highly flexible automatic testing line

Four major breakthroughs in smart manufacturing

In 2020, Xiaomi announced "Star Actions," an initiative to provide our smart manufacturing solutions to our value chain partners. At the end of 2020, Xiaomi successfully provided such solutions to more than 100 companies across our value chain.

4. People First

At Xiaomi, we believe talent is our most valuable asset and the source of our competitiveness. To attract and retain talent, we promoted diversity in the workplace, advocated a healthy work-life balance, and provided employee welfare programs. We also provided an extensive range of professional trainings for our employees to meet their career development goals.

As of December 31, 2020, we had 22,074 employees worldwide. We are inspired to be the "best employer" in the eyes of our employees.

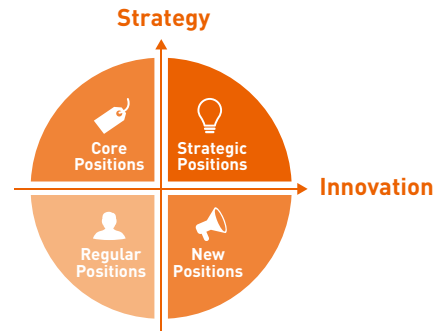
4.1 Employee Rights

Recruitment and Employment

Xiaomi upholds the principles of "fairness, impartiality and openness" and strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other applicable laws, regulations and international practices wherever we operate. We have developed internal policies to regulate our practices in the areas of recruitment, employment, compensation and welfare, performance assessment, equal opportunity, anti-discrimination and diversity. We prohibit employee discrimination based on race, age, gender, marital status, and religion. We also prioritize local hiring in many of the markets in which we operate. At the end of 2020, our employees were distributed across 20 countries and regions on four continents, including 20,418 in mainland China and 1,656 in overseas markets.

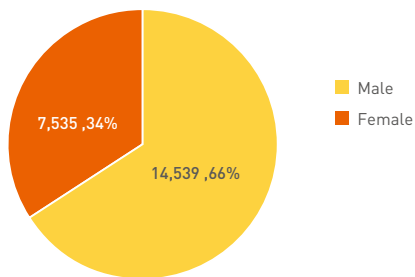
Our *Employee Handbook* provides guidance on corporate policies and procedures and clearly sets forth our employees' rights and benefits. We strictly abide by the *Special Rules on Labor Protection for Female Employees* to protect the legal rights and physical and mental health of female employees. We strictly prohibit the employment of child labor and forced labor. We formulated standard remedial measures to respond to issues related to recruiting, day-to-day workplace scenarios, and emergency situations.

In 2020, we assigned recruitment specialists to each business unit to respond faster to urgent hiring needs. We also set up a strategic recruitment team responsible for the acquisition of talents in core and strategic roles and for conducting research on industry best practices for talent management. Furthermore, the expansion of our campus recruitment channels and school coverage has helped us attract high-calibre graduates.

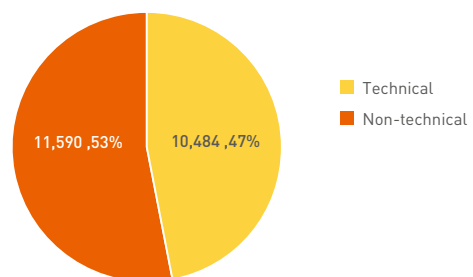


In 2020, we hired 7,885 full-time employees, of which 2,210 were new graduates and 73% were research and development personnel. At the 2020 Xiaomi Developer Conference, we announced plans to recruit 5,000 engineers in 10 strategic technology areas in 2021, accounting for more than 20% of our current total workforce.

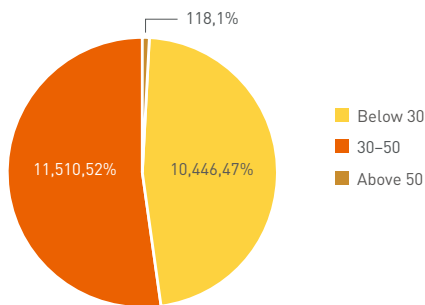
Total Workforce by Gender



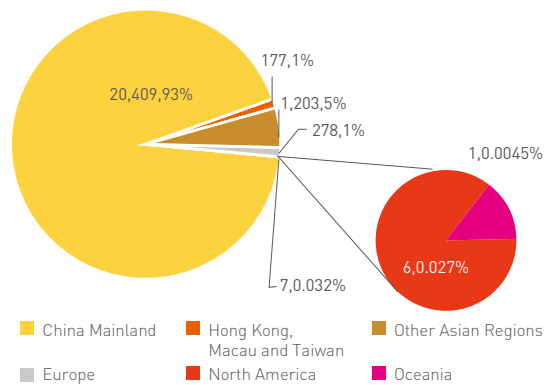
Total Workforce by Employment Type



Total Workforce by Age



Total Workforce by Region



We have established multiple human resource programs to attract, nurture, and retain our best employees, building a solid foundation for our long-term development.

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Xiaomi Future Star

“Xiaomi Future Star” is a talent development initiative targeting outstanding fresh graduates with PhD and master’s degrees to attract and retain Xiaomi’s future technology and professional experts. Upon joining Xiaomi, employees will focus on scientific research in innovative technologies. In 2020, 29 graduates were recruited through this initiative, of which 69% had completed doctorate programs and 31% held master’s degrees.

**Postdoctoral Program**

We worked with top mainland China universities such as Tsinghua University, Peking University and Wuhan University to set up a Postdoctoral Research Program. The joint development attracts outstanding talent in AI, big data, communications and other related fields.

In 2020, our employment and talent retention were recognized as follows:

Award	Organization
Liepin 2020 Extraordinary Employers for Diversity	Liepin
Top Graduate Employers	51 Job and YingJieSheng.com
2020 HeRo	Beisen Research Institute of Talent Management
Lagou 2020 Internet of China Top Employer	Lagou
“China Power” — 2020 HR Technology Innovation — Globalization Progress Award	CDP Group, China Institute of Strategy & Management, United Nation Global Compact, and Shanghai UN Research Association
China Best Employer Award 2020 — China Best Employers for University Students	ZHAOPIN.COM
China Best Employer Award 2020 — China Best Employers Nationwide Top 100	ZHAOPIN.COM
2020 Most Attractive Employers in China Internet Industry — Top 3	Universum

Compensation and benefits

Xiaomi endorses equal pay for equal work and offers our employees fair and competitive compensation and benefits under a performance-based structure. We want our performance review system to be impartial and objective, and we offer a multi-dimensional review mechanism. To this end, we set up three roles for evaluation this year — assistant reviewers, consulting advisors and primary reviewers. Additionally, we have a performance review appeal mechanism where employees are given an open communication channel to ensure their performance review was conducted fairly and objectively. For overseas employees, we standardized compensations across the world. We also implemented the *Tax Balancing Policy for Employees on International Assignment at Xiaomi Corporation* to ensure fair and reasonable taxation for expatriates.

To motivate our employees, we promoted our equity incentive program. In 2020, the Board of Directors awarded selected participants⁷ a total of 137,947,024 shares across 4,686 issues.

In addition to social insurance and welfare prescribed by national and regional regulations, we provided employees with a series of Company benefits:

- Supplemental benefits: includes supplementary business insurance, annual physical examination, birthday benefits, marriage benefits, maternity benefits, anniversary benefits and employee care package benefits
- Global business travel insurance for expatriates: covering loss of property, medical expenses, casualty, travel delay, emergency aid, to ensure physical safety and security of our employees
- Employee Assistance Program (EAP): free professional counselling to employees and family members through online and offline channels. By the end of 2020, the EAP had been used more than 10,000 times, and had held more than 11 offline activities

4.2 Employee Protection and Benefits

Health and Safety

We strive to provide a wholesome and safe work environment. We strictly abide by the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Provisions on the Supervision and Administration of Occupational Health at Work Sites* and other applicable laws, regulations and internationally recognized practices in locations where we operate. We established a health and safety management system for each of the offices in accordance with the ISO45001 Occupational Health and Safety Management System Standard. This year, the Xiaomi Science and Technology Park and Xiaomi's Hong Kong office received ISO45001 certifications.

⁷ "Selected Participants" refer to any Eligible Person approved for participation in the Share Award Scheme and who has been granted any Award pursuant to the Share Award Scheme. "Eligible Person(s)" refers to any individual, being an employee (whether full-time or part-time), director (including executive, non-executive and independent non-executive directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliates (as defined in the Share Award Scheme) who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group.

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We devised programs such as the Mi Project Emergency Response Manual and the Production Facility Safety Inspection Guidelines to address occupational health and safety risks and emergencies. These programs provide standardized guidance to protect our employees during emergencies. We regularly conducted safety inspections, fire drills, and safety awareness campaigns to improve employees' safety awareness and emergency response skills.

Employee Activities

We valued our employee's work-life balance by offering diverse recreational activities. By the end of 2020, Xiaomi had established 57 employee clubs. This year, we organized five company-wide events and over 300 employee-initiated activities with more than 10,000 participants.

To celebrate our 10th anniversary, we organized a series of events, including live broadcast of the anniversary celebration, the Xiaomi Talent Show, the Xiaomi Family Day, the Opening Week Celebration of Xiaomi Science and Technology Park and Xiaomi Kart Racing Competition, sharing Xiaomi's vigor and vitality with our employees and their families.



In 2020, we organized numerous sports club activities, such as basketball, football and badminton tournaments.



Employee Communication

Xiaomi believes it is important to have multiple communication channels to engage with our employees. We conducted employee surveys on the effectiveness of these communication platforms to ensure employee feedback was addressed in a timely manner.



4.3 Employee Development

Promotion

Xiaomi values the professional development of all employees and offers them opportunities to grow along with our business. We make promotion decisions based on performance and reward those significant contributors with incentives programs and promotion opportunities. To ensure sustainability, we made significant efforts to develop our young talent. This was done through organizing our talent pool, building their overall competence, and offering fair and transparent paths for promotion.

Training

We provided a full range of training programs for employees worldwide, covering general knowledge, corporate culture, cutting-edge science and technology, management skills and more, to improve their overall professionalism, technical competency and leadership skills.

In 2019, we established an in-house training center called Qinghe University with a mission to “promote our group strategy, improve organizational capabilities, solve business problems and train Xiaomi talent.” It provided online and offline trainings for employees from all departments and levels and encouraged them to take a more proactive approach to on-the-job learning.

In 2020, Qinghe University launched its online learning platform. The platform offered 469 online courses and 103 learning programs, and had more than 25,000 active online users. These programs are tailored for different users, including an introduction training program under the fresh graduate scheme, a leadership training program for managers, and programs on professional expertise. In 2020, over 12,000 employees used this platform.

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	Number of participants	Average Training (Hours)	Content
Xiaomi Office	12,637	4	Improve software skills to improve work efficiency
Environment, Health and Safety	5,273	0.5	Introduce Xiaomi's environmental, health and safety policy, organizational roles, and objectives; provide training on the ISO14001 Environmental Management System and ISO45001 Occupational Health and Safety Management System
Leadership Program	2,940	20	Improve leadership capabilities of senior management
YOU Program	2,198	40	Provide fresh graduates with professional training, including hard and soft skills, to help them quickly transition from school to the workplace
Mentor Program	1,887	2	Match mentors for new employees to help them quickly integrate into the team and work
Mi Home Manager Program	1,485	24	Introduce scientific training path for store managers
Spark Open Classes	1,264	5	Design 8 training courses to help new managers adapt to their new role
Spark Camp	908	43	Improve capabilities of new managers in four areas: role positioning, goal achievement, people management and team building
Finance Program	618	43.4	Provide professional training for employees in Finance Department
Internal Training Camp	484	12.5	Invite external lecturers to improve abilities of our internal trainers

	Number of participants	Average Training (Hours)	Content
Management Sharing Session	404	1.5	Share leadership and team management experience through case studies
Torch Camp	275	68	Support mid-level managers in analyzing and solving problems through “learning by doing” activities
POM (Product Operation Management)	67	59.5	Develop 9 courses based on typical responsibilities of product managers, including “Operation of Strategic Needs and Insights”, “Preparing New Product Launches”, and “Pricing Strategy”
Ignite Camp	62	106	Identify outperforming senior managers and help them unlock their leadership potential

Recognition

In 2020, our employee training was recognized as follows:

Award	Issuer
2020–2021 (12th) China Talent Development Award — Best Learning Program: Spark Camp	<i>Training Magazine</i>
2020 National Corporate Learning Project Design — Silver Award: Torch Camp	The 5 th National Learning Design Competition of the Chinese Society for Talent Development (CSTD)
2020 HeRo	Beisen Research Institute of Talent Management
2020 Future Potential Award: Qinghe School of Economics and Management	Executive Education Center of Tsinghua University School of Economics and Management
2020 Bo'ao Award — Outstanding Product Thinking Application Award	Online-edu.org

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5. Customer First

Our users and their satisfaction form the foundation of our success. Our unwavering focus on providing the best user experience has established Xiaomi as a well-recognized brand globally. Our vision is to be friends with our users and to be the coolest company in their hearts. By treating all our users as our friends, we hope to learn from our users and grow with them.

