Ningbo Joyson Electronic Corp.

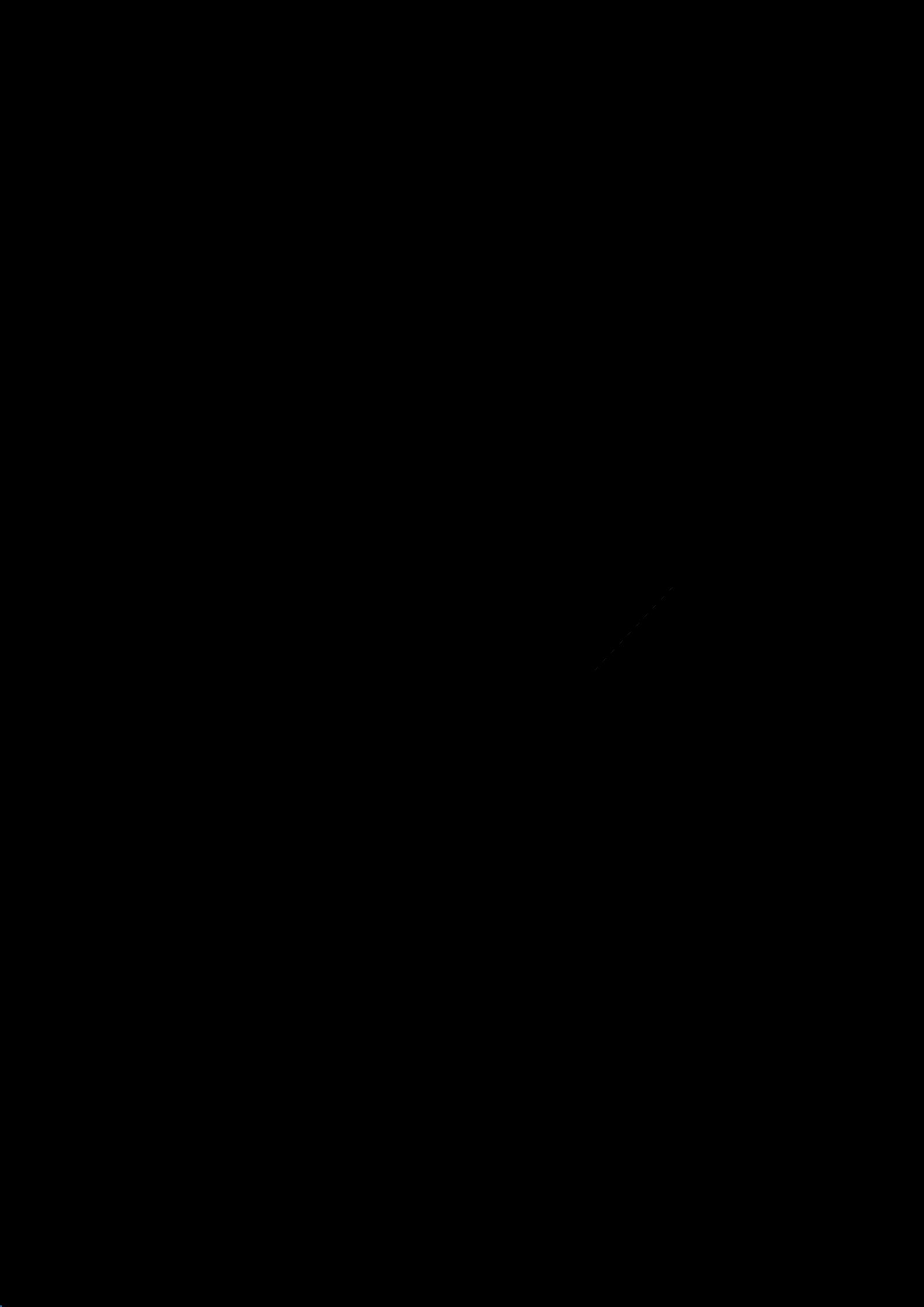
Stock Code 600699.SH

2022

Corporate Social Responsibility & Environmental, Social and Governance Report



This is the second Corporate Social Responsibility & Environmental, Social and Governance Report ("CSR&ESG





Innovation first. We highly value independent R&D and innovation, and have established a global R&D



Overview of Joyson Electronics

Joyson Electronics is one of global leading component suppliers and technical service providers for automotive manufacturers. Headquartered in Ningbo, China. The Company is principally engaged in intelligent cockpit / connected products, intelligent driving products, new energy management products and automotive safety products, and provide one-

About Joyson Electronics

Currently, the Company is operating under a model of two business units of the Automotive Electronics Business Unit (BU) and the Automotive Safety BU, as well as the Joyson Intelligent Automotive Research Institute and the Joyson Advanced Energy Institute. We have set up several core R&D centres and supporting factories in major automotive producing countries across Asia, Europe and the Americas and have more than 40,000 employees worldwide.

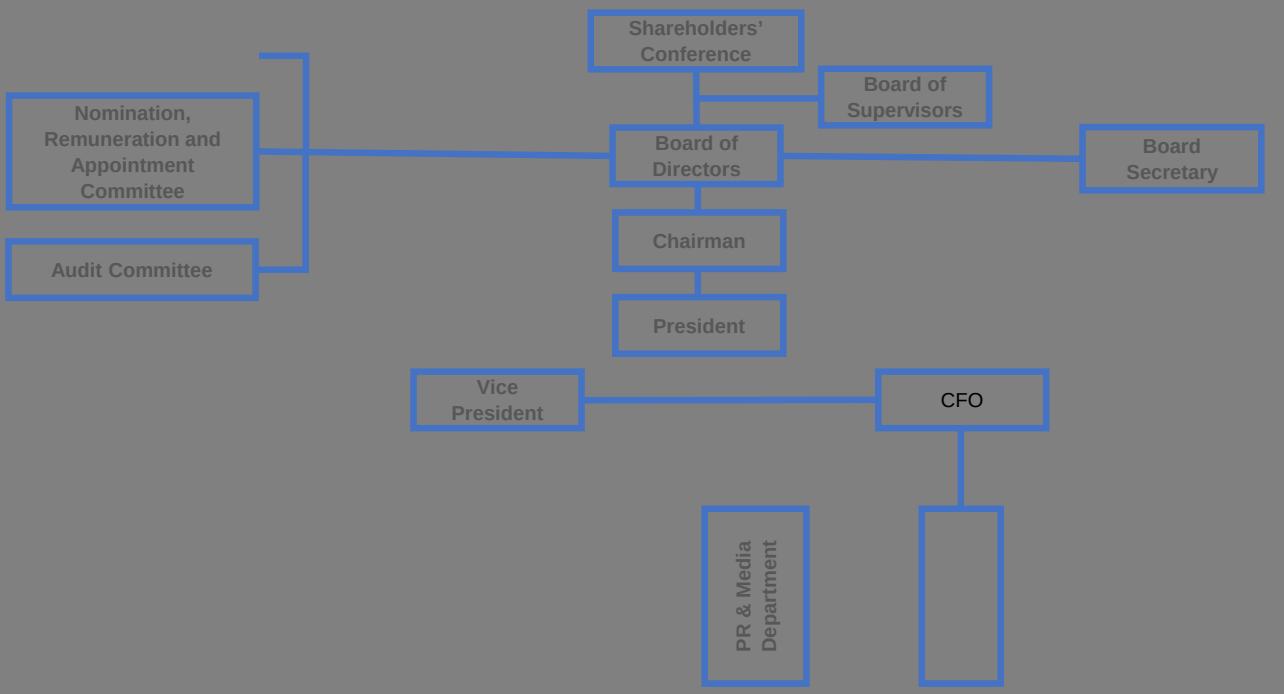
Global Layout



We hope to be the reliable partner of global excellent automobile manufacturers and accelerate the revolution in driving behavior in the segmented market as the innovator and leader of automobile intelligent kvs.76 1(n6)f6 39n3173 c53.1gs4.4803514.94 225803522.68 Miss 17(iT)649 580 0 9.48 58.38 644.48034avi86g.001 T

Organisational Structure

Organisational Chart





2.

4. **Intelligent driving system:** rapidly promoting future-proof R&D, focusing on the market, and deploying domain controllers

The Company continues to promote the integration of artificial intelligence (AI) technology with the automotive industry and embrace the latest trend of intelligent driving. We focus on the autonomous driving Tier 1 field to carry out R&D of autonomous driving technologies from L0 to L4. We are also making in-depth deployment in the field of intelligent driving around the new electrical and electronic architecture (EEA3.0) of intelligent electric vehicles, and relying on the Joyson Intelligent Automotive Research Institute's technical portfolio and forward-looking R&D advantages in AI to make cutting-edge technological innovations in the field of autonomous driving, and to accelerate the development of a new generation of high-computing domain controllers of intelligent driving and other products. Currently, more than 50 patents have been approved and are under review in this field, covering the domain controllers' structure of autonomous driving, path planning, vehicle control, data storage, etc. The product design and R&D related to Joyson domain controllers of intelligent driving have been audited and certified by TUV NORD, one of the world's authoritative organisations, and confirmed to be in compliance with the IATF 16949 Quality Management System standards for the automotive industry. It demonstrates that our design and development and batch manufacturing standard in this field have met the industry standard after more than one year of deployment and development. Meanwhile, the Company is carrying out works related to ASPICE CL2 evaluation certification and ISO26262 process system certification to maintain the first-class standard of our product design and development in the industry.

Regarding specific products and businesses, the Company mainly engages in activities to commercialise domain controllers of intelligent driving and other products. We have formed working relationship with Nvidia, Qualcomm, Horizon, Black Sesame and other chip manufacturers. We have also been working with a number of domestic and foreign vehicle manufacturers to engage in the R&D of intelligent driving domain controllers based on different chip platforms, cockpit and domain controller integration and central computing units. Some projects have successfully created the prototype

Start-up years 2004 - 2008

The founding of Joyson Electronics dates back to 2004. Right from the beginning, the Company adopted the concept of synchronous design with the automotive OEMs, with products ranging from the engine air intake systems, air vents and so on. In 2006, the Company began to supply to Volkswagen(VW), General Motors(GM) and Ford.

Tier 1 Supplier 2008 -2010

In 2008, Joyson Electronics was promoted to be the A-class supplier of VW, and became the global supplier of GM at the same time. Through continuous innovation and development, the Company has emerged in the domestic automotive components market and gradually established a leading position in the market segment. In 2010, Joyson Electronics and Preh GmbH established a joint firm in Ningbo China, focusing more on automotive electronics business.