Since our inception, we have made our users' needs our priority and cultivated a community culture with high user engagement. In 2020, after drawing lessons from our past service experience, we consolidated the customer service units of individual business departments into a centralized team at the group level to improve service quality. We further personalized MIUI's functions, upgraded our online and offline customer service experience, and actively organized Mi Fan activities. Through such efforts, we aspire to bring our users closer to us.

5.1 User service

Customer service centers

Our customer service centers are available 24/7 across various channels including telephone hotline, online chat, Weibo and WeChat. Upon receiving an inquiry or complaint, the central customer service team assigns the most appropriate specialist based on channel and user need so that inquiries are processed with the highest possible efficiency. To ensure the quality of our customer service, we implement comprehensive assessments and incentive programs based on multiple metrics such as response time, resolution rate, and customer satisfaction rating. In addition, we provide customer feedback to relevant business units in a timely fashion while constantly optimizing internal processes, services, and management.

Hotline: 400-100-5678

Website: <https://www.mi.com/service/contact>

In 2020, Xiaomi made improvements to customer service in the following areas: AI assistance, cross-departmental collaboration and VIP service. Firstly, by leveraging our AI capabilities, we upgraded our automated Q&A functions and other smart customer service tools this year. Secondly, our customer service department collaborated closely with other departments including internet services, logistics, and after-sales services on various projects, such as simplifying shipping addresses modifications and improving video subscription services. We also provided VIP services to mid- and high-end users. This year, Xiaomi's customer service hotline satisfaction rate reached 97.25%, and the online channel satisfaction rate reached 90.61%.

Xiaomi has a large and diverse product portfolio across multiple categories. To help users quickly locate the most relevant customer service agent for their product, we created a smart IVR system based on AI voice recognition. By simply saying a product name aloud, a customer service specialist for that specific product can be automatically assigned. Our current product match accuracy rate is higher than 90%.



In 2020, we offered end-to-end personalized service for Redmi TV MAX 98. The service includes pre-sale consultation, on-site evaluation, delivery and installation. We also provided specialized training for our service representatives and ongoing customer support. In 2020, the satisfaction rate for this service exceeded 98.5%.

After-sales services

We offer different after-sales services to meet the various needs of our users. We also expanded the geographic coverage of our after-sales service centers to offer greater convenience to our users.

- **In-store repair service:** We have 656 in-store service centers in China, covering 23 provinces, five autonomous regions and four municipalities. We added 136 stores in 2020, representing a 26% increase from a year ago.
- **Delivery repair service:** We have 18 specialized service centers. Users can deliver non-functioning or defective products to the service center, and the repaired/replaced product will be returned by courier. This service is free of charge within the warranty period.
- **Home repair service:** We offer on-site home repair services through 1,553 stores across the country. We added 553 stores compared to 2019, representing a 55% increase.

In 2020, in an effort to improve the response time of our after-sales service, we launched two fast-response services and incorporated response time into the evaluation criteria of our after-sales service teams. Our “one-hour quick repair” service allows a customer to schedule an in-store appointment through Mi.com, after which a specialist will complete product maintenance within one hour of a customer’s arrival at the store. Through our “2-hour response” service, a user can make a request for home repair service through one of our after-sales channels, and a dedicated specialist will contact the user within 2 hours to schedule an appointment.



Xiaomi requires after-sales service specialists to pass a test related to their product coverage and obtain certification before providing services. In 2020, the after-sales team established 25 training centers in China, and all of our after-sales specialists obtained the necessary certifications. This year, more than 300 online and offline after-sales training activities were arranged, involving more than 10,000 employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Mi Homes

Mi Homes are official Xiaomi retail stores that operate our unique new retail business model and promote the Xiaomi brand. Mi Homes provide exceptional service to our users and also serve as a training facility for our employees. On average, each store displays over 300 product categories for users to experience first-hand. Mi Homes provide customers a high-quality shopping experience through a well-selected product portfolio that covers a wide range of daily usage scenarios, all operating inside a smart environment.

This year, we upgraded the service and brand image of Mi Homes. We introduced a 7-day unconditional return policy, which is a breakthrough in the 3C (computer, communications, consumer electronics) industry. For best-in-class store experience, we pay extra attention to details in our customer service, such as applying screen protectors to smartphones for free.

As of December 31, 2020, our Mi Homes covered 28 provinces and 267 cities. We are continuing to expand our offline retail network, and our goal is to have a Xiaomi store in every county across China.



Recognition

Our customer service quality has been recognized by the industry, as demonstrated by the awards below:

Name of Competition	Award
2020 "Golden Headset" China's Best Customer Center	Innovative Management Customer Center Award
2020 China Customer Contact Center	Excellent Service Award
2020 "Golden Headset" China's Best Customer Center	Excellent Intelligent Application Award
China Electronics Chamber of Commerce Top 10 Call Centers of the Year 2020	Outstanding Customer Experience Award

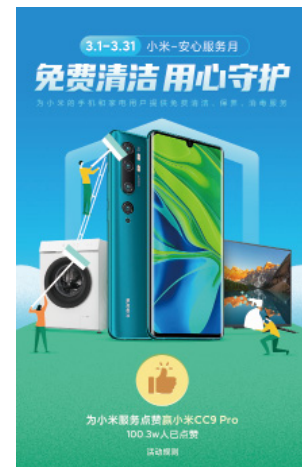
5.2 User Experience Upgrade

As our ecosystem and user base continue to grow, our vision to become friends with our users has constantly pushed us to improve our service quality. In 2020, we brought together the specialists from our front-line customer service, after-sales service, and logistics service teams into a single Service Experience Department. This new department tracks the latest industry trends, designs and implements new service initiatives, and continuously monitors service quality and performance. In addition, we incorporated user feedback into the performance reviews for all customer service functions, which enhanced our customer service management and helped to improve user experience.

We aim to improve our services from our users' perspective. Internally, we collected user feedback through forum posts, customer service channels and user surveys. Externally, we held workshops and organized face-to-face activities with our users to understand their feelings and accurately identify the areas for user experience improvement, followed by targeted measures.

In 2020, to promote proper hygiene under Covid-19, we organized the "Peace of Mind Month" event. We provided users with services such as free cleaning of household appliances and mobile phone disinfection. A total of 208,442 orders were completed.

We also launched a RMB49 battery replacement promotion activity where we providing battery purchase at half-price and battery installation for 23 mobile phone models. This affordable way to extend the smartphone life cycle was well-received by users, prompting us to extend the event by three months. We completed a total of 230,380 battery replacements.



We rolled out the "Mi Fan Experience Officer" project to better understand user needs. In October 2020, we held the first event where we recruited Mi fans from the Mi Community forums to express their opinions on our household appliance products, allowing us to collect user feedback on deficiencies in the customer service experience. In 2020, a total of 3,740 Mi Fans took part as experience officers, directing us in targeted improvement.



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We have found that many senior citizens struggle with using smartphones. To help address this issue, we held an activity during Thanksgiving 2020 where our service specialists met with elderly users face-to-face and answered their questions about how to use smartphones.

About 6,000 copies of “Smartphone Guidance Brochure for Parents” were ordered on Mi.com and over 30,000 hard copies were placed in stores for free. We have revised and released the second version based on the feedback from users. By the end of 2020, an online version was also made available, attracting more than 2.2 million views.



5.3 Mi Fan Culture

Xiaomi is one of the few technology companies that has its own vibrant fan culture, and Mi Fans underpin the Company’s growth. We are keen to create and nurture our Mi Fan culture by proactively involving our fans in product development, branding and sales. To ensure that our Mi Fans across the globe can enjoy similar experience, our headquarters provides technical guidance to regional offices to replicate successful Mi Fan operations globally.

Deep user engagement

We value opinions and feedback from our users. We invite our users to participate in beta testing and initial project evaluation through online and offline interactive activities, and allow them to enjoy the product development process.

Mi Community, the official forum where Mi Fans gather, serves as the main channel for us to engage with core fans and obtain feedback. To better serve Mi fans, we merged the MIUI Forum and Mi Community in 2019 to establish the new Mi Community, which provides functions such as company news, product updates, internal testing feedback, bonuses and rewards, Mi fan interactive forum, and more. By the end of 2020, the number of cumulative Mi Community users reached 120 million with more than 20 million monthly active users. The Mi Community has over 300 social groups across various fields and generated over 365 million views of community content.

小米社区

合并MIUI论坛和原小米社区，全新上线，更好地和用户交朋友



The Mi Community posts over 20,000 times per day on average. To efficiently process user feedback, Xiaomi designed a mechanism where Community staff will gather similar problems under a single project and invite relevant users to vote. When a resolution has been made, all users with interest in the project are notified simultaneously. In 2020, more than 2 million suggestions and feedback comments were posted, and over 40 million users participated in voting.

Xiaomi established a new internal testing platform in 2020. This comprehensive testing platform solution covers the entire testing lifecycle including project launch, selection of testers, feedback collection and processing, and service promotion. We carried out more than 100 system and app tests on this platform, drawing participation from more than 4 million users, which contributed to the successful release of MIUI 12 and MIUI 12.5 in 2020.

优化横屏模式MIUI12的通知栏显示/控制中心

建议

Jira编号:MIUI-1847764

小米9Pro 5G 状态栏 小米9 Redmi K30/Pro

帖子 711 浏览 30

机型版本信息

想要	不想要
144266人 (93%)	10392人 (7%)

等174988人参与投票

After the release of MIUI 12 in April 2020, more than 1,000 users posted suggestions to optimize the notification display area when the smartphone is in landscape mode. A proposal was later formulated, attracting over 145,000 users. After receiving the voting result, the community officials immediately adopted the user suggestions and worked with the relevant product teams to implement the changes. This service was widely praised by our users

Xiaomi regularly invites leaders from all departments to communicate with users and listen to their needs. In 2020, Xiaomi held 12 “Internal Roast” events and 45 “Micro-blog MIUI Leader Online” activities, involving 87 business unit leaders.

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In September 2020, Xiaomi held a series of Q&A sessions between users and key product managers. A total of 87 managers and heads from various business divisions participated, including smartphone, laptop, and TV, and drew more than 200,000 users and over 260 million cumulative Weibo views. These activities helped Xiaomi better understand the needs of its customers and gain new ideas for product improvement.

Together with Mi Fans

As a young and innovative company, Xiaomi hopes to build on the enthusiasm and imagination of young Mi Fans to further develop the Mi Community. In 2020, we attracted our global Mi Fans to participate in a wide range of activities to express their sincerity and passion for Mi culture.



Mi Fan Story is a series of documentaries filmed by Xiaomi's international community, recording stories of Mi Fans that capture their sincerity and love. The first episode of Mi Fan Story was filmed in Pakistan. It tells the story of two brothers who left their home in a remote mountainous area to pursue the career they love, and finally changing the fate of their family. In the coming years, the international Mi Fan community will record more similar stories.



Mi Renovation: Focusing on Mi Fan homes with renovation needs, Xiaomi invited professional designers to create a practical and smart “dream designer home” using Xiaomi’s full set of AIoT products. The project was an immediate hit among Mi Fans. So far, the first phase has been launched in Russia, Germany and Thailand. Mi Renovation will be launched in more countries such as Vietnam, France and Mexico to help Mi Fan families create their dream homes.



ShotByMi is a photography competition hosted by the global Mi Community. Users can submit photos taken with a Xiaomi smartphone. Since 2019, Mi Fans from over 170 countries have joined the competition, submitting more than 210,000 photos.



Mi Explorer is one of the traditional Mi Community activities. In 2020, Mi Fans were invited to explore the world with Xiaomi products and produce high-quality content for sharing with the Mi Community and on social media platforms. By the end of 2020, the international Mi Community had held more than 20 explorer activities with more than 50,000 applications from more than 120 countries and regions around the world. More than 300 Explorers were selected and more than 800 works of original and high-quality content were produced using Xiaomi products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Mi Pop 24 New Year: On New Year's Eve in 2020, Xiaomi and Mi Fans from each of the world's 24 time zones organized a New Year's Eve party. Xiaomi live broadcasted 24 separate New Year's Eve countdowns with Mi Fans and delivered highly creative New Year greetings. This was the first time Xiaomi celebrated New Year's Eve together with Mi Fans around the world.

6. Business Ethics

We are committed to conducting our business activities in compliance with all laws and regulations, and we operate under the highest business ethics standards. We encourage our employees to follow the code of business ethics and uphold proper market competition guidelines to maintain a fair and transparent business environment. Together with our stakeholders, we are committed to generating additional business opportunities through the professionalism of our team, the high quality of our products and services, and our solid business reputation.

At the Group level, we introduced a compliance manual for key regional markets to systematically ensure compliant operations globally. For our products, we applied compliance metrics into the whole product life cycle including design, development, factory inspection, sales and marketing, and after-sales services. For our employees, all employees are required to sign the Employee Handbook and the Employee Code of Conduct and abide by their rules. Furthermore, we explicitly require our employees to conduct all business under the principles of integrity, honesty, and compliance.

As an industry leader, Xiaomi deeply understands its social responsibility with regards to business ethics and has continued to promote our principles across our value chain. We have established a comprehensive compliance management system that covers our upstream and downstream partners to meet the evolving compliance requirements in different regions and markets.

6.1 Privacy Protection and Information Security

Privacy protection and information security are highly important to Xiaomi, and we continuously make improvements to our privacy protection and information security systems. In 2020, we introduced the Xiaomi Privacy Brand, which is applied to numerous Xiaomi products and service offerings. It represents our focus on corporate responsibility, user control, openness and transparency, cybersecurity, and legal compliance. Our practices in privacy protection and information security are recognized as one of the best in the industry.



In mainland China, Xiaomi complies with *the Cyber Security Law of the People's Republic of China*, the *Decision of the Standing Committee of the National People's Congress on Maintaining Internet Security*, the *Decision of the Standing Committee of the National People's Congress on Strengthening the Protection of Internet Information*, and so forth. In overseas markets, we comply with the *General Data Protection Regulation (EU GDPR)*, the *Privacy Act of 1974 (2015 Edition)*, the *Act on the Protection of Personal Information of Japan* and other applicable laws and regulations.

Management System

Xiaomi established the Information Security and Privacy Committee, which comprises more than 100 specialists and more than 10 data privacy lawyers, to oversee the security and privacy management of the entire company. To further provide guidance on corporate actions, we established the Information Security and Privacy Department, the Smartphone System Security Department and the Security Office.

To ensure our compliance with all applicable laws and legislations, we conducted thorough research on privacy-related regulations around the world. By the end of 2020, we identified legal requirements in 82 countries and regions and established a database of legal policies. We conducted risk assessment throughout the product lifecycle to ensure our practices in data collection, storage, utilization, and sharing are in full compliance with all applicable regulations.

We have built data centers in six countries to ensure data security and compliance. In 2020, Xiaomi carried out a comprehensive evaluation for all products exported to the European Union, to further strengthen data privacy and security.

In 2020, Xiaomi revised 36 internal policy documents on information security and privacy protection. We also established additional standardization processes and documents on security assessment. These include the *Management Procedure on Security and Privacy Vulnerabilities*, the *Security Assessment on Third Party System or Service*, the *Security Testing Procedure on Mobile Applications*, the *Testing Requirements on Server-side Security* and the *Testing Requirements on Smart Hardware Devices Security*.

Xiaomi also developed a series of tools to ensure that the privacy protection requirements were properly met. We established a privacy compliance application platform and testing platform to ensure that our business activities met the requirements in various scenarios. We established a system that monitors and manages the overall information security and privacy of relevant business units through 16 key metrics, such as the security qualification rate of smart hardware products, security and privacy breach on-time repair rate, and so forth. We also established a scorecard to evaluate and manage information security and privacy protection across departments through quantitative measures.

After obtaining three ISO certifications in Information Security and Privacy Protection (ISO/IEC27001, ISO/IEC27018 and ISO/IEC29151) in 2019, Xiaomi passed the surveillance audit of ISO27001 Information Security Management and received the certification for ISO27701 Privacy Information Management System in 2020.

Xiaomi's privacy policies and practices meet the assessment standards of corporate privacy and data governance practice by TrustArc, a world leading data privacy management company. We were also granted the Privacy Seal certified by TrustArc.



Xiaomi privacy official website: <https://privacy.miui.com>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

System Defense

This year, we upgraded the MIUI operating system to improve information security and ease of use. Through better integration of software, hardware and services on smartphones, we significantly improved end-to-end information security and privacy protection for users.

Application Compliance

This year, we strengthened the information security review process for our apps. Xiaomi App Store conducted strict virus scanning, privacy testing, compatibility testing and manual review before applications were published. In 2020, over 500,000 applications for app store listing were rejected due to failure to meet privacy protection requirements. To prevent privacy violations, our automated privacy testing platform examined how apps collect user information and request user authorization for data access. By December 31, 2020, thousands of apps had been tested on this platform.

On April 27, 2020, Xiaomi released an updated version of its operating system MIUI12, which made breakthroughs in information security and privacy protection with “Flare”, “Interceptor”, and “Hidden mask” functions. MIUI12 passed the enhanced privacy test of the TUV Rheinland Android system.

- The Flare function records behavior by an app that could raise privacy concerns and sends reminders to users to take action
- The Interceptor function enables users to completely block unauthorized use of the camera and wake-up function in the background. It erases sensitive information from shared photos to prevent user privacy leaks
- The Hidden Mask function provides apps a virtual ID number for identification purposes to reduce the risk of leaking personal information



Logistics Service Privacy Protection

As Xiaomi's online direct sales business scales rapidly, we attach great importance to user privacy protection in our logistics services. For example, we partially conceal customer information on the shipment label for small- and medium-sized product packages. For household appliances, a virtual contact number is displayed. In each quarter of 2020, more than 13 million Xiaomi e-commerce orders were protected by this feature.

Training and Communication

We encouraged our employees to identify and report privacy vulnerabilities. We conducted privacy-related training and promoted relevant discussions within the industry.



- Training on information security and privacy awareness, reaching 84% of all employees
- 31 security training sessions, covering more than 1,100 participants
- 16 sessions of IoT security training, covering more than 300 participants
- 4 training camps for information security and privacy specialists, involving 179 employees



In 2020, Xiaomi held the first Security and Privacy Publicity Month, which included six themes: the Xiaomi Science and Technology Park Activities Week, the Information Security On-site Lecture Week, the Online Privacy Protection Lecture Month, the Online Knowledge Contest, the CTF Hacking World Cup, and the Special Training Camp. These activities raised privacy protection awareness among all our employees and among general internet users.



In 2020, we established the "Blue Army Project" with leading companies in different sectors. We encouraged cooperation among companies to overcome competitive barriers and create a win-win situation. We tested product security vulnerabilities through network security simulations to enhance security capability across industries.

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The Xiaomi Security Center established a domestic data vulnerability reporting platform. We also partnered with HackerOne and launched a vulnerability reporting program with a reward of up to RMB1 million. We also invited professionals to support and enhance the privacy protection functions of Xiaomi products.

Xiaomi actively participated in industry activities for information security and privacy protection. In 2020, Xiaomi specialists shared their experiences at 31 events to promote the development of the information security ecosystem.

Conference	Speech
WISE 2020 King of the New Economy Conference	"Creating a 'Smartphone x AIoT' Security and Privacy Ecosystem"
8th ISC 2020 Internet Security Conference	"CXO's view: Practical Crypto Science — Building a Great Network Security Ecosystem"
2020 China Software Research and Development Management Industry Technology Summit	"Intelligence and Platformization of IoT Security Risk Control Systems"
Data Connectivity and Security Development Summit of the Guangdong-Hong Kong-Macao Greater Bay Area	"Security Compliance Practices of Multinational Enterprises"

Awards and Recognition

In 2020, Xiaomi won various awards and recognitions related to privacy protection.

Competition/Association	Award
2020 KCTF Spring Competition (Defense)	Second prize
GeekPwn 2020 International Security Geek Contest	Winner of the 2020 New Infrastructure Security Competition
2020 Butian Cup Hacking Competition	Third prize in the Industrial Crane Remote Control Hacking
Tianfu Cup International Network Security Competition	Best Vulnerability Replication Award
2019 CUA Data Center Association	Data Center Implementation Model Project (Haidian Park Room)
2020 Network Data Security Compliance Assessment	Outstanding Case
National Network and Information Security Management division of the 2020 National Industry Professional Skills Competition	Third prize for Information Security Administrator

6.2 Advertising Compliance

Xiaomi strictly complies with applicable laws, regulations and international practices in the markets where we operate, including the *Advertising Law of the People's Republic of China*, the *Advertising Regulations*, and the *Policy for Administration of Internet Advertising*. We also developed the *Standard on Customer Qualification Information Review*, the *Standard on Advertising Material Review* and other internal policy documents. We established a cross-departmental advertising review mechanism, which involves the Legal Department, the Public Relations Department, the Government Relations Department, the Quality Committee and other responsible business units. These departments worked together to review advertising content and quality, as well as the credentials of our advertisers. We also established an advertising complaint resolution mechanism whereby the relevant department will promptly investigate and provide feedback on user complaints.

We hold internal weekly and monthly meetings as well as training activities to communicate the latest advertising policies and raise compliance awareness. During these meetings, we shared recent updates in advertising best practices, investigated relevant risks, and enhanced the team's overall advertising review capabilities.

6.3 Intellectual Property Protection

As a leading innovator in the industry, Xiaomi respects and protects the results of our research and development. We strictly abided by our intellectual property protection system as we work towards maintaining a transparent, open and fair business environment and orderly market.

Xiaomi strictly abided by the applicable laws and regulations in all areas of operation, including the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. Internally, we produced a series of policy documents in intellectual property protection, such as the *Regulations on Enterprise Intellectual Property Management*, *Measures on Patent Reward and Remuneration Management of Xiaomi Corporation*, and *Brand Use and Management System of Xiaomi Corporation*. In addition, our Legal Department is responsible for managing intellectual property across the Group. We appointed intellectual property specialists in each business unit to ensure proper implementation. A risk prevention mechanism was established to investigate, control and prevent infringement risks across the product lifecycle.

While we protect our own intellectual property rights, we also respect those of others and work to prevent their infringement. During the past few years, we have signed a number of important cross-licensing agreements with companies such as Qualcomm, Nokia and NTT DoCoMo. In our cooperation with suppliers, universities and scientific research institutes, we specified the ownership of intellectual property rights in the agreement. We investigated intellectual property risks in new markets and ensured our new products and technologies in those markets comply with local laws and regulations. Moreover, we joined technical standard-setting bodies in mainland China and overseas and abided by relevant intellectual property policies and regulations.