Listed and globalisation 2010 - 2016

In 2011, Joyson Electronics was listed on the Shanghai Stock Exchange (SSE) and became an international automotive electronics company, which grown from China with independent intellectual property rights. The perfect combination of industry and capital boosted Joyson Electronics to develop faster in the area of automotive intelligence and E-Mobility.

In 2011, Joyson Electronics successfully acquired Preh GmbH, and was selected as one of the Top 10 mergers and acquisitions in China of the year. Since then, Joyson Electronics has established factories or R&D centers in Ningbo, Shanghai, Changchun, Chengdu and other places in China, and expanded its overseas layout to Germany, the United States, Portugal, Romania and Mexico and other countries. And this has lay the foundation for the global development of Joyson Electronics.

Acquisitions and Integration 2016 - 2020

In 2016, Joyson Electronics acquired Key Safety Systems and TechniSat Automotive, and established an intelligent car connected company. In 2018, Joyson Electronics acquired high-quality assets from Takata, and integrated it with KSS to become a new Joyson Safety Systems, accounting for about 30% of the global automotive passive safety market. In 2019, Joyson Electronics established the Automotive Connectivity BU. After global integration and optimisation, the layout of Joyson Electronics in the field of automotive safety and intelligent driving has been further improved.

New Journey 2020 - Present

In 2021, Joyson Electronics set up the Joyson Intelligent Automotive Research Institute and Joyson Advanced Energy Institute to empower development with R&D in forward-looking fields. In the same year, the Automotive Safety BU introduced strategic investors and obtained more comprehensive support in terms of policy, industry, resources and funds. At present,

2022 Award Highlights



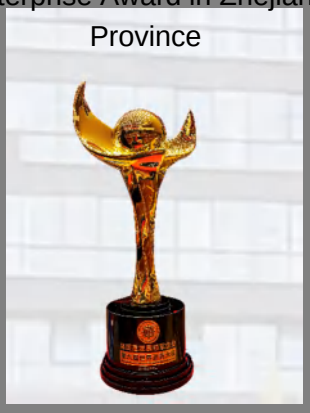
Top 100 Enterprise Award in Zhejiang Province



Top 100 Manufacturing Enterprise Award in Zhejiang Province



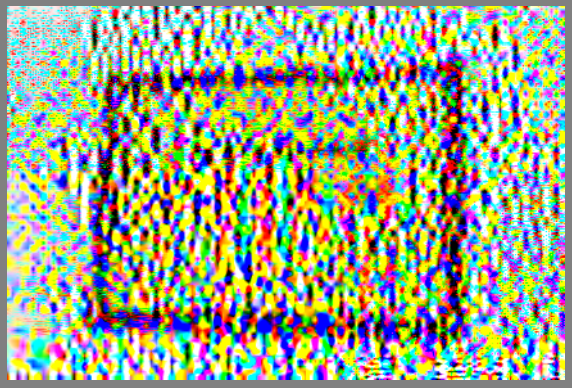
2022 Top 100 Enterprise of Electronic Information Competitiveness



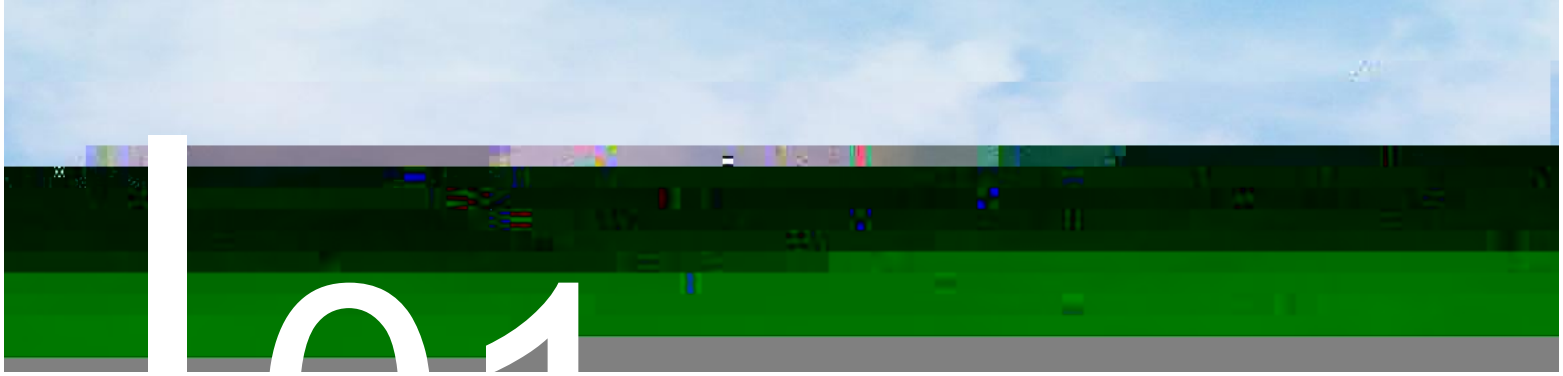
Leading Enterprise of High Quality Development in Zhejiang Province



2022 Top 100 Conglomerate Award in Ningbo



2022 Top 100 Manufacturing Enterprise Award in Ningbo



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1.1.1 Governance Mechanisms

We strictly comply with the *requirements of Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Guidelines on Governance of Listed Companies* and other relevant laws and regulations, emphasise the concept of responsibility, and carry out our global work in a responsible manner.

After years of exploration and practice, we have established a decision-making and operation management system with the General Meeting of Shareholders, the Board of Directors and other special committees, the Supervisory Committee and the Operating Management of headquarters in conjunction with the Division as the main structure, forming a corporate governance structure with clear division of power and responsibility, each performing their own function, effective checks and balances, scientific decision-making and coordinated operation.

During the Reporting Period, there were 9 members on Joyson Electronics' Board of Directors (including 3 independent directors), among which 2 were female directors (22.2%) and 7 were male directors. There were 3 members of supervisors (including 1 employee representative supervisor), among which 1 was female supervisor (33.3%) and 2 were male

We are strengthening our internal control system for a steady enhancement of the risk control capability while ensuring compliant operation. To improve the internal control system and process of the listed company and BUs, we sort out relevant regulations and guidelines, and with reference to the *Guidelines of Shanghai Stock Exchange for the Internal Control of Listed Companies*, *the Basic Standard for Enterprise Internal Control* issued by the Ministry of Finance and other 4 authorities, and the *Ancillary Guidelines for Enterprises on Internal Control*, we update “Joyson Electronics’ C-SOX Guideline” every year based on regulatory focuses, audit findings and management concerns. The Guideline lists out key control points and requires business units to ensure the design and operating effectiveness of these key control points in the process.

In addition, business units are also required to establish their own risk management system, conduct regular and comprehensive risk management evaluation and report the evaluation results to their respective boards of directors and supervisors in line with the actual situation of their business and operation. The Internal Audit (IA) departments of the BUs and652.96 9(t).1.3671 1.3734-.2(f)-nd

We strictly follow *Administrative Measures on Information Disclosure by Listed Companies*, *Management System for the Registration of Informants of Insider Information of Listed Companies*, and other systems. We insist on meeting the high-standard disclosure requirements, disclose material matters on platforms such as the SSE and Shanghai Securities News, and use new media platforms to release the latest information. We will continue to enhance the initiative and transparency of information disclosure with truthful, accurate, complete and punctual compliance disclosure, and strengthen the disclosure awareness and responsibility of relevant personnel to avoid information disclosure violations.

In 2022, we reviewed and passed 57 proposals, prepared and disclosed a total of 4 periodic reports, issued 70 interim announcements, and held 3 investor briefings.

1.1.3 Business Ethics

We adhere to the principles of integrity and



1.1 Compliance Governance

Employee trainings	Information related to the code of ethics and business conduct, including ethical compliance, anti-corruption, protection of trade secrets, and integrity operation and cooperation with suppliers is included in the induction trainings for new joiners, annual trainings, annual personal declaration and special training plan to enhance all Joyson employees' understanding and knowledge; Combination of online and offline trainings to achieve full staff coverage and improve training efficiency; In 2022, integrity trainings covered nearly 100% of employees, more than 60 minutes were spent on relevant training per person.
Annual conflict of interest declaration	Arrange for employees to declare conflict of interest every year, in which message

In accordance with the "HR Guidance on Compliance, Ethics & Policy of Conflicts of Interest", the HR Department implements the policies and opinions of the Joint Conference and uses the "HR Self-assessment Form of Compliance, Ethics & Conflicts of Interest" to ensure ethical compliance in employee recruitment, onboarding, dismissal, and training.

Anti-fraud

Joyson Electronics prohibits all forms of bribery, all the employees and any third parties acting on behalf of Joyson Electronics must sign off and comply with all applicable anti-bribery laws and regulations. Regardless of local practice or custom, no bribes, kickbacks, facilitation payments or improper gifts shall be supplied, offered to, or accepted from government officials, any business personnel, or entities. To cultivate an atmosphere of integrity and diligence, and to prevent related events, we have established a special “Anti-fraud Policy” and published it on the official website of Joyson Electronics.

Anti-fraud management is carried through the entire process of our business operation. For example, the Automotive Safety BU has improved the compliance management system and the “Global Anti-Bribery and Corruption Policy”, including performing annual risk assessment and anti-fraud inspection; formulating global compliance training policy and training matrix, providing trainings; identifying abnormal behau[rsy in t fil rimbrsy74(e)-.1(meo)6.2(t)-6.7(pro)621(c).7nes;t etnt ing

Anti-monopoly and Anti-unfair Competition

Joyson Electronics is highly concerned about the anti-monopoly and anti-unfair competition risks and complies with the *Anti-monopoly Law*, the *Law Against Unfair Competition* and other laws. We assign the Legal Department and the Compliance Department as the initiators to set up a special task force responsible for drafting the "Global Antitrust and Fair Competition Policy" and other internal policies to regulate the process, provide thematic training, follow up regulatory developments and handle anti-monopoly and anti-unfair competition cases and litigations.

As there is the risk of horizontal competition between the BUs, we adopt strict isolation measures relating to matters such as joint procurement, use of computer operating system and technical cooperation, and assign personnel in charge of the management on the basis of strict compliance with a robust anti-monopoly system. The Legal Department works with external law firms to provide warnings, analysis, evaluation, declaration and treatment related to risks that may exist in transactions

There was neither behaviour of unfair competition nor incident in breach of anti-monopoly laws at Joyson Electronics during 2022.