We actively carry out intellectual property protection training. This year, we organized more than 70 training sessions focusing on brand use and protection, patent knowledge and risks, and more. The training activities attracted more than 1,700 participants.

Patent Protection

We established an early warning mechanism to track and analyze trends in technology and product development and enhance our ability to respond to patent disputes. In addition, we established follow-up procedures for copyright and patent infringement. We established clear procedures on collecting information and evidence related to infringements and formulating the most appropriate response. This effectively protected our intellectual property rights.

Xiaomi fully leverages the international intellectual property framework to safeguard its business. We owned 516 design applications on the International Registration of Industrial Designs (the Hague System). Xiaomi is the first Chinese company ranked among the top five in the Hague System, demonstrating our strength in design innovation.

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Xiaomi was awarded 2020 Beijing Intellectual Property Demonstration Unit, 2020 Capital Intellectual Property International Exchange and Cooperation Base, and Copyright Protection Center of China (CPCC) Top Ten Copyright Partner.

Xiaomi Intellectual Property Protection Platform:
<https://www.mi.com/intellectual>

Trademark and brand protection

Xiaomi seeks to prevent the infringement of Xiaomi's brand and trademark through the following:

- Compliant use of trademark: We established a global trademark screening mechanism to detect potential infringement of Xiaomi trademarks
- Trademark rights confirmation: We established a trademark application system to better establish our trademark globally. We also developed a trademark monitoring system to track trademark registration by third parties that may infringe our trademarks and a dispute resolution strategy to appropriately respond when such cases arise
- Trademark rights protection: We established a complete anti-counterfeiting trademark protection system to monitor third-party products sold online and offline

Xiaomi has zero tolerance for counterfeit goods. We cooperated with major e-commerce platforms to jointly safeguard our brand by carefully screening for early warning signs, promptly identifying and resolving counterfeit cases, and conducting targeted offline anti-counterfeit operations. We also participated in special operations organized by Chinese customs agencies to prevent the import and export of counterfeit goods. Additionally, we established a global anti-counterfeit and trademark rights protection system for products sold by third parties. Finally, we jointly conducted offline anti-counterfeiting activities with our distributors and retail stores, and participated in anti-counterfeit knowledge sharing with industry peers. In 2020, we helped process administrative and criminal anti-counterfeiting cases involving a total value of RMB32.56 million. In addition, in 2020, we identified and deleted a total of 271,330 online links that infringed our trademark rights.

6.4 Anti-Corruption and Anti-Bribery

Xiaomi also maintains a zero-tolerance policy towards corruption and bribery. In China, we strictly followed the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations. In overseas markets where we operate, we also identified and abided by relevant local laws and regulations. We have established a comprehensive anti-corruption system, including governing rules and filing system to be executed by a professional team. In 2020, we revised the *Code of Integrity of Xiaomi Corporation*, the *Gifts, Hospitality and Travel Funding Management Regulations of Xiaomi Corporation* and the *Conflict of Interest Management Regulation of Xiaomi Corporation*. We developed tools to further improve anti-corruption risk identification. In addition, we are determined to protect the rights and interests of our partners to ensure healthy business development.

Active Monitoring

In 2020, we built a comprehensive data monitoring platform which was able to automatically screen and identify corruption-related risks, such as potential conflicts of interest, suspicious employee behavior, irregular payment records and disbursement of loans, and unusual terms in business contracts. Through data analysis, we were able to improve the efficiency and accuracy of this platform. In 2020, all of our businesses were covered by our monitoring platform.

We continued to strengthen anti-corruption practices in our procurement and supply chain processes. In 2020, we developed a supplier compliance platform that stores key supplier information such as business operations, taxation, assets, and recent news and public perception. Leveraging our AI capabilities, the platform was able to accurately map out corporate relationships and analyze operating risk, public relations risk, and more. This information helped us make better procurement decisions. In 2020, we organized two anti-corruption training sessions, which 98 procurement personnel attended.

Whistleblowing

We established multiple channels, including email, telephone and online channel, for reporting corruption-related behavior. The platform's services are available 24/7 in 60 languages. It is open to our mainland China and overseas employees, customers, investors and partners.

Email: tousu@xiaomi.com

Phone: 400-120-3505

Website of the reporting platform: <https://integrity.mi.com>

We released the *Regulation on Whistleblowing Management of Xiaomi Corporation* to manage relevant cases in a closed-loop manner. All suspected fraud and corruption cases are fully investigated by professional staff in accordance with internal policies. If a case constituted a crime, the investigators would refer the case to the proper judicial authority for further handling and prosecution.

We established the *Regulation on Whistleblower Protection of Xiaomi Corporation* and *Regulation on Whistleblower Reward of Xiaomi Corporation* to encourage employees to report misconduct. We ensure that whistleblowers and their identities are properly protected, and keep all information confidential whenever possible .

Raising Awareness

Xiaomi emphasized the importance of anti-corruption and worked toward raising awareness among our employees. In 2020, we conducted an anti-corruption risk assessment on our main businesses. We surveyed 80 respondents from management and over 12,000 employees on the subject as we sought to identify blind spots within the Company. A targeted training session was also given to the board of directors.

Xiaomi improved integrity and compliance awareness through various activities, forums and seminars with industry experts.

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On November 19 and November 27, 2020, we conducted integrity, compliance and anti-corruption trainings for senior management at Xiaomi Science and Technology Park. We invited professors from the National Prosecutors College and prosecutors from the Second Procuratorate of the Haidian District People's Procuratorate to share anti-corruption knowledge with our senior management. A total of 249 people participated with 100% satisfaction.



In 2020, we produced 3 short films on anti-corruption, based on real cases. The materials serve as teaching tools for all employees and raise awareness around integrity.



At the 2020 Xiaomi Supplier Conference, our Vice President and the head of Smartphone Department, Mr. Zeng Xuezhong, promoted integrity and anti-bribery to our business partners. Nearly 70 suppliers participated in this event and pledged to create an environment of integrity and honesty.

6.5 Anti-money Laundering

As our business expands along with the development of our Airstar Digital Technology fintech platform, we realized the importance of anti-money laundering controls. Our Internal Control and Internal Audit Department and our Finance Department jointly identified financial risks that might expose our business, and implemented strict measures to minimize risks associated with money laundering.

We have established a series of internal control regulations on anti-money laundering, such as the *Regulation on Anti-Money Laundering Management*, and the *Internal Control Regulations on Mi Credit for Anti-Money Laundering and Anti-Terrorism Financing*. We also set up Anti-money Laundering and Anti-Terrorism Financing teams, who are responsible for drafting and revising internal relevant regulations, setting anti-money laundering objectives, and implementing regulations. The teams appointed dedicated anti-money laundering officers to take charge of day-to-day implementation.

We adopted a holistic approach in our day-to-day operations, from prevention to monitoring to case processing. At the same time, we also established a comprehensive emergency response plan. Once a risk exposure was identified, the Risk Management Department would evaluate the exposure and responds immediately. The department would submit a post-case brief in a timely manner to document the cause and description of the event, the resolution process and result, the responsible parties, and areas for improvement. The department would provide suggestions to mitigate the risk going forward.

7. Value chain

As a key player in the value chain, Xiaomi has promoted its partners' development through business cooperation, technology sharing, as well as financing support. In an increasingly globalized world, our vision is to collaborate long-term with our partners and to produce win-win outcomes. We believe cooperation on sustainable development is key to realizing this vision. To that end, we fully leverage Xiaomi's strong technological capabilities and business resources to help suppliers improve their sustainability performance, to promote industry standardization in frontier fields and to support the growth of small- and medium-sized enterprises through digital finance. As such, we seek to extend Xiaomi's sustainable value across the value chain.

7.1 Supply Chain Sustainability

Xiaomi is committed to closely engaging with its suppliers to promote sustainable development. As a responsible partner, we work towards taking industry sustainability to the next level, creating business models for the harmonization of the economy, environment and society, and facilitating a sustainable ecosystem.

Along with our suppliers, we abide by the applicable laws and regulations of the markets that we serve, while following recognized international standards and conventions, thereby raising the bar for management of environmental and social risks. With reference to the *Responsible Business Alliance Code of Conduct*, and the *Joint Audit Cooperation Supply Chain Sustainability Guidelines*, SA8000, ISO14001, ISO45001 and in terms of our assessment on social risks embedded in the supply chain, Xiaomi has developed relevant policies such as the *Supplier Social Responsibility Code of Conduct* and the *Conflict Minerals Policy*. We require our suppliers to sign and adhere to the *Supplier Social Responsibility Agreement*, which covers labor, health and safety, environmental protection, business ethics, management system, and evaluation and improvement. As of December 31, 2020, more than 95% of our suppliers signed the *Supplier Social Responsibility Agreement*.

Management

A full-cycle and cross-departmental mechanism for supplier management was established under the Procurement Committee. This mechanism governs the registration, onboarding, qualification, and evaluation of suppliers. The supplier relationship management (SRM) system was also optimized through the addition of functions including supplier acceptance, suspension, self-assessment, on-site inspection, scoring, and so forth. This further strengthened the management of environmental and social risks in the supply chain.

Supplier onboarding

When new suppliers are introduced, Xiaomi carries out strict internal approval processes to ensure the new suppliers meet our requirements. To confirm compliance, new suppliers must either provide audit reports by third parties or accept an on-site audit by Xiaomi. If any red flags are identified, the supplier will not be qualified until the issue is rectified.

Xiaomi attaches equal importance to the management of suppliers of ecosystem products. We have formulated *Regulations on the Management of Xiaomi's Ecosystem Suppliers* to regulate supplier qualification and the continuous evaluation of existing suppliers. At the stage of onboarding, sustainability performance of suppliers is taken as an important criterion. Companies that do not meet the social responsibility standards will be rejected.

Audit

Since 2018, Xiaomi has carried out social responsibility audits on our core suppliers covering environment, occupational health and safety, labor rights, and other aspects. We encourage suppliers to actively establish social responsibility management systems and obtain relevant certifications. We require underperforming suppliers to rectify their standing, and we penalize those who fail to make timely corrections. Xiaomi is keen to assist suppliers in rectifying issues and building capabilities through coaching, resource allocation and special assistance projects.

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In 2020, Xiaomi issued the *Xiaomi Supplier Responsibility Audit Procedures* to further standardize the working mechanisms. We continued to audit our suppliers on social responsibility performance. Our audits cover selected core suppliers, suppliers whose performances were below average in the previous year, and newly introduced suppliers. We require all our audited suppliers to complete and report the rectifications of the identified problems within four months. In 2020, Xiaomi selected 46 suppliers for audit and completed 40 audits. We rated the suppliers in terms of business ethics, child and underage labor, forced labor, non-discrimination policy and humane treatment, freedom of assembly and communication, environmental permits, hazardous substance management, general waste management, exhaust gas emissions and noise management, wastewater and rainwater management, energy conservation and emission reduction management, fire safety and emergency planning, employee health and safety, food, sanitation and housing and management system. For one of the new suppliers, onboarding was suspended pending rectification of exhaust gas issues identified during the audit.

Capacity building

Xiaomi is committed to helping suppliers build their capabilities. We understand that our suppliers' social responsibility is critical to the sustainability of our operations, so we actively look for ways to improve their capabilities.

During the 2020 Supplier Conference, we gathered and exchanged views with nearly 70 suppliers on what our cooperation had achieved and how we could further collaborate. We hired a third-party professional organization to provide social responsibility training for suppliers and urged participants to apply what they learned. We leveraged diversified channels to promote social responsibility awareness among suppliers, including internal training, supplier conferences and online activities. This year, our online social responsibility training programs hosted more than 1,500 managers from our suppliers.



In 2020, Xiaomi selected 14 core suppliers in the Pearl River Delta region to participate in the "Green Supply Chain Innovation Pioneer Project" training event organized by the Social Responsibility Committee of the China Electronics Industry Standardization Technology Association. The training covered a wide range of themes including green supply chain management, green design and production, green marketing and recycling, and energy management in the electronics industry. Our suppliers actively participated in the project, receiving most up-to-date advice and instruction for professional sustainable management capabilities.



In December 2020, our smartphone department invited a professional third-party agency to provide training for sourcing personnel in the supply chain on the latest social responsibility policies and trends. The training covered topics including social responsibility management, supply chain risks, risk response and brand management. Participants learned how social responsibility risks influenced the sustainable operations of business and improved their ability to deal with such risks.

Partnering with operators and professional organizations, we created subject-specific programs, that incorporate current critical issues and future trends into account to build up the competence of our suppliers. After identifying key issues that have a significant impact on sustainability, specialized support plans will be formed and implemented for our suppliers. We actively recommended industry-leading practices to suppliers, help them to grade relevant issues, form improvement plans, and regularly report on and review the completion of those plans. These efforts have been well received by our suppliers. After a year of hard work, suppliers have made great improvements in energy-saving and emission reduction, women's labor rights, hazardous materials management and other sustainability areas. We plan to launch a larger and longer-term supplier capacity improvement project next year.

Conflict Minerals Management

As a responsible corporate citizen, Xiaomi promises not to purchase or use conflict minerals that directly or indirectly fund armed organizations in the Democratic Republic of the Congo and its neighboring countries, and we also require suppliers to abide by this commitment. We take the measures necessary to trace the origin of the conflict minerals used in suppliers' products. We require our suppliers to investigate the origin of conflict minerals contained in their products following the Organization for Economic Co-operation and Development (OECD) *Due Diligence Guidance: towards Conflict-free Mineral Supply Chains* and the Responsible Minerals Initiative (RMI) audit guidelines. We have incorporated proper conflict minerals management in the core supplier audit checklist. Suppliers that fail to comply with the requirements face penalties including suspension or termination of the partnership.

7.2 Xiaomi's Ecosystem

Xiaomi's goal is to become a pioneering leader in building a new lifestyle in the digital era. On August 16, 2020, Xiaomi Corporation officially upgraded its strategy for the next decade: "Smartphone × AIoT." This strategy restated the importance of smartphone of our business, while our AIoT platform will revolve around smartphones to build up a smart living ecosystem. In the meantime, this also brought more potential for our Xiaomi's ecosystem partners.

Ecosystem partners

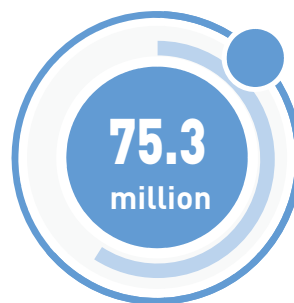
Over the years, starting from smart homes, Xiaomi has been actively building up its ecosystem. We strive to work with our partners to achieve the ultimate goal by harnessing our AI and IoT technology capabilities to create more AI-powered usage scenarios in our everyday life.

Since 2013 when we first launched the Xiaomi IoT developer platform, we have built up our vibrant IoT ecosystem. We have encouraged an increasing base of developers to employ their specialties to contribute to the areas of smart hardware access, smart hardware control, automation scenarios, AI and new retail channels. This year, Xiaomi maintained its leading position in consumer IoT platforms worldwide. By the end of 2020, 325 million devices were connected to the Xiaomi IoT platform.

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The number of connected devices (excluding smartphones and laptops) reached



The Monthly Active User (MAU) of our AI assistant in December 2020 reached

As our ecosystem brands grow, Xiaomi also continues to provide more support to our ecosystem companies. We have developed the “AI-powered Open Platform for Smart Homes.” This is an open platform where software and hardware suppliers, as well as individual developers, are able to conduct their AI-based research and development on a variety of usage scenarios and software and hardware services. Further, we provided all-around support to ecosystem companies in product definition, industrial design, quality management, and supply chain management. Xiaomi’s ecosystem investee companies have helped form a business moat for Xiaomi. At the end of 2020, we have invested more than 310 companies. Seven ecosystem companies were listed in 2020, bringing the total number of listed ecosystem companies to 31.

The partnership with Xiaomi and its investee companies have improved Xiaomi’s brand awareness. In 2020, Xiaomi won multiple awards including BrandZ™ Top 100 Most Valuable Global Brands (No.81) and BrandZ™ Top 100 Most Valuable Chinese Brands (No.5).

Youpin brand

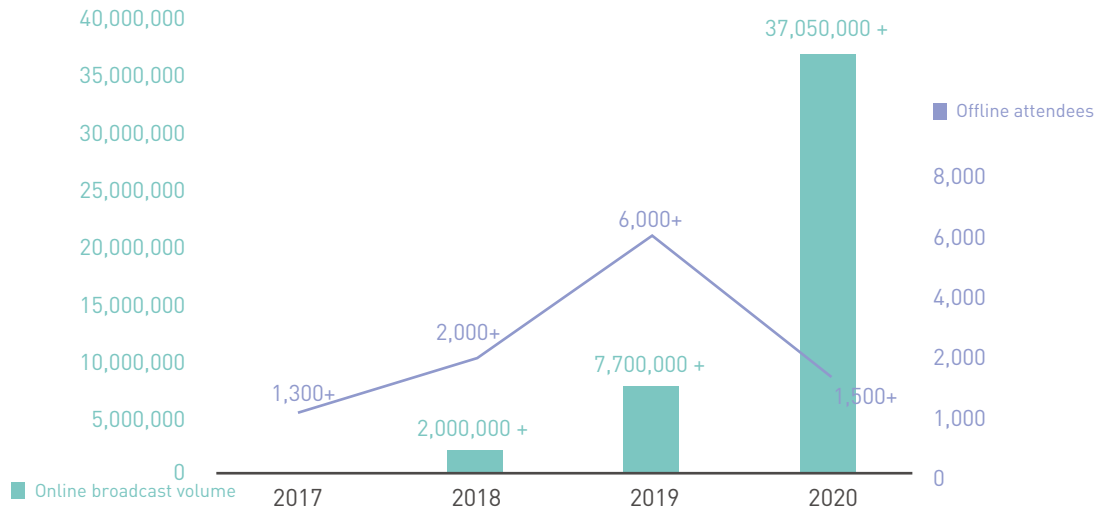
As a boutique e-commerce platform, Youpin plays an important role in Xiaomi’s “new retail” strategy. Adhering to Xiaomi’s mission of “building amazing products with honest prices,” Youpin is committed to providing high quality products. At present, the platform has covered all major categories, including daily necessities, kitchen appliances, home appliances, smart devices, digital entertainment, apparel, travel, baby and children products, and so forth.

Youpin has its unique branding. We included third-party brands with excellence in products, design and supply chain, and provided extensive support to increase brand recognition. Youpin provided support in terms of supply chain resources, product design, intellectual property rights, and sales and marketing for our third-party partners. We hope that, with such collaborative efforts, Youpin can provide users with a high-quality e-commerce platform to serve customer needs for better life. Currently, Youpin has partnered with nearly 100 brands.

MIDC

“Let everyone in the world enjoy a better life through innovative technology” is not only the mission of Xiaomi, but also unrelenting pursuit of every scientist, engineer and developer around the world. Every year since 2017, Xiaomi has hosted the MI Developer Conference (MIDC) to share experience and knowledge among global developers, helping us to realize our mission with partners who share the same values.

MIDC Number of offline attendees and online live broadcast volume



With the theme of “Technology for Life,” the 2020 MIDC discussed “how to enable technological innovation to reach and benefit everyone in the world.” The conference included a keynote speech, an AIoT security summit, a technology exhibit and 15 online sub-forums. It had 44 live broadcast coverage and attracted more than 650,000 views of live broadcast photos, and a total of more than 37 million live broadcast views.

7.3 Financial Support

Through the communication with partners across the value chain, Xiaomi recognized the financial challenges our industrial partners are facing. With years of experience in the industry, we have developed a series of financial products with manageable risk to support healthy development of the manufacturing industry. Under Xiaomi’s strategy of “manufacturing for manufacturers,” our Fintech service platform, Airstar Digital Technology, offers our partners one-stop financial services from procurement to sales. We further enhanced our risk control models to develop standardized services that can be offered to our suppliers and partners in the industry.

As of the end of 2020, Airstar Digital Technology provided more than RMB90 billion of credit support for over 3,000 companies, reducing financing costs by an average of about 2% for small- and medium-sized enterprises. 150 companies obtained their first operating loans from Airstar. At the same time, we cooperate with ecosystem companies to apply these capabilities to other industries, including glass, plastics, agricultural products, logistics and textiles. As the corporate credit ecosystem further develops, we will be able to optimize financial resource allocation through Airstar Digital Technology to better serve the real economy.

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7.4 Industrial Influence

We are devoted to the development of key projects that lead up to the advancement of overall industry. We actively joined industry association and standards organizations to promote the formulation of industrial standards and make contributions to set solid foundation for industry evolution. In 2020, Xiaomi was selected by entrepreneur leaders as the No.3 of "Fortune China's Most Admired Companies".

Participation in Organizations

As a pioneer in the OLA Alliance, SparkLink Alliance, and other industry organizations, we proactively promote industry development and take on important roles in numerous industrial alliances and standardization associations.

Alliance/Organizations of Standardization	Position
China Communications Standards Association (CCSA)	Council member
Artificial Intelligence Industry Alliance	Council member
Global System for Mobile Communications Association (GSMA) — Artificial Intelligence Work Group	Vice president
MPEG	Vice president
IoT Ecosystem Security Alliance	Vice director
Internet Society of China — IoT Work Committee	Deputy director
OLA Alliance	Vice director
SparkLink Alliance	Council member
Zhongguancun Association of Standardization	Council member
Wireless Power Charging (WPC) Alliance — China Standard Regulations Group	Co-president (Deputy chief)
China National Information Technology Standardization Association — Artificial Intelligence Committee	Deputy chief

Note: The chart above shows selected alliances and standards organizations in which Xiaomi participates.

Industry standards

Xiaomi actively led and participated in domestic industry standardization projects. We brought the expertise in areas such as smart home appliances, artificial intelligence, cloud computing, big data, biometric identification and sensors, wearables, fast charging, wireless charging, lithium batteries, VR/AR and privacy protection. At present, Xiaomi is one of the key players drafting national standards in wearables, IoT interconnection, smart household appliances, wireless charging, and other areas.

Standardization of mobile communication technology

As a council member of the 5G Application Industry Association, Xiaomi actively participated in the development of 5G wireless communication standards and contributed its research to 3GPP (3rd Generation Partnership Project). Xiaomi set up a pre-research team to join China's IMT-2030 6G Development Group for the development of 6G technology.

In 2020, Xiaomi participated in more than 200 meetings of major international standardization organizations, including 3GPP, MPEG and the Wireless Power Charging Alliance (WPC), and proposed more than 100 standardization cases. Over 300 employees participated in various standardization meetings in mainland China, such as CCSA and the National Information Security Standardization Technical Committee. We participated in more than 100 projects on the development of international, national, industry and group standardization.