Information Security

Joyson Electronics is committed to effective protection of trade secret and clients' information and strives to ensure information security in business activities. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and other regulations of the operation locations. We have formulated 16 rules and regulations such as the "Data Classification Policy", the "Data Retention Policy", the "Outsourcing Policy" and the "Physical Security Policy", which encompass data management, network security management, personnel management, physical security protection of information system, outsourcing IT service provider management, visitor management, security incident response and other contents related to information security in daily operation.

In addition to setting up a Joint Conference to coordinate related matters and hold publicising and implementation conference for all employees, all employees are required to sign a confidentiality agreement to ensure compliance with policies, rules, practices and guidelines regarding business operations, handling of proprietary information, and property. Business units have formulated policies and procedures in this regard, for example, Automotive Electronics Joynext has been implementing the "Customer Property Management Control Procedure" to control and manage all properties (including intellectual property) provided by clients. For the standard samples and drawings provided by clients, they should be permanently marked to prevent any inappropriate use. At same time, we will maintain these items and conduct fixed item inspection, keep records according to clients' requirement, and handle them by relevant departments in the process of returning and handling in accordance with the client' requirement. We also agree with our clients on the definition, use, return, destruction, attribution or other requirements of confidentiality information by means of a confidentiality agreement. We will make additional provisions for situations involving the protection of trade secrets in the business cooperation.

In 2022，there was no major violation in e tai£

Complaints and Reports

The Company encourages employees to actively communicate with their superiors and supervisors,

1.1 Compliance Governance

In 2022, a total of 5 reports were received through the listed company's reporting mailbox, with a 100% response rate.

Complaint and report channels:

Listed Company
Tel: +86- 0574-87515507

Email: IA@joyson.cn

Automotive Electronics Preh

Website: https://preh.integrityline.org/

Automotive Electronics Joynext

Email: compliance@joynext.com

Joyson Safety Systems

Website: https://jss-speakup.com

1.1.4 Transparent Tax Payment According to the Law

Paying taxes in accordance with the law and in good faith is the best embodiment of corporate credit. We strictly abide by applicable tax laws and regulations in the places where we operate, including the *Implementation Regulations for the Corporate Income Tax Law of the People's Republic of China* and *Announcement on Policies for Deepening the VAT Reform Announcement*. We work with the government in tax policy implementation and pay taxes to the local government in a legal manner to make our contributions to the economic development. In addition, we also assess our tax risk through regular and ad hoc evaluation, disclose tax information in accordance with laws, and strictly forbid tax evasion.

In 2022, Joyson Electronics had no breach of tax laws and regulations.

1.2.1 ESG Governance Structure

We are constantly strengthening our ESG governance capabilities and have built a three-tier governance structure, with the Board of Directors, the Strategy and ESG Committee and the ESG Working Group as the main bodies. We are gradually strengthening the development and

In 2022, we continued to carry out diversified stakeholder communication activities under the established mechanism of stakeholder participation to improve communication with stakeholders through activities such as Joyson Open Day and Joyson Online Tour.

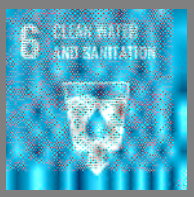


In 2022, we paid more attention to the following ESG topics: corporate governance, ESG governance, compliant operation, risk and crisis management, policy impact, business ethics, development and training, product quality and recall, information security and privacy protection, protection of intellectual property rights and technology innovation.

Going forward, we will continue to pay attention to the feedback from all parties and update the topic database. We also plan to expand the scale of research based on the original stakeholders who participated in materiality assessment when the conditions are ripe, so as to more comprehensively and fully understxpandtoiy

2. Protecting the Planet

As the world-leading auto parts manufacturer, Joyson Electronics has always adhered to the concept of green development and low-carbon development. While striving to innovate and forging ahead, Joyson Electronics continues to improve energy and resource utilisation efficiency, reduce pollutant emissions, and constantly broaden new horizons for low-carbon operation in line with production and operation practice. Joyson Electronics has been actively responding to the UN SDGs 6, 7, 11, 13 and 15 to keep promoting green production in alignment with its own business features and the environmental characteristics of principal places of business.









Long-term target	Practical measures	2022 achievements
Gradual reduction of carbon emission	Use renewable energy and update energy-saving equipment	Reduce greenhouse gas (GHG) emissions by 9,868.25 tCO_2e
Gradual increase of the proportion of renewable energy use	Purchase green power and expand photovoltaic (PV) power generation	PV power generation reached 7,613.39 MWh, which equates to reducing GHG emissions by 5,145.92 tCO_2e[1]
Continuous increase of the proportion of recycled materials used	Promote energy and materials saving	Automotive Electronics Preh recycled 3,475 tons of production waste, while the Automotive Safety BU improved packaging design to reduce the materials consumption
Continuous increase of environmental protection investments to ensure environmental compliance	Add and improve facilities for pollutants treatment, energy conservation and consumption reduction	We have invested CNY43,284,900 in environmental protection. In 2022, we had no major environmental violations

[1] Most of the Company's photovoltaic power generation is on-grid, not for its self-consumption.

2.1 Addressing Climate Change

Climate change is having a broad and far-reaching impact on us. As a responsible enterprise, we take rapid action to comprehensively analyse the challenges and opportunities that climate change may bring, effectively control the impact of climate change on our own by continuously reducing the carbon footprint generated by our own operations.

2.1.1 Governance

In regards of governance, we have established an ESG governance structure to cover the overall governance of our ESG-related work, including the governance of our response to climate change. The Board has delegated authority to the Strategy and ESG Committee to carry out ESG management and has a clear understanding of the Board's oversight responsibilities for ESG matters and the support to be given by management (Please refer to the preceding paragraph on ESG governance for details).

We have made reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework under the G20 Financial Stability Board to identify risks related to Joyson Electronics operation through policy analysis, peer benchmarking and considering the opinions of external experts. We are also conducting current status review, strategy development, risk management, identification and management of metrics and targets in response to the Company’s risks and opportunities caused by climate change.

It is important to construct a management system and set targets and metrics. Based on their own operation practice, the BUs have set up their global EHS management policies and structure to oversee and manage global EHS. An EHS structure has also been set up in each subsidiary based on the model of a designated EHS personnel and an EHS coordinator working together for the implementation and rectification of periodic inspection and testing, environmental performance assessment, target review and other follow-ups. Energy consumption metrics are also included in evaluating the production performance to promote continuous improvement.

2.1 Addressing Climate Change

2.1.2 Strategy

One of our missions is the creation of a “smarter, safer and greener” way of driving together with our customers worldwide. The trend of transformation from fuel vehicles to new energy vehicles has come to our attention for a long time and has driven our investments in the field. For example, we have established the Joyson Advanced Energy Institute, formed industry-university-research partnership with colleges and universities, set up a Post-Doctoral Research Centre ( ), and engaged our customers in closer communication to figure out demands and basic conditions, and launch products suitable for current demands and also with future-proof value. In view of the increasing concern of downstream customers on ESG topics, especially the GHG emission, we have been striving to save energy and reduce emissions, launching the carbon accounting, and moving forward to product foot printing as our next step.

We have over 10 years of experience in the field of power battery management systems for new energy vehicles and incessantly making innovations. In order to better respond to the national call for carbon peak and carbon neutrality, seize market opportunities and build a key technology supply system, we established the Joyson Advanced Energy Institute in 2021 in response to the industry chain of new energy vehicles, ongoing advancement and the promotion of battery management system, power electronic products and other new energy management products under a full voltage platform of 12V/48V/400V/800V to help promote new energy vehicles. Going forward, we will continue to respond adequately to policy requirements and customer demands, seize development opportunities with extensive and advanced technologies and cutting-edge research, develop and promote green and low-carbon products and services, lead the future of smart travelling, lay the foundation for the Company to expand and strengthen, and contribute to the society’s mission of energy conservation and emission reduction.

2.1 Addressing Climate Change

2.1.3 Risk Management

We have integrated climate change with the Company's overall risk management, and identified and assessed physical risks and transition risks taking into account geographical characteristics and business features while seizing opportunities to promote corporate sustainability in following ways:

Risk Category		Risk description	Potential impact	Risk response
Physical risks	Acute	Typhoons and the heavy precipitation, flooding caused	• Loss of inventory, fixed assets, etc. • Disruptions to production and logistics, affecting business stability	• Establishing emergency plans • Inspect drainage facilities • Increase safety stock • stock emergency supplies
	Chronic	Higher average temperatures and more frequent extreme heat	• Discomfort for manufacturing workers due to high temperatures, reducing labour productivity • High temperatures may lead to lower productivity of physical capital and reduced production capacity	• Improve health and safety production policies and facilities • Retrofitting production facilities for thermal adaptation
Transition risks	Policy and legal risks	Higher energy prices or carbon trading	• Regulators introduce carbon trading or expand coverage of paid greenhouse gas emissions • Higher energy prices or caps on energy use • Raising other regulatory requirements for the environment	• Explore the use of renewable energy • Purchasing more energy efficient types of equipment when adding new equipment • Energy efficient retrofitting of existing facilities
	Technology risk	Increased use of new energy sources	• As the popularity of new energy products increases, the market share of traditional products compresses and their corresponding production facilities and technological leadership are lost	• Increase and accelerate investment in new energy technologies
	Market risk	Changes in market preferences	• Increased consumer preference for new energy vehicles and increased expectations from OEMs for parts companies to provide low-carbon products	• Increase the proportion of green products • Intensify collaboration with new energy vehicle companies
	Reputation risk	Society-wide interest in corporate responses to climate change	• Failure to change with the times could damage the image of responsible business, which in turn could affect corporate relations, attraction of new generations to the workforce, etc.	• Report to stakeholders on efforts to reduce greenhouse gas emissions and reduce the carbon footprint of products

We have been strengthening the sustainability management of natural resources and chemicals management and have been reducing pollutant emissions. To this end, we have formulated the "Environmental Operation and Control Procedures", the "EHS Emergency Preparation and Response Control", the "Management Regulations on Security Accountability" and other internal procedures and regulations. We promote high-quality development and green development by improving risk management and the system for target setting.

2.1.4 Metrics and Targets

We have identified metrics related to the monitoring of environmental, social and climate-related risks,

We strictly abide by the *Law of the People's Republic of China on Environmental Protection*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on Energy Conservation* and many other local laws and regulations, establish relevant systems such as Laws and Regulations and Conformity Evaluation Procedures, and further track the applicability and compliance of regulations by improving the Compliance Obligations List and other documents. Each business unit and its subordinate enterprises internally formulate various systems such as Environment Operation and Control Procedures to standardise the energy and resources usage, strive to build a resource-saving and environment-friendly enterprise, and realise the coordinated and sustainable development of people, resources and environment. As of the end of the Reporting Period, a total of 52 business locations under Joyson Electronics BUs have obtained ISO14001 certification, covering the majority of our global operations. In 2022, Ningbo Joyson Safety Systems Co., Ltd and Ningbo Preh Joyson Automotive Electronics Co., Ltd. were named Ningbo Green Factory of the Year 2022.