Standardization projects	Standard category	Roles
Standard for a framework for structuring low altitude airspace for unmanned aerial vehicle (UAV) operations overview	International standard	Participating member
Standard for drone applications framework	International standard	Participating member
Standard for interface requirements and performance characteristics of payload devices in drones	International standard	Participating member
Standard for mobile gaming performance evaluation and optimization	International standard	Participating member
Guide for minor guardianship system in online mobile gaming	International standard	Participating member
Minimum allowable value of water efficiency and water efficiency grades for reverse osmosis drinking water treatment purifiers	China national compulsory standard (GB)	Major drafting member
Lithium-ion cells and batteries used in portable electronic equipment — Safety requirements	China national compulsory standard (GB)	Participating member
Information security technology — Mobile Internet applications secure development and lifecycle management guidelines	China national voluntary standard (GB/T)	Participating member
Information security technology — Online shopping services data security guidelines	China national voluntary standard (GB/T)	Participating member
Electromagnetic compatibility requirements for household appliances, electric tools and similar apparatus — part 2: Immunity	China national voluntary standard (GB/T)	Participating member
Measurement methods for electromagnetic fields of household appliances and similar apparatus with regard to human exposure	China national voluntary standard (GB/T)	Participating member

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Standardization projects	Standard category	Roles
Electrical self-balancing vehicle Electromagnetic compatibility Emission and Immunity requirements	China national voluntary standard (GB/T)	Participating member
Smart technology for smart home appliances — Special requirements for washing machines	China national voluntary standard (GB/T)	Participating member
Household service robots general safety requirements — Methods for measuring performance	China national voluntary standard (GB/T)	Participating member
Drinking water treatment equipment	China national voluntary standard (GB/T)	Participating member
Drinking water purification filter	China national voluntary standard (GB/T)	Participating member
General specification for front projectors — Mini projector	Industry recommended standard	Major drafting member
General specification for front projectors — Home theater	Industry recommended standard	Major drafting member
Methods of function testing for electronic projectors	Industry recommended standard	Major drafting member
Methods of performance measurement for electronic projectors	Industry recommended standard	Major drafting member
Smart family service platform based on big data — Evaluation technical specifications	Group standard	Participating member

Note: The chart above shows selected national and industry quality and safety standards that were drafted by Xiaomi or jointly edited by Xiaomi.

Cooperation with Universities

In 2020, Xiaomi continued its active cooperation with universities.

- Continued to work with Wuhan University on a joint AI laboratory and developed forward-looking, inter-disciplinary, and strategic research projects;
- Signed a framework agreement for strategic cooperation to enhance the integration of industry and education with Beijing University of Posts and Telecommunications. The research mainly covered communications, artificial intelligence and computer science;

- Jointly applied for a National Experimental Software School with Beijing University of Posts and Telecommunications and Wuhan University;
- Established Xiaomi & Tell Intelligent Internet of Things (AIoT) Joint Laboratory with CAICT Tell Labs;
- Established a joint AI laboratory with Shenzhen Cyberspace Science and Technology Laboratory in scientific research, talent training and technology innovation;
- Xiaomi's AI department co-developed projects with universities in China and overseas, including Peking University, Harbin Institute of Technology, Xiamen University, Beihang University, Beijing Institute of Technology, Northwestern Polytechnical University, Dalian University of Technology and the Georgia Institute of Technology;
- Cooperated with Southeast University on 6G pre-research projects.

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8. Exploration of Social Responsibility

Since inception, Xiaomi has never stopped exploring ways to be more socially responsible. Our mission is to let everyone in the world to enjoy a better life through innovative technology. We remain steadfast in our mission to bridge the digital divide and make valuable contributions towards building a more inclusive and equitable society by harnessing technological advances.

As we closely observe and try to understand our society, we forge ahead with our core value of respecting equality. We identify real problems facing our world and find ways to promote social equality through our product and service offerings. We have initiated programs for universal accessibility, disaster warning and senior-friendly design, and promote social responsibility through our consumer products and relevant educational campaigns across the globe. To this end, we strive to achieve information equality through integration of technology and social responsibility, and promote a social responsibility framework unique to Xiaomi.

8.1 Disaster Warning

Mobile internet companies can leverage their inherent broadcasting capabilities to better respond to natural disasters and reduce losses associated with such events. A disaster warning system requires significant investment but has limited usage frequency and scenarios. We are one of the few companies that have devoted resources to developing such technology for non-profit purpose.

In 2019, Xiaomi cooperated with the "Institute of Care-Life" to develop an earthquake early warning system. Xiaomi was the world's first company to integrate the disaster warning feature into its smartphone operating system and AIoT platform. In 2020, the geographic coverage of our earthquake warning system was extended to more than 100 cities across China. We also optimized subscription notification settings and the format of low-intensity earthquake warning notifications. As of December 31, 2020, the system successfully generated 29 warnings of earthquakes above 4.0 magnitude, and sent approximately 9,445,961 alerts to users.

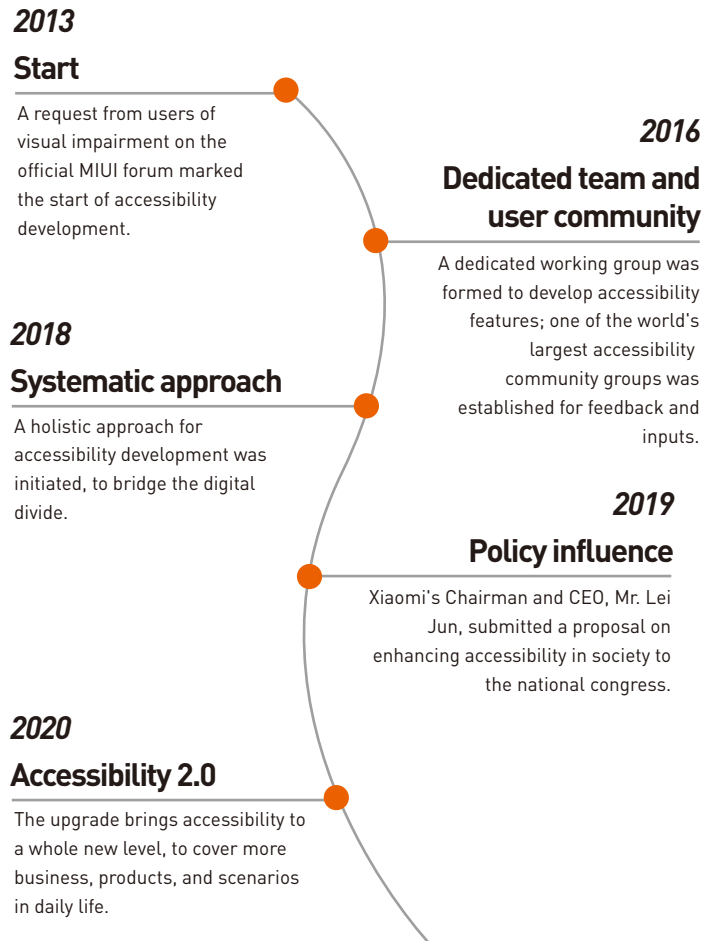
In 2020, at the Third Session of the Thirteenth National People's Congress of the People's Republic of China, Mr. Lei Jun, Xiaomi's Chairman and CEO and a representative to the National People's Congress, submitted a proposal titled: "*Recommendations on Accelerating the Use of Smartphones, TVs and other Smart Terminals to Build Public Service Systems such as Disasters Warning in China.*" The proposal calls for active participation from scientific research institutes and technology companies in promoting the development of disaster warning system in China.

This year, Mi TV was connected to the national emergency broadcast of flood warnings, which was a breakthrough for broadcasting disaster warnings through the TV format. In the future, Xiaomi plans to cover more global regions with the disaster warning feature, to integrate more types of natural disasters warnings into more devices and to share our experience with more partners who hold the same values. Xiaomi will remain relentless in its efforts to safeguard everyone's life.



8.2 Equality and Inclusion

It is Xiaomi's strong belief that everyone has an equal right to information and opportunities regardless of race, age, gender, religious belief, and education. As such, we endeavor to introduce new technology that narrows the gap in accessibility.



In 2020, Xiaomi launched a dedicated website that introduces our views on accessibility inclusion and our accessibility designs.



Xiaomi Accessibility Website (Chinese only): <https://accessibility.miui.com/>

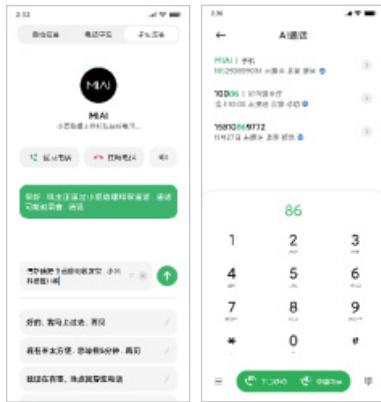
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Features Upgrade

In 2020, we made improvements to accessibility features.



Support for Hard of Hearing Users — Xiaomi wensheng
Xiaomi Wensheng is a hearing aid application that helps hard-of-hearing users in daily communication, by capturing audio information. It converts voice to text in real-time with an accuracy rate of 98% in Mandarin. Launched in 2020, it has already served more than 930,000 users.



Support for Hard of Hearing Users — AI Calling
 AI calling is a newly added assisted calling feature embedded into the MIUI 12 operating system, which dedicated to help 27 million of hearing impaired people. It also supports customized greetings, switches between automatic and manual reply, and responds to identified spam callers automatically.



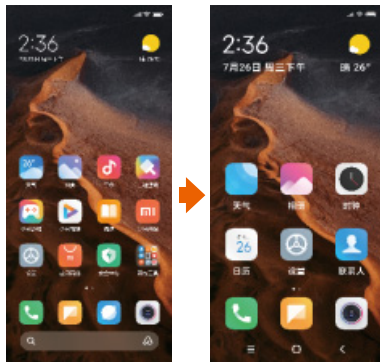
Support for Physically Disabled Users
 For users with physical disabilities, Xiaomi has developed voice control and hand gesture features. More than 20 common gestures such as swipe up, long press and click are simulated and can be controlled by voice command. Additionally, users can use digital tags to label specific content on complex pages and perform specific actions based on voice instruction.



Support to Visually Impaired Users

MIUI 12.5 enables visually impaired users to “touch” interface elements and “read” screens through a touch feature to facilitate information transmission with vibration.

Xiaomi cares for the elderly and added corresponding features to meet their special needs.



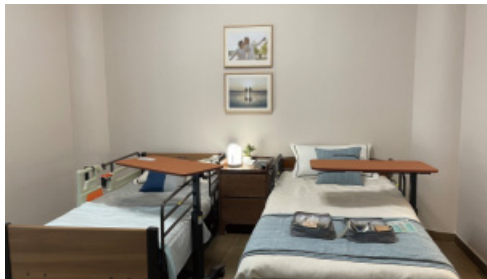
Smartphones

Xiaomi smartphones provided enhanced features such as phishing call notification, call interception, privacy protection, family care, and remote assistance. In addition, we provided accessibility features such as three-click zoom-in features, on-demand reading, high-contrast text, high volume mode, touch and hold delay function, and more.

To better serve the elderly and other user with accessibility needs, a minimalist style is added to the latest MIUI system. Under this style, icons and fonts are larger, and one-click calling is available for convenience. As of December 31, 2020, this feature had been activated close to 200,000 times.

Smart Home

- Easy mode for the elderly with voice control on Xiaomi Smart TV;
- Food ordering, housekeeping and video-calling assistant are available through Xiaomi AI smart speakers, in collaboration with CHJ-Care, an elderly care institution in Beijing;
- Launched in cooperation with Shanghai’s Huayang Road Sub-district and the Shanghai Science and Technology Senior Citizen Service Center, “Smart Companion” is a model room designed for the elderly that is furnished with Xiaomi’s full set of smart home devices,



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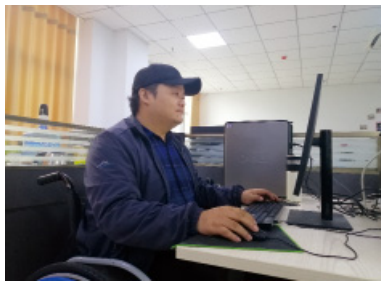
Ecosystem Upgrade

Leveraging our diverse product portfolio and platform, we have been expanding our accessibility features from smartphones to wider product categories. We are in the process of optimizing accessibility for Mi Home, Mi Store and our AI assistant, improving our AI assistant's accessibility features, and examining the needs for accessibility on Xiaomi TV and Mi Box.

Xiaomi's ecosystem is empowered by its proprietary AI capabilities. We embraced more developers to join our AI assistant open platform, and provided them with our AI voice technology to promote the development of accessibility functions.

Growing Responsibility

In addition to making high-quality products, Xiaomi strives to contribute to a more equitable and inclusive social environment. In 2020, we provided smartphones, a set of smart homes devices and employment opportunities for people with disabilities. We are committed to making it possible for people with disabilities to live with dignity and enjoy equitable access to convenience and benefits brought by innovative technology.



Employment for People with Disabilities

In 2020, Xiaomi provided positions for 185 people with disabilities, of which 41 positions came from the AI Speaker Voice Labeler Project. We provide equal employment opportunity and recruit people with disabilities by valuing their performance instead of lowering our recruitment standard. This is a successful example of fair employment by Xiaomi, where disabled people are able to leverage their strengths.



Charity donations and support

In 2020, Xiaomi donated a batch of IoT and other lifestyle products to Buy42 where 35% of the employees are disabled. The value of the donation was over RMB940,000. On Thanksgiving Day, Xiaomi and Buy42 jointly organized a charity event to help disabled people better integrate into society.

8.3 Giving Back to Society

Being a corporate citizen, Xiaomi advocates that its success is closely tied to the healthy development of society and therefore should give back to society. We fully leverage our competitive advantage and resources to support public welfare initiatives including targeted poverty alleviation and education support.

Poverty Alleviation Through Education

Xiaomi deeply cares about the growth and development of the next generation and strongly supports fighting poverty through education.



Xiaomi Library and “Xiaomi Calligraphy Classroom”

In September 2020, Beijing Xiaomi Foundation and Xiaomi Corporation donated 6 “Xiaomi Libraries” and 6 “Xiaomi Calligraphy Classrooms” to Binchuan County, a poverty-stricken area in Dali, Yunnan. We donated RMB1 million worth of computers, books, whiteboards and calligraphy stationery.



Xiaomi Scholarships

From June to July 2020, Beijing Xiaomi Foundation set up *Xiaomi Scholarships* in 10 renowned Chinese universities. The first batch of RMB50 million will be used to support students and individuals of exceptional talent from impoverished households.

Public Welfare Promotion

Xiaomi fully leverages its broad hardware and internet services user base to further promote awareness around social responsibility.



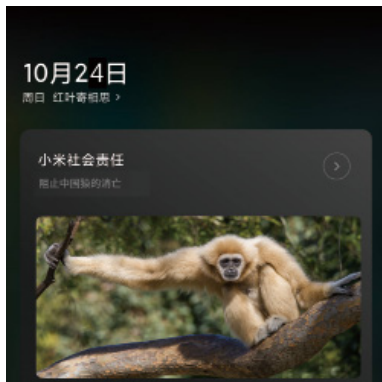
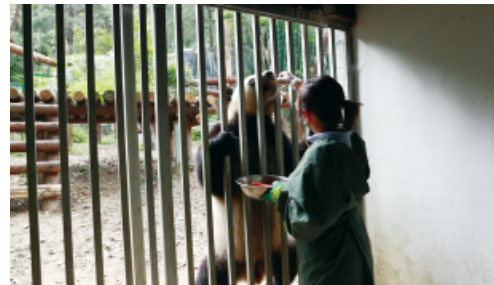
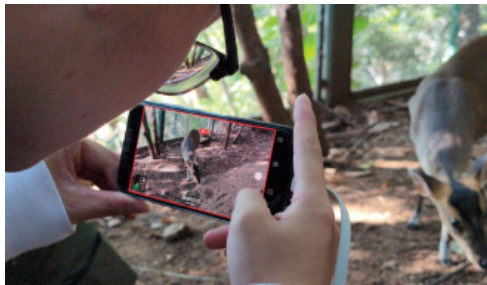
Wildlife Protection Promotion on Mi TV

To increase awareness for wildlife protection, Beijing Xiaomi Foundation cooperated with WildAid, an internationally renowned wildlife charity, to produce two advertisements for wildlife protection on Mi TV, beginning on March 2, 2020. They were played more than 600 million times. In addition, we jointly advocated “Sustaining All Life on Earth” on World Wildlife Day with the International Fund for Animal Welfare (IFAW).

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SUPER PEOPLE documentary

SUPER PEOPLE is a documentary project jointly initiated by Xiaomi, ZOO COFFEE and Guarding Wilderness. It is about people who work to protect animals and nature. Our Mi fans volunteered in filming and we promoted the documentary through our Weibo account. The five episodes in the first season told stories of animal caretakers at the Hongshan Zoo. The videos have been viewed more than 474,000 times on Weibo, Bilibili and Mi Community. The most popular video recorded 105,000 views.

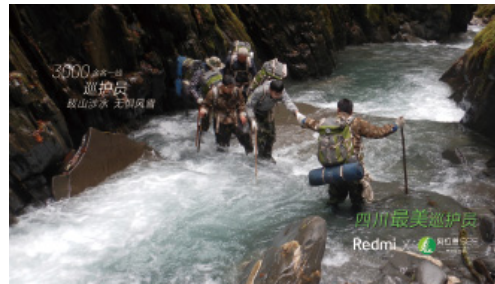
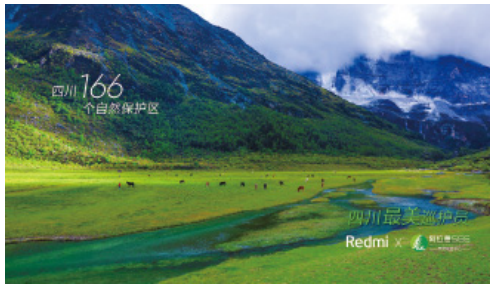


Animal Protection Week Pictorial

In 2020, Xiaomi Pictorial promoted the topic of animal protection, by posting 7 articles about the protection of 6 different species. There were more than 940,000 visits to the content, with an 8.84% click-through rate.

“Most Beautiful Rangers” contest

Xiaomi provided 14 Redmi Note 9 5G smartphones as prizes for the “2020 Sichuan’s Most Beautiful Rangers” contest. The event was organized by the Sichuan Forestry and Grassland Bureau, the Chengdu Giant Panda Breeding Research Foundation, and the SEE Conservation Sichuan Project Center. We launched a 15-second promotional video and displayed wallpaper on the startup ads on Xiaomi TV and other official channels, such as Xiaomi WeChat video account, Xiaomi TV Weibo account and Xiaomi social responsibility community accounts. The event was initiated to promote frontline animal protectors and their work. The campaign was viewed 14.8 million times.



Targeted Poverty Alleviation

In 2020, Xiaomi supported many poverty-stricken areas by offering cash donations and employment opportunities. In May 2020, Beijing Xiaomi Foundation donated RMB2 million to the Hubei Provincial Poverty Alleviation Fund, supporting poverty alleviation projects across 454 poverty-stricken villages in Hubei with average donation amount of RMB2,000 per person.



Datangzi District, Zhutang Township, Lancang County, Yunnan Province

At the beginning of 2020, Yunnan suffered its worst drought in the past 10 years. Beijing Xiaomi Foundation donated RMB250,000 to Datangzi District of Zhutang Town, Lancang County, a poverty-stricken area, for clean drinking water projects. This covered 18 village groups and 745 households totaling 2,491 people, of which 1,244 people were from registered poverty-stricken households. The project also provided drinking water to 980 livestock and solved crop irrigation difficulties in the Sanqi plantation.

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Social Recognition

Award	Organization
CSR TOP 100	2020 CSR China Education Award Committee
Outstanding Enterprise for Technology Innovation	Corporate Social Responsibility recognition from Tencent News
Case Collection of Technology for Noble Callings	The China Computer Association

9. Fight against Covid-19

Life may be affected by the pandemic, but we shall not be defeated.

— Mr. Lei Jun, founder, chairman and CEO of Xiaomi

In 2020, the outbreak of the Covid-19 pandemic caused significant loss of life and property around the world. Facing this challenge, Xiaomi demonstrated strong organizational and coordination capabilities and made efforts to protect employees and their families and the general public.

During the pandemic, Xiaomi Corporation, along with our employees and the Beijing Xiaomi Foundation, made donations in cash and supplies valued at more than RMB80 million. As of July 15, 2020, the Beijing Xiaomi Foundation had received monetary donations totaling over RMB27 million, of which more than RMB12 million came from our executives and employees. The donations were used to purchase supplies needed to combat the pandemic and support the frontline medical staff.

In addition to donations, we took advantage of our strengths in technology, business operations and resource to support our supply chain partners and other stakeholders.

In 2020, Mr. Lei Jun was named as a “leading individual from the private enterprise fight against Covid-19” for his significant contribution in combating the pandemic, and won the 11th Annual “China Charity Award” from the Ministry of Civil Affairs of the People’s Republic of China.

9.1 Employee Protection

The health and safety of our employees and their families have been our top priority during this challenging period. As a multinational corporation with more than 20,000 employees across more than 90 countries, Xiaomi stands with our employees in the face of adversity. In the early stages of the Covid-19 outbreak, we quickly set up an emergency response team and developed an emergency plan to protect our employees.

Xiaomi made prompt adjustments to its strategy and took measures to fight COVID-19 during these challenging times. At the beginning, we adopted a flexible work from home policy to reduce the risk of infection. When the pandemic was under control, we resumed work at our offices with strict precautionary measures such as entrance control, regular disinfection in office areas, social distancing policy, temperature checks, mask requirements, business travel restrictions, quarantine requirements, and so forth. As these measures became the new norm, we continued to monitor appropriate measures in accordance with the regulations.

To ensure a safe workplace, we took a series of measures to protect our employees. This included providing daily supplies, such as masks, hand sanitizers, disinfection sprays, and so forth. in our offices. We also underwent regular office area disinfection and provided separate garbage receptacles for used masks. In addition, air conditioners were disinfected regularly and the central air ventilation systems were kept on throughout the day to provide clean fresh air. At the canteen, we implemented strict social distancing rules. Additionally, we worked with commercial insurance providers on fast claims for pandemic-related issues.

To create a safe workplace for our employees at Mi Homes, we provided supplies, including 680,000 masks, 3,708 bottles of disinfectant, 8,043 bottles of antibacterial hand gel, 2,445 packs of disinfectant cotton, 2,059 boxes of disposable gloves, and 500 infrared thermometers.

We also paid attention to the mental health of our employees during the pandemic. We provided our employees and their families with mental counselling services through the EAP. In addition, we carried out various online and offline activities to help employees minimize their negative emotions caused by the pandemic.

- Xiaomi's Wuhan Office published 30 episodes of internal newsletters titled *Fighting Pandemic Daily*, providing useful, detailed and targeted guidance for work resumption. The daily report covers company updates, the latest pandemic prevention policies in Wuhan, the operation hours of neighboring amenities, and the transportation inside and outside the Hubei Province.
- Xiaomi's Wuhan office held three live broadcasts, covering information updates on the pandemic situation in Wuhan, pandemic prevention measures in the office, and local community recovery updates, and so forth.

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9.2 Joint Efforts

Domestic support

During the early stage of the Covid-19 outbreak, controlling the spread of the pandemic in Wuhan was a challenging and complex task, and the procurement and transport of supplies was most important in fighting the pandemic. Xiaomi acted fast to dispatch a team to collect first-hand data on supply needs and deliver protective supplies to Wuhan. During the lockdown, our Group headquarters and Wuhan regional headquarters coordinated closely to deliver supplies to Wuhan through our own logistics and warehouse network across six cities. On January 25, 2020, the first day of Chinese New Year, Xiaomi delivered the first batch of RMB300,000 in emergency medical supplies. In the meantime, we shared our logistics and warehouses with the Alumni Association of Wuhan University and other associations to help them ship and deliver supplies to Wuhan.

On February 2, 2020, together with Viomi and Seasun Games Corporation, Xiaomi donated RMB2.3 million worth of emergency supplies to Wuhan Leishenshan Hospital and Huoshenshan Hospital. The supplies included Xiaomi tablets, infrared thermometers, walkie-talkies, automatic hand washing machines and foam hand sanitizer.

Xiaomi also supported other cities in Hubei Province as the pandemic developed and spread. Beijing Xiaomi Foundation supported Xiantao First People's Hospital with N95 masks and protective clothing. Other cities, such as Xiangyang, Huanggang, Xiaogan, Guangshui, Xianning, Enshi, Chibi, Ezhou, Jingmen and Jingzhou, received medical supplies from Xiaomi and Beijing Xiaomi Foundation, including masks, protective clothing and medical equipment. We also provided timely support to other cities in China.