2.2.1 Indicators and targets of Energy Usage

Over the years, we have adhered to the development idea of saving energy and materials, and gradually strengthened the scientific management of energy. The business unit establishes a lean energy management system according to its actual operation, that is, establish a lean energy organisation structure in each factory, set up an energy cost centre, conduct monthly tracking analysis in combination with output fluctuation,

2.2 Energy Conservation, Emissions Reduction and Clean Production

We continue to work on GHG emission reduction projects to reduce GHG emissions from our production activities by increasing our investment in renewable energy and continuously promoting energy efficiency improvement projects to reduce emissions per unit of product. In 2022, in addition to the control of conventional energy conservation, we completed many projects such as the PV power generation, heat energy recovery, and continued with projects that have been initiated in 2021 such as liquid nitrogen cooling energy recovery. Globally, our renewable energy sources electricity usage amounts reached 63,112.60 MWh in 2022, including 491.30 MWh from our own photovoltaic power. In our production subsidiaries, we have installed extensive photovoltaic facilities, generating 7,613.39 MWh of photovoltaic power for the year, equivalent to a reduction in greenhouse gas emissions of 5,145.92 tCO_2e, with the remaining 7,122.09 MW of photovoltaic power being integrated into the local grid in addition to our own use.

2.2 Energy Conservation, Emissions Reduction and Clean Production

Case: Heat energy recovery in Ningbo plant of Automotive Electronics Preh

The use of industrial waste heat is an important part of energy saving and emission reduction. In 2022, Automotive Electronics Preh Ningbo continued the heat energy recovery project already started in 2021. We enhance the workshop environment by recovering heat from the equipment to reduce the air-conditioning load in winter while enhancing the environment. This saves 100 MWh of electricity consumption per year and reduces atmospheric heat pollution.

2.2 Energy Conservation, Emissions Reduction and Clean Production

2.2.2 Use of Resources

Use of Resources

Water resources mainly come from municipal water supply, which is used for daily life and office. The water consumption will be actively communicated with relevant water supply departments after accurate prediction every year. There was no significant negative impact on local water sources due to water intaking during the Reporting Period.

Metrics	Unit	Data in 2022
Water resource utilisation		
Water usage	0'000 m^3	174.21
Water consumption density (based on revenue)	m^3 / million CNY	35.00
Wastewater		
Wastewater discharge	0'000 tons	153.46

We strictly abide by local laws, regulations, and standards including the *Law on Prevention and Control of Water Pollution of the People's Republic of China*. We pay attention to the management of wastewater and prohibit the dumping of wastewater and waste liquid into rainwater pipe. Water contaminated by oil, chemicals and other hazardous wastes shall not be dumped into the sewage conduit. All business divisions and subordinate enterprises formulate corresponding wastewater treatment process and conducts daily spot checks on equipment dosing as well as monthly water quality testing by taking samples to ensure that the wastewater discharge meets the standards. In Automotive Safety System Huzhou plant, domestic wastewater is treated in a self-built wastewater treatment station to meet the primary standard of GB8978-1996 *Comprehensive Wastewater Discharge Standard* before being discharged.

For energy saving and emission reduction in water use, each BU has formulated its own water conservation plan. For example, Automotive Safety BU is currently planning to build a rainwater harvesting system to rationalise the use of rainwater and reduce the municipal water supply.

2.2 Energy Conservation, Emissions Reduction and Clean Production

Packaging

In terms of the product packaging materials, the packaging materials we use every day can be divided into disposable materials and recyclable materials (such as pallets, paper products, packaging boxes, plastic boxes, etc.). We have achieved continuous improvement by improving the utilisation rate of packaging materials, recycling packaging materials and increasing the proportion of recyclable materials.

Case: Resource recycling

Automotive Electronics Preh has a dedicated recycling initiative for recyclable pallets, having converted 48 idle units and recycled 4,048 pallets in the last three years.



Case: Rearrangement to reduce packaging materials

In 2022, the Automotive Safety BU increased the standard number of packaged shelters by adjusting the packaging layout so that the original package size could accommodate more products, thus increasing the capacity of the intake by 25-50%. In the case of the retractor package, for example, the capacity of the package was increased from 4 to 6 by rearranging it.





Raw Materials

In terms of raw materials and production waste, we continue to promote the recycling of raw materials. Taking the Automotive Safety BU as an example, we focus on the recovery of the steering wheel skeleton, i.e., magnesium aluminium alloy metal. In cooperation with raw material suppliers, we package and return all the scrapped magnesium aluminium alloy metal caused by the defective products of the steering wheel and customer returns to the supplier, and complete 100% recovery and reuse; In 2022, the Automotive Electronics Preh (China) officially launched the sorting and recycling of production scrap, following the “Disposal Process for Scraps” to divide metal scrap, plastic and paper from production lines according to type and then contact a qualified third-party company for recycling. In 2022, a total of 3,475 tonnes of various types of production waste were collected by Automotive Electrons Preh.

2.2.3 Wastes Management

2.2 Energy Conservation, Emissions Reduction and Clean Production

Waste types	Waste categories	Disposal methods
Hazardous waste	• Waste solvent, paint residue, wastewater, waste paint bucket, wiping paper containing paint and gloves produced during spraying • Bottle and can after use, it is used to contain oil and other volatile, flammable and explosive chemicals that are harmful to the environment and human body • Processing liquid, processing lubricating oil, pressure maintaining oil and other chemical liquids with oil after use • Gloves, rags, paper, etc. with various oils during processing • All kinds of batteries include batteries, Ni MH batteries and lithium batteries • Abandoned fluorescent tubes and incandescent lamp bodies • Scrap PCB board containing electronic parts • Printer toner cartridge and ink cartridge • Other undefined wastes that have significant impact on the environment and human body.	All shall be disposed by qualified third-party organisations, and the qualification of the organisation's hazardous waste treatment directory shall be reviewed every year.
Recyclable waste	• Paper packing box and foam packing box • Plastic leftovers and plastic reels, PCB cutting leftovers (excluding circuit parts) • Wastepaper and paper packaging materials • Metal scraps generated after cutting and damaged metal parts of the machine (except metal bottles and cans containing oils and chemicals in processing).	Recyclable wastes shall be recycled regularly by the designated qualified waste material recycling company.
Non-recyclable waste	• Office domestic waste • Waste containing small paper / plastic fragments, which has no recycling value or cannot be sorted and recycled.	Non-recyclable waste and domestic garbage shall be specially recycled by municipal sanitation.

Index	Unit	Data in 2022
Total waste	Metric tons	1,786,970.03
Hazardous waste	Metric tons	995,478.66
Non-Hazardous waste	Metric tons	791,491.37

2.2.4 Exhaust Gas management

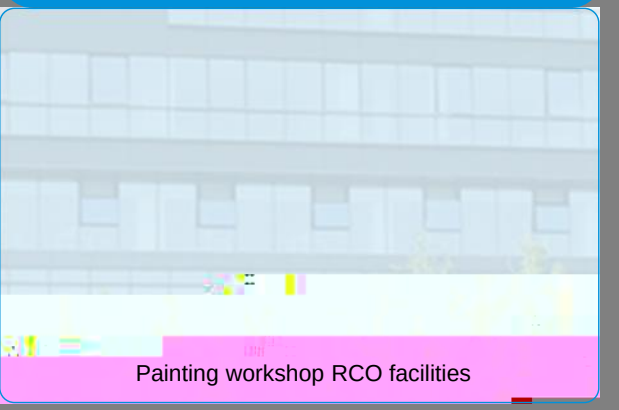
According to different production processes, the types of exhaust gas emission of each business division are also different. Taking the Automotive Safety BU as an example, the exhaust gas mainly comes from the foaming and wrapping links in the steering wheel process, and the types of exhaust gas are mainly non methane total hydrocarbons and particulate matter. Taking the Automotive Electronics BU as an example, the emission of VOCs is the main type from injection molding and painting. We prefer efficient disposal equipment, and relevant departments will carry out daily operation records, daily maintenance, inspection and repair of exhaust gas emission equipment, exhaust systems and treatment devices according to the specified requirements and keep relevant inspection records. We conduct emission management in strict accordance with the emission requirements higher than the national compliance standards, cooperate with the irregular surprise inspection of the environmental protection department, and regularly entrust a professional third-party organisation to carry out testing in accordance with the provisions of the Environmental Protection Agency.

Case: RTO facilities had been used in Automotive Electronics Preh, the waste gas collection rate of fully enclosed painting line is 95%, and the RTO treatment rate is 90%.



Painting workshop RTO facilities

Case: RCO facilities had been used in Automotive Electronics Preh, the waste gas collection rate of fully enclosed painting line is 95%, and the RTO treatment rate is 90%.



Painting workshop RCO facilities

According to *Shanghai Integrated Emission Standard of Air Pollutants [DB31-933-2015]*, the Automotive Safety BU has built five VOC treatment systems at the Lingang plant. The exhaust gas passes through the pre-filter of the VOC treatment system and then to the activated carbon absorber for adsorption and

2.3 Noise Management and Biodiversity Protection

2.3.1 Noise Management

Noise is an important factor causing environmental pollution and damage to employees' health. We know the harm of noise, control and prevent this hazard source, and reduce relevant risks by designing layout, installing damping devices and equipping personal protective equipment.

Taking the Automotive Electronics BU (China) as an example, the production noise mainly comes from the operation of production equipment (mould processing centre, injection moulding machine, etc.) and auxiliary equipment (air conditioner, air compressor, exhaust fan, etc.) in the production area. Through reasonable layout of workshops, provision of personal protective equipment, selection of low-noise advanced equipment, setting isolation base devices or laying shock absorption pads for equipment with relatively high noise, the impact of noise has been reduced to a lower range. In order to carry out continuous monitoring, we also appoint a professional third-party organisation to regularly detect the noise at the plant boundary. In case of any abnormality, we will carry out follow-up improvement in accordance with internal procedures.

2.3.2 Biodiversity Protection

We fully recognise the importance of biodiversity protection. At site selection stage of project construction, we should take biodiversity protection factors into account, carry out environmental impact assessment in accordance with the requirements of laws and regulations, and do not develop projects inside the ecological redline, so as to fundamentally reduce the impact of project construction and post operation on biodiversity.

03

Openness and Inclusiveness

3.1 Employment Standards

3.2 Caring for Our Employee

3.3 Training and Development

We believe that our employees are partners and that our corporate culture is the driving force behind our continued growth, and therefore strive to create a collaborative philosophy of "ONE TEAM" on a global scale. We adhere to the concept of people-oriented and respond positively to the UN SDGs 3, 4, 5, 8, 9 and 10, creating a

3.1.1 Equality and Diversity

Diversification and equal opportunities are our basic policies. We provide all people with equal employment opportunities and working environment to ensure that employees are not affected by race, color, religion or belief, gender (including pregnancy, gender identity and sexual orientation), sexual character, trnansgterender,rage(,)- 22.[(geeWa)-6.2ic,nformat(ion)-6.3(,)]TJT*038 Tc[mariEt26.4tay s36(t26 areribedg id iWar docunmenes suchgs fg H(anbookc)7",e ommtuncacte d-10974.7(t)47(o)10974.7(a)21(le)-0.1(s)-0.3(s)-0.5(m)]TJ0 -1.3544 TD.0067 Tc[(employee'g)-49183pe r toing eEmployeedvtondfdtdd ne prprionfa Td83te6.2(e.)5126.518(employee)-1.3602TD.0[(s)-0.5(e)-0.4(r)-0.7(v)-0.8(i)-0.4(c)-0.5(e)-0.4(s)]TJ0 -1.3602

3.1.2 P of Eees' Rights and Interests

We follow the principles of fair, just and open employment. We adhere to the legal and compliant employment policy, protect thepr5iSasic7.8(leg)-6.2(i)-4.8(t)-6.1(i)-4.8(mate)-3(8.6(rights)-3(7.8(and)-3(pr5iinterests)-3(7.8(o).1(f)-392.2(e)-6
Employees can also voice their grievances through staff representatives or trade unions.

Labor Contract

We strictly abide by the *Law of the People's Republic of China on Labor Contract*, sign labor contra or employment contra with all employees according to the requirements ofaws and regulations, clearly review the positions, working hours, labor protection and remuneration of employees in contracts.

Social Insurance Payment

According to national and local regulations, we pay insurance fo employees such as Sasic pension,8 insurance for employees accord

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3.1 Employment Standards

Salary and Benefits

We have developed systems such as the “Employee Compensation and Benefits Administration System”. We regard employees as partners, and work with them to win together and stimulate the vitality of talent. At present, the Company's salary mainly consists of three components: salary (position-based pay and merit pay), bonus (project incentives), and benefits (welfare and allowance). The overall salary is affected by the salary level in the country and region, the competition in the talent market and the Company's human resources strategy. We will understand the changes of salary and benefits around the world to ensure that the salary and benefit level and growth level of the Company's employees around the world match the local talent market and are competitive. In addition, the Company has also adopted medium and long-term incentives to create an entrepreneurial atmosphere and stimulate the passion willingness of its core employees to better promote corporate development. For example, the Company has implemented the Employee Stock Ownership Plan (ESOP) in 2021, which has established a community of interests between employees, shareholders and the Company and promoted the Company's performance improvement and long-term stable development.

Joyson cares about the work and life of every employee. The Company regards its employees as the cornerstone of development, and our employees regard the Company as the most reliable supporter. We pursue precise welfare and hope to start from the real demands of employees, so that the care project can truly benefit all aspects of employees' clothing, food, housing and transportation.

3.2 Caring for Our Employee

Joyson Cares Fund

In the process of building the corporate culture, the management of the Company attaches great importance to the construction of an enterprise with harmonious labour relations, which focuses on the "three cares" project, i.e. caring for employees in difficulties, caring for the interests of the majority of employees and caring for the model workers. In order to further form a long-term mechanism of caring for employees, we established the Joyson Cares Fund in 2013, which is mainly used for emergency rescue and support for employees in difficulty.

The fund is financed mainly by voluntary contributions from employees and the Company. Through the "Joyson Cares" manual distributed by the management committee; employees can know how to apply for this Joyson Cares Fund. The distribution of each batch will be publicized on the public bulletin board, including some personal information of the recipient employee and the amount of the recipient, etc., to achieve fairness, justice and openness.

Since the establishment in 2013, we have raised more than CNY2 million for Joyson Cares, funded more than 500 employees in need, and distributed CNY 1.9 million totally. In 2022, 44 employees were subsidised, with a subsidy amount of CNY320,000.

Joyson Cares Fund

3.2 Caring for Our Employee

Continuous Improvement of Employee Satisfaction

Targeted areas	Improvement	Measures
Work functions	Self-perception	• Establish a cross-function team for specific analysis and solutions to specific problems; • The department where the problem occurred will be the team leader, responsible for organising responding actions and following-up; • Criteria for assessment and evaluation of cross-function team established.
Management	System and process	• Enhance digitalisation and application to improve information sharing and management capabilities and increase efficiency; • Continuous process optimisation, such as continuous optimisation of the project development process and pilot production process.
Environment	Corporate culture, communication and cooperation	• Strengthen the promotion of the corporate culture and enhance team cohesion, such as further organising festive events and team building activities; • Further strengthen cross-function communication and collaboration and establish cross-function working groups for specific analysis of specific issues.
Career development	Training	• Organise diversified training, workshops;

3.2 Caring for Our Employee

Case: Joyson Family Open Day

On 5 November 2022, Joyson Safety BU held a family open day at its headquarters in Minhang District with the key words “fun, delicious, creative and empathetic”. Family members of employees were invited to visit the newly completed Minhang headquarters. 145 groups of families and about 500 people participated in the event on the day, and 150,000 views were recorded on the online photo bro1 -22.sc1 -22.st. Activities on the day included: signature photo punch, lab & showroom tour, group photo shoot, ste604(s7.3(fat)-6.3(-4.7(l534(s).7(te)6l[(evet,)-3

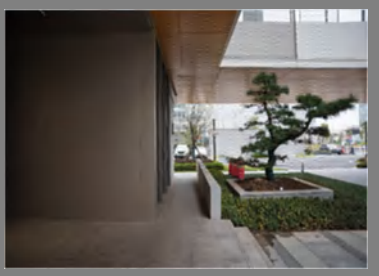
3.2 Caring for Our Employee

Daily Care

In order to build an equal working environment for all employees, we provide the necessary working and living facilities for special groups such as female or physically-challenaged employees in accordance with the law, such as childcare rooms and facilities to facilitate disabled employees.



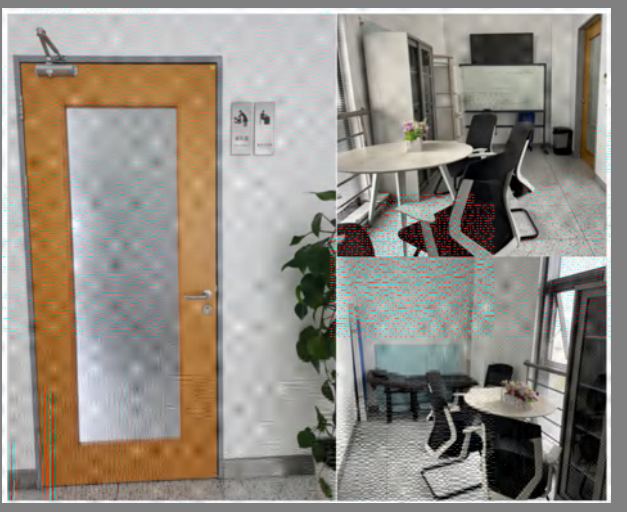
Parking spaces for the Physically-challenged



Accessible entrance ramp



Mother & baby room



Mother & baby room in Preh Ningbo site

The Company cooperates with the world's leading human resources service provider to grade the Company's positions, regulate the training and selection of employees with a system of job qualification standards, establish a career path for employees and pull them to learn continuously, while providing an

3.3 Training and Development

Encourage Self-improvement

Joyson Electronics is committed to creating a learning organisation atmosphere and encourages employees to pursue a self-improvement plan according to their own situation. If employees are willing to continue their further study, we will adjust and take care of them in the shift arrangement and give them some financial incentives after obtaining relevant certificates. In terms of strengthening the construction of talent echelon, we have also issued the “Policy of Encouraging Joyson Personnel Training” and formulated supporting systems such as “Employee Education Promotion System” and “Policy of Encouraging Employees to Obtain Professional Titles and Qualification Certificates”.

We actively provide a variety of education promotion support projects such as upgrading from junior college to undergraduate, Master of Engineering and MBA. Employees can participate in corresponding projects according to their own situation to improve their professional skills and management ability. In 2022, the number of engineering masters admitted through the Company's platform program reached more than 50, and more than 120 students went on to study at the tertiary level. For professional technicians, such as R&D positions and basic technical positions, we encourage them to obtain corresponding professional titles and qualification certificates according to the development sequence of their profession. We also encourage our staff to pursue doctoral and post-doctoral studies, and more than 10 Joyson employees are currently pursuing doctoral or post-doctoral studies.

Internal Training

We focus on internal training and encourage experienced staff to share their work experience and knowledge. We have developed a well-established system for the selection of internal trainers:

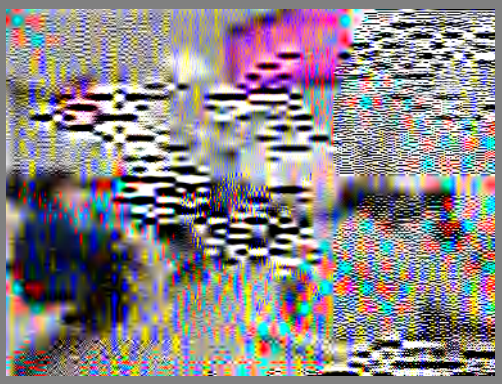
- Internal trainers must have certain professional specialties, as well as the ability to organise their knowledge and express themselves verbally;
- Internal trainers must have at least 2 years of work experience in a relevant field;
- They should be willing to exchange and share knowledge and experience;
- They should recognise the Company's culture and have the willingness, enthusiasm and sense of responsibility to act as an internal trainer.

Internal trainers are divided into three categories: reserve internal trainers, official internal trainers, and special internal trainers. Formal internal trainers are divided into junior, middle, and senior levels. The assessment of internal trainers adopts a “three-dimensional” evaluation and assessment mechanism, i.e. trainee satisfaction, evaluation by training management function and training performance.

3.3 Training and Development

School-Enterprise Cooperation

We pay attention to the excavation and cultivation of potential talents and build a talent training base through in-depth cooperation with government talent departments, employment departments and schools. With the vigorous development of Chinese automobile industry, we have accelerated the cooperation with vocational colleges and scientific research universities in student training practice since 2008.