- Xiaomi donated RMB2 million in supplies and equipment, including thermometers, walkie talkies, smart speakers and Mi TVs, to Xiaotangshan Hospital, Peking Union Medical College Hospital and government departments.
- Beijing Xiaomi Foundation donated RMB2.972 million in medical supplies to Beijing Haidian District Health Commission, Peking University Third Hospital and Beijing Haidian Hospital. The supplies included respirators, positive pressure hoods, surgical masks, thermometers, disinfectant and 13,250 sets of medical protective clothing.
- In March 2020, Beijing Xiaomi Foundation donated positive pressure respiratory hoods worth nearly RMB1.3 million to eight hospitals in the Hubei Province.
- In April 2020, during the pandemic outbreak in Suifenhe City, Heilongjiang Province, Beijing Xiaomi Foundation donated 50,000 surgical masks and 1,000 pieces of medical protective clothing, with a total value of approximately RMB240,000.
- In November 2020, Beijing Xiaomi Foundation donated five sets of dual laser infrared thermometers, to Pishan Farm in Hotan Prefecture, Xinjiang Uygur Autonomous Region.

In addition to the group-level donations, various business units also made their contributions. For example, Mi Home leveraged its offline presence across the nation to support neighbors and local communities to combat the pandemic.

- In mid-May 2020, when the pandemic worsened in Jilin Province, Wuhan Mi Home donated 350 medical protective suits to Jilin Anorectal Hospital of Integrated Traditional Chinese and Western Medicine.

Youpin, leveraging its platform resources, made important contributions in the fight against the pandemic.

- Youpin responded quickly to source medical-related supplies from suppliers across the country. The supplies that were secured supported our timely donations, including walkie-talkies to the Third Hospital of Wuhan, suitcases and water-soluble tape to the Peking Union Medical College Hospital rescue team, and 20,000 surgical masks and 50,000 pairs of medical gloves to the Zhongnan Hospital of Wuhan University.

Overseas support

Xiaomi actively supported the fight against the pandemic overseas. Together with Beijing Xiaomi Foundation, we donated more than 3 million medical supplies including masks, protective clothing, thermometers and ventilators, to more than 40 countries and regions, including Italy, Spain, France, Belgium, Argentina, Russia, India, Indonesia, South Korea, Japan and Singapore. We also provided about 500,000 masks for overseas employees and their families, and our overseas partners.

- In April 2020, together with the Foresight Fund in Shanghai, Beijing Xiaomi Foundation, Xiaomi donated more than 100,000 surgical masks to the Tokyo City Hall in Japan.
- Xiaomi donated medical supplies to Italy, including tens of thousands of masks.
- In Spain, Xiaomi donated masks to police and medical staff. We also donated smartphones to the local education bureau to help students in need.
- In April 2020, Xiaomi announced a donation of 100 million rupees to support India.

9.3 Innovative Solutions

As a leading technology company, in addition to making donations, we also leveraged our innovative technologies, wide user reach, strong supply chain financing, and other resources to combat the pandemic.

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Technology Support

Through our technology capability, Xiaomi maximized the effectiveness of donated materials and provided technical support to the frontline staff.

Support Xiaotangshan Hospital

Xiaomi donated RMB1.12 million of supplies to Xiaotangshan Hospital, including walkie-talkies, smart speakers and Mi TVs. Xiaomi also organized service teams to assist the hospital with installing and testing services. On March 16, 2020, Xiaotangshan Hospital officially began operations. The walkie-talkies became an important communication tool between staff in quarantine areas.

Upon the feedback of insufficient intercom channels due to the large demands of communication in the quarantine areas, Xiaomi quickly sent a R&D team to develop the software and expand the intercom system to 60 channels within 24 hours. Xiaomi completed the software upgrade and hardware deployment of 175 walkie-talkies in only two days, ensuring effective communication at Xiaotangshan Hospital.

Xiaomi's AI team improved the performance of infrared temperature detection devices for higher accuracy.

Smart infrared temperature detection system

During the Spring Festival, our Xiaomi AI R&D team cooperated with Wuhan Huazhong Numerical Control Co., Ltd. to develop an accurate and smart infrared temperature detection system. Based on an infrared body temperature detector and a high-definition visible light camera module, and deployed the face detection algorithm, the technology greatly improved the accuracy of infrared temperature measurement. In April 2020, the Wuhan Huazhong Numerical Control Co., Ltd. sent a thank-you letter to Xiaomi for its technological support.

Benefits to a wider community

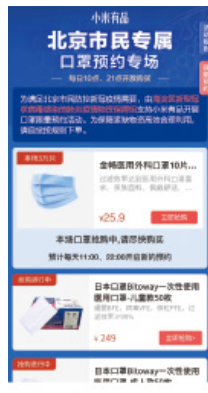
Our Phone Manager application enjoys a high user base. We developed and launched several features on the Phone Manager application to provide pandemic-related news in a timely manner. These features were available for three months and served 96 million users.

- On January 25, 2020, Phone Manager, in cooperation with Doctor Dingxiang, provided pandemic-related live news updates and other relevant information to users.
- After the government issued policy on the postponement of work resumption after the Spring Festival, Phone Manager cooperated with China Business News and launched the "Real-time Pandemic Map," assisting users with travel planning.



In July 2020, Beijing Xiaomi Foundation donated RMB8 million to Wuhan Charity Foundation. This donation supported university and college students from low-income households in Wuhan who were affected by the COVID-19. Each student received a subsidy of RMB5,000.

YOUPIN provided supplies at low price to help people in pandemic-stricken areas.



On January 26, 2020, Youpin App launched a channel for users in Hubei to procure supplies including masks and disinfectants at a price of RMB0.01. On February 1, 2020, Youpin App provided masks for residents in the Haidian District of Beijing with prior appointment. More than 100,000 medical masks were provided every day at a low price. This initiative reduced mask supply shortages and prevented the risk of infection due to gathering at stores.

TV played an important role during the quarantine period. Mi TV launched free channels of "Go! Wuhan" and "School at Home" for Wuhan users. These were the first free channels on internet TV during the pandemic.

The "Go! Wuhan" Channel provided more than 20,000 free programs across nine categories, including 505 movies and 100 TV series authorized by Xiaomi's strategic partners, as well as various shows, videos and music.



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During the school suspension period, Mi TV education channel provided more than 200 high-quality free courses covering eight categories and more than 1,000 online live courses with over 87,000 minutes of content to students of different ages and grades.



New Products and New Models

In response to the pandemic, Airstar Digital Technology (formerly Xiaomi Financial Insurance) expanded the coverage of its insurance product offering to include coverage of casualty and hospitalization due to the COVID-19. In addition, "Xiaomi Comprehensive Accident Insurance" was upgraded to include COVID-19 casualty insurance." These upgrades were well received among users and the market.

Airstar Digital Technology provided an emergency response plan under the "Mi Medical Insurance" program. Insured members diagnosed with Covid-19 were entitled to the following benefits:

- Insurance claims could be settled directly with no waiting period;
- The deductible payment was eliminated;
- No restrictions on designated hospitals. Insured persons can apply for compensation for treatment in any government-recognized hospital;
- The insurance company set up an emergency hotline for user consultation;
- A "green channel" was established for claim settlements with simplified procedures;
- A "green channel" was established for death claims. Treatment costs could be paid before the submission of supporting materials.

Xiaomi after-sales team explored new services to address situations when some users' products could not enjoy regular after-sales service within the warranty period due to COVID-19 precaution measures. In such situations, Xiaomi's after-sales team extended the product warranty expiration date for products to March 31, 2020, while keeping the scope of after-sales services unchanged.

- **Door-to-door customer service:** For lockdown areas with limited public transportation, after-sales contactless services were made available at entrances to neighborhood communities;
- **On-site repair service:** In the cases where our store access were restricted, our after-sales service specialists provided services on the street;
- **Delivery repair service:** For factories that were closed, Xiaomi's after-sales teams moved the repair site to dormitories, warehouses and logistics warehouses to provide service in a timely manner.

Empowering the Value Chain

As a core player in the value chain, we are committed to helping our partners overcome the difficulties presented by the pandemic. We have formulated and implemented a series of strategies to support their recovery.

Our Mi TV department has monitored the work resumption status of more than 100 content suppliers every day since February 2020, and assisted in resumption approval through communication with governmental bodies. Xiaomi Smart Hardware Department purchased medical supplies and sent them to its suppliers.

Financial assistance

- For small and micro enterprises with financial difficulties caused by the pandemic, Airstar provided financial assistance for their business operations. In addition, Xiaomi deducted the interest rate by 10% to the small- and micro enterprise in the Hubei Province.
- During the pandemic, Airstart initiated a special support plan for 35 selected small- and medium-sized medical equipment companies. We helped them maintain adequate funding through measures such as increasing credit lines, and accelerating approval procedures.



As Wuhan recovered from the pandemic, Xiaomi promoted and supported the sales of agricultural and food companies in Hubei. To support local enterprises, Youpin set up special "Go! Hubei" and "Hubei Products" channels to provide consumers with Hubei-made products. In addition, Youpin promoted Hubei agricultural products through live broadcasts online.

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Appendix 1: ESG Guide Index

Subject Area	Aspect	General Disclosure and KPIs	Chapter	Page		
Environmental	A1 Emissions	General Disclosure Information on:	1. Environmental Management	131–140		
		(a) the policies; and				
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.				
		A1.1 The types of emissions and respective emissions data.			1.1 Green Operations	131–134
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			1.1 Green Operations	131–134
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			1.1 Green Operations	133
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			1.1 Green Operations	133
A1.5 Description of measures to mitigate emissions and results achieved.	1. Environmental Management	131–140				
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	1. Environmental Management	131–140				
A2 Use of Resources		General disclosure:	1. Environmental Management	131–140		
		Policies on the efficient use of resources, including energy, water and other raw materials.				
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	1.1 Green Operations	131–134		

Subject Area	Aspect	General Disclosure and KPIs	Chapter	Page
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	1.1 Green Operations	131–134
		A2.3 Description of energy use efficiency initiatives and results achieved.	1. Environmental Management	131–140
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	1.1 Green Operations	131–134
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	1.2 Green Product and Packaging	135–140
	A3 The Environment and Natural Resources	General disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	1. Environmental Management	131–140
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1. Environmental Management	131–140
Social	B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	4. People First	152–159
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1 Employee Rights	153
		B1.2 Employee turnover rate by gender, age group and geographical region.	—	—

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Subject Area	Aspect	General Disclosure and KPIs	Chapter	Page
B2	Health and Safety	General Disclosure Information on:	4.2 Employee Protection	155-157, 195
		(a) the policies; and	9.1 Employee Protection	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards		
		B2.1 Number and rate of work-related fatalities.	—	—
		B2.2 Lost days due to work injury.	—	—
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.2 Employee Protection 9.1 Employee Protection	155-157, 195
B3	Development and Training	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Employee Development	157-159
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	—	—
		B3.2 The average training hours completed per employee by gender and employee category.	—	—
		B4	Labour Standards	General disclosure Information on:
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B4.1 Description of measures to review employment practices to avoid child and forced labour	4.1 Employee Rights	152		
B4.2 Description of steps taken to eliminate such practices when discovered.	4.1 Employee Rights	152		

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		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	7.1 Supply Chain Sustainability	177-179
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	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Ethics	
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	—	—
		B6.2 Number of products and service related complaints received and how they are dealt with.	5. Customer First	160-164
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		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.1 Privacy Protection and Information Security	168-172

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		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.4 Anti-Corruption and Anti-Bribery 6.5 Anti-money Laundering	174-176
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. Exploration of Social Responsibility 9.2 Joint Efforts 9.3 Innovative Solutions	186-194, 196-201
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		B8.2 Resources contributed (e.g. money or time) to the focus area.	8. Exploration of Social Responsibility 9.2 Joint Efforts 9.3 Innovative Solutions	186-194, 196-201

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