School-Enterprise Cooperation

3.4 Health and Safety

EHS Policy of Automotive Electronics Preh

The work safety organization shall continuously develop, realise and optimise the concept of work safety according to the specific regulations and conditions of various countries. We ensure the health of employees by maintaining a safe working environment according to the following control levels:

- Eliminate and replace hazard sources as much as possible
- Take technical measures to promote machine safety and workplace ergonomics
- Take organizational measures, such as instructions
- Provide and use personal protective equipment

Automotive Safety BU EHS target programme development process

Safety is an important component of all the actions of the Automotive Safety BU, from research and development activities to manufacturing and operations. Each of us has a responsibility to act in a way that protects us and others. The goal of “creating a safe and healthy workplace” can only be achieved through the active participation and support of everyone. Safety is a condition of our employment, and we expect every director, senior management and employee to be committed to making the Joyson Automotive Safety BU an accident-free workplace.

During the Reporting Period, there were no work-related fatalities of employees at the business locations of the business units under Joyson Electronics.

3.4 Health and Safety

Reduce Occupational Hazards

We are committed to continuously reducing occupational hazards, identifying occupational hazard factors in advance, and then actively carrying out occupational disease status evaluation. According to the status evaluation results, we conduct annual occupational disease factor monitoring for occupational hazard posts. We fully guarantee the employees' right to know, conduct pre-job, on-the-job and off-the-job occupational health examination for employees in combination with the characteristics of occupational disease posts, and establish archives. The EHS is responsible for file management and regularly updates the “Occupational Disease Factor Identification Form”, the “Occupational Disease Hazard Exposure Checklist” for “Personnel and the Occupational Health Care Form for Personnel in Occupational Hazard Exposure Positions”. We also carry out long-term tracking of employees in positions that may involve potential occupational hazards such as painting, injection moulding, steering wheel foaming process and coating process, issue corresponding labour protection articles that meet national standards, and further reduce the possibility of injury caused by occupational diseases in combination with process improvement every year.

Case: Robotic spray coating

The Automotive Safety BU plans to use robotic spray coating in the steering wheel foaming process, where robots replace humans in the placement of the skeleton, spraying and pick-up actions, reducing human exposure to paint mist and thus significantly reducing the risk of occupational asthma, etc.



Emergency Management

In order to strengthen the emergency handling capacity of environmental emergencies, reduce and eliminate the occurrence of relevant risk events, we have carried out the emergency response in accordance with *Risk Classification Method for Environmental Emergencies in Enterprises (HJ941-2018)*, *Guidelines for the Review of Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial)* and other relevant requirements of the operation location. According to the operation practice of each business unit, we compile "Emergency Preparation and Response Control System" and other systems, establish comprehensive emergency plans and on-site disposal plans related to environment, safety, and production, set up emergency organizations, ensure complete capital and material support according to the plan contents, and regularly implement the publicity, training and drill of the plan.

Chemicals Management

We are well aware of the importance of chemical management to safe production. We have strictly followed the local laws and regulations such *as* the *Regulation on the Safety Administration of Dangerous Chemicals*, the *Regulations On the Safe Use of Chemicals In the Workplace*, the *Safety Code for Special Operations of Chemical Production Units (GB30871-2014),* and established systems such as "*Chemical Management Procedures"* in combination with the practice of each business unit to integrate a series of processes, such as the responsibilities of each department, chemical application, purchase, loading and unloading, handling, temporary storage, identification, usage, abandonment and disposal, to the standardised management to avoid the impact and the hurt on the environment and personnel.

In order to improve employees' awareness of chemical safety management, we hold special training on chemical management and s5.040031ementterial sup8619Qq92.300(mical)-498y1tyeTf0.002 Tc25m sl.3i RG[(In)T/TT4 1.00

04

Mutual Progress and Prosperity

4.1 Quality First

4.2 Customer Services

4.3 Ensuring Steady Supply

4.4 Public Welfare

4.1.1 Product Innovation and Intellectual Property Rights Management

As a global provider of automotive electronics and vehicle safety components, we adapt to the four new trends in the automotive industry (intelligentisation, networking, electrification and sharing) and continuously ramp up our R&D investments in cutting-edge technologies, as part of an effort to enhance our competitive edge and uplift technical barriers. So far, we have established an R&D network covering major automobile production locations worldwide. We have also established specialised technical research institutes for an active technology deployment in the fields of electrification and intelligentisation.

Joyson Advanced Energy Institute is dedicated to the innovative R&D activities on the battery management

4.1 Quality First

Intellectual Property Rights

While insisting on long-term investment in research and development, Joyson Electronics has continuously enriched its own intellectual property accumulation, protected its own intellectual property and respected the



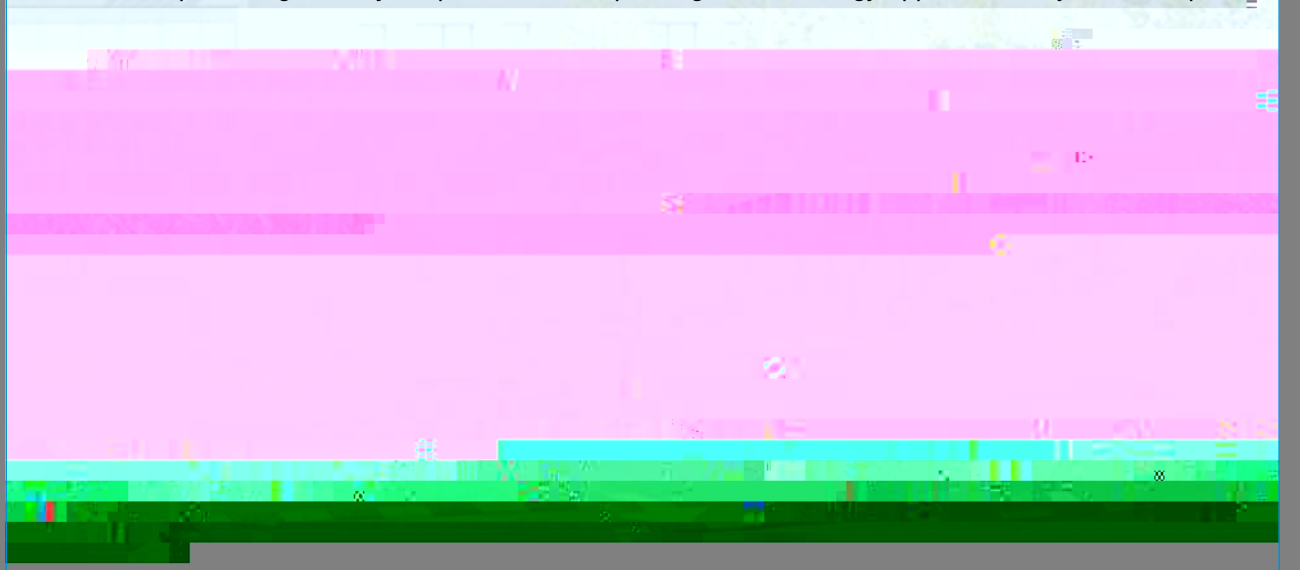
Case: Innovative training courses on intellectual property rights

In 2022, we actively held multiple training courses on intellectual property rights for various business units. Topics involved include briefing on basics of intellectual property rights, patent pre-examination and IP rights confirmation, use of IP rights retrieval databases, IP rights practice and case analysis, current status and trends of automotive IP rights in China, patent application and authorisation, and patent-centric thinking, etc.

4.1 Quality First

Promoting Industry Development

We insist on promoting industry cooperation and expanding the technology application via joint development



4.1 Quality First

Green Products

We are committed to promoting new products that are highly reliable, energy-saving and environment-friendly. We also include environmental considerations into the product development stage, and ESG considerations such as energy saving and material recycling into design and production.

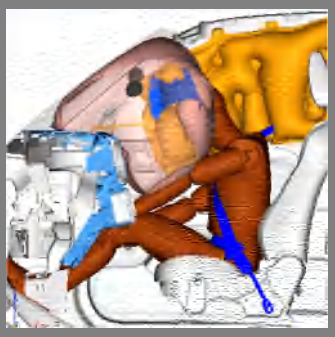
Adopt more environmentally friendly materials:

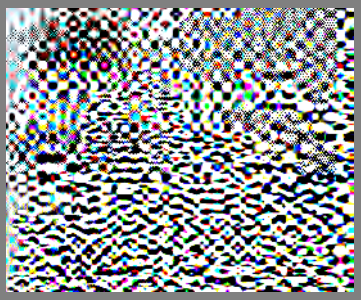
Case: Environmentally friendly paint and electroplating process

We take into account the environmental protection needs in the product surface decoration design to minimise the pollutant emission during the process. For example, water-based paint, which is environmentally friendly, non-toxic and pollution-free, is more used in the paint process. And in the electroplating process, hexavalent chromium is replaced with trivalent chromium to reduce toxicity and increase safety.

Case: Hybrid passenger airbag

We adopt a shell made of low-molecular-weight raw materials with lower carbon emissions in the development of hybrid passenger airbag, which is designed with a lightweight structure (weight reduced by 20-30%). The airbag is also equipped with a hybrid generator and biodegradable airbag fabric to achieve cost reduction and environmental benefits.





Energy and material saving design concept:

Case: Intelligent surfaces

We replace mechanical keys with intelligent surfaces, which are

4.1.2 Quality Control

Improving product quality and safety is one of the key elements to achieve stable business operation. In order to avoid risks and reputational damage caused by product quality and safety, and to enhance the sustainability of our business, we follow the *Product Quality Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Certification and Accreditation*, the *Implementation Rules for Compulsory Product Certification*, and other regulations for different businesses and operating locations. We maintain and improve

4.1 Quality First

Tight control of processes	**Safeguards**: In the product design and development stage, we carefully understand customers' requirements and the relevant legal and regulatory requirements, develop methods for product failure models analysis, develop response measures based on such failure modes, formulate quality control plans, and plan for the subsequent quality monitoring process. We also use equipment for error prevention, to reduce the occurrence of quality deficiency and safety incidents. Our quality control consists of two parts, namely product quality control and process quality control. Product quality control includes incoming material inspection, in-process inspection, and final inspection. Process quality control generally refers to our internal and external quality inspecti273(d)-cope23(s)]TJ/TT8 1 Tf0 g 94 -quali29(f)-6(y)1.1(n)-2(f)-5.7(o)-5.9(r)-8(c)-41-dure21(s)-1(.)-2(A)(t)-2(y)-2(p)-1(i)-2(c)-2(a)-1(l)-2(l)-2(y)-2(,)-2(w)-2(e)-2(a)-1(p)-2(p)-2(l)-2(y)-2(t)-2(h)-2(e)-2(s)-2(e)-2(q)-2(u)-2(a)-1(l)-2(i)-2(t)-2(y)-2(c)-2(o)-2(n)-2(t)-2(r)-2(o)-2(l)-2(m)-2(e)-2(a)-1(s)-2(u)-2(r)-2(e)-2(s)-2(t)-2(o)-2(t)-2(h)-2(e)-2(c)-2(o)-2(n)-2(t)-2(r)-2(a)-1(c)-2(t)-2(o)-2(r)-2(s)-2(,)-2(a)-1(n)-2(d)-2(t)-2(h)-2(e)-2(s)-2(u)-2(p)-2(p)-2(l)-2(i)-2(e)-2(r)-2(s)-2(s)-2(h)-2(o)-2(u)-2(l)-2(d)-2(e)-2(s)-2(t)-2(a)-1(b)-2(l)-2(i)-2(s)-2(h)-2(a)-1(n)-2(d)-2(m)-2(a)-1(i)-2(n)-2(t)-2(a)-1(i)-2(n)-2(a)-1(n)-2(e)-2(f)-2(f)-2(e)-2(c)-2(t)-2(i)-2(v)-2(e)-2(q)-2(u)-2(a)-1(l)-2(i)-2(t)-2(y)-2(m)-2(a)-1(n)-2(a)-1(g)-2(e)-2(m)-2(e)-2(n)-2(t)-2(s)-2(y)-2(s)-2(t)-2(e)-2(m)-2(t)-2(h)-2(a)-1(t)-2(c)-2(o)-2(v)-2(e)-2(r)-2(s)-2(t)-2(h)-2(e)-2(e)-2(n)-2(t)-2(i)-2(r)-2(e)-2(p)-2(r)-2(o)-2(c)-2(e)-2(s)-2(s)-2(o)-2(f)-2(p)-2(r)-2(o)-2(d)-2(u)-2(c)-2(t)-2(d)-2(e)-2(s)-2(i)-2(g)-2(n)-2(,)-2(d)-2(e)-2(v)-2(e)-2(l)-2(o)-2(p)-2(m)-2(e)-2(n)-2(t)-2(a)-1(n)-2(d)-2(p)-2(r)-2(o)-2(d)-2(u)-2(c)-2(t)-2(i)-2(o)-2(n)-2(,)-2(i)-2(n)-2(c)-2(l)-2(u)-2(d)-2(i)-2(n)-2(g)-2(i)-2(n)-2(c)-2(o)-2(m)-2(i)-2(n)-2(g)-2(m)-2(a)-1(t)-2(e)-2(r)-2(i)-2(a)-1(l)-2(i)-2(n)-2(s)-2(p)-2(e)-2(c)-2(t)-2(i)-2(o)-2(n)-2(,)-2(i)-2(n)-2(-)-2(p)-2(r)-2(o)-2(c)-2(e)-2(s)-2(s)-2(i)-2(n)-2(s)-2(p)-2(e)-2(c)-2(t)-2(i)-2(o)-2(n)-2(,)-2(a)-1(n)-2(d)-2(f)-2(i)-2(n)-2(a)-1(l)-2(i)-2(n)-2(s)-2(p)-2(e)-2(c)-2(t)-2(i)-2(o)-2(n)-2(.)-2(P)-2(r)-2(o)-2(c)-2(e)-2(s)-2(s)-2(q)-2(u)-2(a)-1(l)-2(i)-2(t)-2(y)-2(c)-2(o)-2(n)-2(t)-2(r)-2(o)-2(l)-2(g)-2(e)-2(n)-2(e)-2(r)-2(a)-1(l)-2(l)-2(y)-2(r)-2(e)-2(f)-2(e)-2(r)-2(s)-2(t)-2(o)-2(o)-2(u)-2(r)-2(i)-2(n)-2(t)-2(e)-2(r)-2(n)-2(a)-1(l)-2(a)-1(n)-2(d)-2(e)-2(x)-2(t)-2(e)-2(r)-2(n)-2(a)-1(l)-2(q)-2(u)-2(a)-1(l)-2(i)-2(t)-2(y)- contrty1a(e)-7Tc[(inspec7.23(s)]TJ/TT2 1 Tf-1m419 -)-40253734 TD.0008 TInd5.9(.2(f27)-)-d6.4()-5vs

4.1 Quality First

Product warranty and recall	We follow the requirements of different systems such as the “Defective Vehicle Product Recall Management Regulations” and the “After-sales Management Procedures” according to the different attributes of the business, properly handle the returned defective parts, mark and sort them in the designated area to avoid secondary damage and not to enter the production process again, and have the relevant personnel complete the analysis of the returned parts and follow up the solutions.

4.1 Quality First

Case: Quality Month activities

In November 2022, we held a series of Quality Month activities themed with “Quality - Inspection, Disputation and Modification”.

Expert inspectors with keen eyesight: We held skills competitions for blue-collar employees, aiming to enhance their inspection awareness and capabilities in various positions and sites, and ensure high product quality. The competition in 2022 was upgraded to a record-breaking challenge, which was designed to promote the spirit of striving for excellence and ongoing learning among blue-collar employees, and encourage them to challenge their past performance by breaking existing records. More than 100 staff members participated in the competition in 2022;

Fluent debaters solving quality puzzles: We held a debate competition for white-collar workers on controversial issues related to quality costs, which helped engage business units and employees in the discussion on the hottest topics around quality. Contestants of various identities and positions explored the connotation of quality and the meaning of cooperation during their collisions. As the saying goes, truth comes out during rounds of disputations. The competition tapped into an in-depth thinking and awareness around quality during the heated but amusing clashing on various topics among four participating teams.

4.2 Customer Services

Complaint Handling Management Procedures", "Customer Complaint Management Procedures", "Field Failure Analysis Procedures", "Rapid Response Tracking Procedures", etc. in accordance with customer requirements, prescribed methods and feedback cycles, and provide timely feedback for strict implementation; for common customer feedback, the Quality Department will also take the lead in collecting, summarizing, giving feedback, sharing and following up for improvement. In 2022, our response rate for customer complaints was 100%.

To further improve the efficiency in handling customer complaints and ensure that problems can be effectively solved in a short time, Automotive Safety BU has implemented the 2/4/8 principle and the JQTS system (Quality Notification) to quickly respond to customer needs. It also stipulates that anyone having received customer complaints in each stage shall immediately inform the project leader, who needs to form a problem-solving team, escalate and report within 24 hours based on the severity of the problem after assessment, and continues to follow up until the case is closed. For customer complaints in the mass production stage, personnel shall be arranged to arrive at the customer's site within 2 hours to confirm the problems and develop effective containment measures within 24 hours to ensure the proper operation of customer's production lines, as well as interim solutions within 48 hours to improve customer satisfaction.

In order to strengthen communication and management, continuously standardize the handling process of quality problems. The Automotive Safety BU has also developed a "daily quick response meeting" system, that is, a meeting around 10-30 minutes is held every day to focus on major quality problems happened in last 24 hours including client quality problems, internal audit problems, supplier quality problems, process quality problems, etc. And we issue a "quality defect warning card" to the production station and the associated effective inspection station within 24 hours to ensure the training of relevant personnel, follow-up problem tracking, closure, and high-risk control, so as to realize rapid response, timely sorting, continuous tracking and effective control of quality problems.

4.3 Ensuring Steady Supply

Communication with suppliers	• We conduct training and tutoring activities for suppliers on an irregular basis, to address common issues by stipulating specified requirements, and urging



4.3 Ensuring Steady Supply

4.3.2 Green Procurement

We strive to minimise supply chain risks by incorporating ESG factors into supplier training activities, and focus on empowering suppliers to achieve greener, lower carbon operations. In terms of environmental impacts of materials, directives / regulations on controlling ELV, REACH and other hazardous substances and chemicals for the automotive industry have been fully applied in the industrial chain. We leverage IMDS and CAMDS data collection and declaration tools to declare the material substances used, to further ensure the compliance of our suppliers and material substances with customer requirements and the corresponding regulations. Taking Automotive Electronics Preh for example, during the Reporting Period, the percentage of sup4601.2(su4)-6.7 n/GS3ring the

4.4 Public Welfare

4.4.1 Community Prosperity

Joyson TALKs

We founded the "Joyson TALKs" project in 2018, aiming to forge a cultural brand delivering our philosophy of inclusiveness and diversity, while empowering our employees to make progress via participating in enriched

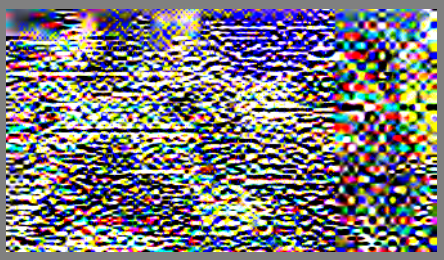
4.4 Public Welfare

Joyson Open Day

Joyson Open Day is designed to increase the community's understanding of Joyson and our products to all sectors of the community through immersive experiences during their site visits. Joyson Open Day activities are held at various sites on fixed dates or on an occasional basis, for different types of external stakeholders, mainly including pupils, middle school students, college students, overseas students, as well as visitors from government departments and enterprises. In 2022, we held multiple Joyson Open Day activities to promote the employment of college students by appealing them to return to their domicile places and help construct their hometowns. For example, we cooperated with Zhejiang University and opened our sites for visits during vacations by college students (including freshmen, sophomores, juniors, postgraduates, etc.) of Ningbo origin or willing to work in Ningbo as organised by Ningbo Talents Service Centre ( ), aiming to enhance their understanding of our business culture, employment philosophy and infrastructure environments.

In 2022, more than 60 Joyson Open Day activities were held, attracting over 3,000 external stakeholders for site visits.







Joyson Open Day



4.4 Public Welfare

Book Donations

We take initiative to cooperate with education authorities and schools in local communities to establish “Joyson. Reading Bar” in schools, which are open for free use by students there. We also make quarterly book donations to these reading bars to empower kids in preparation for a bright future. During the Reporting Period, we opened another “Joyson. Reading Bar” in Xinmao Primary School in Ningbo National Hi-Tech

Appendix

ESG Performance Indicator Table

Metrics	Unit	2022
Environmental Performance		
Green House Gas emission		
Total GHG emissions (only include Scope 1 and 2)	tCO_2e	202,548.61
GHG emission density (based on the revenue)	tCO_2e/million CNY	4.06
Direct GHG emission (Scope 1)	tCO_2e	43,669.50
Indirect GHG emission (Scope 2)	tCO_2e	158,879.11
Other Indirect GHG emission (Scope 3)	tCO_2e	14,680.00
Energy consumption		
Comprehensive energy consumption	MWh	593,430
Comprehensive energy consumption density (based on the revenue)	MWh/million CNY	11.92
Electricity	MWh	348,543.56
Natural gas	0'000 m^3	2,068.30
Diesel oil	0'000 L	54.90
Gasoline	0'000 L	4.97
Liquefied Petroleum Gas	.97	
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ESG Performance Indicator Table

Appendix

GRI Standards Index

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content/remarks
Topic Specific Standards			
Economic Issues			

GRI Standards Index

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content/remarks
Waste	306-1	Waste generation and significant waste-related impacts	Wastes Management
	306-2	Management of significant waste-related impacts	Wastes Management
	306-3	Waste generated	Wastes Management
	306-4	Waste diverted from disposal	Wastes Management
	306-5	Waste diverted to disposal	Wastes Management
Environmental Compliance	103-1	Explanation of the material topic and its Boundary	Protecting the Planet
	103-2	The management approach and its components	Protecting the Planet
	103-3	Evaluation of the management approach	Protecting the Planet
	307-1	Non-compliance with environmental laws and regulations	Protecting the Planet
Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	Ensuring Steady Supp
			w[(Supp)10ervices11 1.202 TD.0012 Tc-.0338 Tw[(Healt)-6.6(h)-1(and Saf)-6.6(e)9.1(ty)]TJ-70.7374 -2.6263 TD38 c594 Tc0 Tw[(appro)17.626

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content/remarks
Diversity and Equal Opportunity	103-1	Explanation of the material topic and its Boundary	Employment Standards
	103-2	The management approach and its components	Employment Standards
	103-3	Evaluation of the management approach	Employment Standards
	405-1	Diversity of governance bodies and employees	Employment Standards
	405-2	Ratio of basic salary and remuneration of women to men	Continuous improvement and complement
Non-discrimination	103-1	Explanation of the material topic and its Boundary	Employment Standards
	103-2	The management approach and its components	Employment Standards
	103-3	Evaluation of the management approach	Employment Standards

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content/remarks
Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	Ensuring Steady Supply
	103-2	The management approach and its components	Ensuring Steady Supply
	103-3	Evaluation of the management approach	Ensuring Steady Supply
	414-1	New suppliers that were screened using social criteria	Ensuring Steady Supply
	414-2	Negative social impacts in the supply chain and actions taken	Ensuring Steady Supply
Public Policy	103-1	Explanation of the material topic and its Boundary	Not Applicable
	103-2	The management approach and its components	Not Applicable
	103-3	Evaluation of the management approach	Not Applicable
	415-1	Political contributions	Not Applicable
Customer Health and Safety	103-1	Explanation of the material topic and its Boundary	Quality First
	103-2	The management approach and its components	Quality First
	103-3	Evaluation of the management approach	Quality First
	416-1	Assessment of the health and safety impacts of product and service categories	Continuous improvement and complement
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No Such Event Occurred
Marketing and Labeling	103-1	Explanation of the material topic and its Boundary	Not Applicable
	103-2	The management approach and its components	Not Applicable
	103-3	Evaluation of the management approach	Not Applicable
	417-1	Requirements for product and service information and labeling	Not Applicable
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not Applicable
	417-3	Incidents of non-compliance concerning marketing communications	Not Applicable

Issues	GRI Standards	Disclosures	Report content/remarks
Customer Privacy	103-1	Explanation of the material topic and its Boundary	Compliance Governance
	103-2	The management approach and its components	Compliance Governance
	103-3	Evaluation of the management approach	Compliance Governance
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No Such Event Occurred
Socioeconomic Compliance	103-1	Explanation of the material topic and its Boundary	Compliance Governance ESG Governance
	103-2	The management approach and its components	Compliance Governance ESG Governance
	103-3	Evaluation of the management approach	Compliance Governance ESG Governance
	419-1	Non-compliance with laws and regulations in the social and economic area	No Such Event Occurred

Appendix

CASS-ESG 5.0 Index

Dimension	Issue	Indicator no.	Indicator description	Where to disclose
Report Preface (P)	Reporting Standards (P1)	P1.1	Quality assurance	About The Report
		P1.2	Information description	About The Report
		P1.3	Reporting system	About The Report
	Message from Executive Management (P2)	P2.1	ESG status analysis and strategic considerations	

Appendix

Dimension	Issue	Indicator no.	Indicator description	Where to disclose
Environmental Risk Management (E)	Environmental Management (E1)	E1.1	Environmental management system	Protecting the Planet
		E1.2	Environmental management goals	Protecting the Planet
		E1.3	Investments in environmental protection	Protecting the Planet
		E1.4	Environmental warning and emergency mechanism	Protecting the Planet
		E1.5	Environmental assessment policy for new projects	Continuous improvement and complement
		E1.6	Environmental management system certification	Protecting the Planet
		E1.7	Environmental training and education	Protecting the Planet
		E1.8	Environment-friendly products or technology R&D and application	Quality First
		E1.9	Environmental violations and penalties	Protecting the Planet

Appendix

CASS-ESG 5.0 Index

Dimension	Issue	Indicator no.	Indicator description	Where to disclose
Social Risk Management (S)	Employment (S1)	S1.1	Compliance with labor law standards	Employment Standards
		S1.2	Diversity and equal opportunity	Employment Standards
		S1.3	Staff composition	Employment Standards
		S1.4	Labor contract signup rate	Employment Standards
		S1.5	Turnover rate	Continuous improvement and complement
		S1.6	Democratic management	Employment Standards
		S1.7	Remuneration and benefits system	Employment Standards
		S1.8	Social security coverage	Continuous improvement and complement
		S1.9	Average number of paid vacation days per person	Continuous improvement and complement
		S1.10	Care for employees	Caring for our employee
		S1.11	Employee satisfaction rate	Employment Standards
	Development and Training (S2)	S2.1	Career development ladder	Training and Development
		S2.2	Occupational training system	Training and Development
		S2.3	Investments in occupational training	Training and Development
		S2.4	Occupational training performance	Training and Development
	Occupational Health and Production Safety (S3)	S3.1	Occupational health management	Health and Safety
		S3.2	Occupational health and safety management system certification	Health and Safety
		S3.3	Number of new occupational diseases	Continuous improvement and complement
		S3.4	Production safety management system	Health and Safety
		S3.5	Safety education, publicity and training	Health and Safety
		S3.6	Potential risk inspection and rectification	Health and Safety
		S3.7	Emergency management system	Health and Safety
		S3.8	Investments in production safety	Health and Safety
		S3.9	Production safety training performance	Health and Safety
		S3.10	Number of accidents in production safety	Health and Safety
		S3.11	Number of work-related injuries/deaths	Health and Safety
		S3.12	Lost work days due to work injury	Health and Safety
	Issue	Indicator number	Indicator description	Where to disclose
	Responsibilities to Customers (S4)	S4.1	Product/service quality management	Customer Services
		S4.2	First Pass Yield	Continuous improvement and complement
		S4.3	Responsible marketing	Continuous improvement and complement
		S4.4	Stop loss and compensation mechanism	Quality first
		S4.5	Active response to customer complaints	Customer Services
		S4.6	Information security and privacy protection	Business Ethics
		S4.7	Customer satisfaction	Customer Services
		S4.8	Complaint resolution rate	Customer Services
		S4.9	Negative incidents related to customer health and safety during the reporting period	Continuous improvement and complement
	Responsible Supply Chain Management (S5)	S5.1	Supply chain ESG management system	Ensuring Steady Supply
		S5.2	Supplier ESG review and assessment	Ensuring Steady Supply
		S5.3	Number of suppliers reviewed	Ensuring Steady Supply
		S5.4	Number of suppliers subject to suspension of cooperation due to non-compliance	Ensuring Steady Supply
		S5.5	Number of potential suppliers rejected due to non- compliance	Ensuring Steady Supply
		S5.6	Supplier ESG training system	Ensuring Steady Supply
		S5.7	Supplier ESG training performance	Ensuring Steady Supply

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CASS-ESG 5.0 Index

Dimension	Issue	Indicator no.	Indicator description	Where to disclose
Value creation (V)	Value to the Country (V1)	V1.1	Concepts and policies serving major national strategies	Continuous improvement and complement
		V1.2	Contribution to major national strategies	Continuous improvement and complement
		V1.3	Actions to serve major national strategies	Continuous improvement and complement
		V1.4	Achievements in serving major national strategies	Continuous improvement and complement
	Value to the Industry (V2)	V2.1	Institutional system of technological innovation	Quality First
		V2.2	Technological innovation actions and measures	Quality First
		V2.3	R&D investments	Quality First
		V2.4	Major achievements in technological innovation	Quality First
		V2.5	Coordinated development of upstream and downstream industrial chains	Quality First
		V2.6	Safety and stability of the industrial chain and supply chain	Ensuring Steady Supply
		V2.7	Participation in the development of industry standards	Quality First
		V2.8	Strategic cooperation mechanism and platform	Quality First
	Value to People's Livelihood (V3)	V3.1	Actions to boost employment	Community Prosperity
		V3.2	Number of new jobs created	Community Prosperity
		V3.3	Participation in infrastructure construction	Continuous improvement and complement
		V3.4	Community services	Public Welfare
		V3.5	Community services branding	Public Welfare
		V3.6	Total charitable donations	Public Welfare
		V3.7	Volunteering performance	Public Welfare
	Value to the Environment (V4)	V4.1	Carbon peak and carbon neutrality strategy and goals	Addressing Climate Change
		V4.2	Carbon peak and carbon neutrality action plan and path	Addressing Climate Change
		V4.3	Carbon reduction effect	Addressing Climate Change
		V4.4	Actions to protect the environment and ecological system	Energy Conservation, Emissions Reduction and Clean Production
		V4.5	Progress and effect of protecting the environment and ecological system	Energy Conservation, Emissions Reduction and Clean Production

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CASS-ESG 5.0 Index

Dimension	Issue	Indicator no.	Indicator description	Where to disclose
Report Postscript		A1	Future plan	Continuous improvement and complement
		A2	KPIs	ESG Performance Indicator Table
		A3	Report evaluation	Not evaluated
		A4	Reference index	Appendix
		A5	Feedback	Continuous improvement and complement

Appendix

Glossary of Terms

Awards

Appendix

Awards

In recent years, our major accolades in the area of human resources are as follows:

Name of the Awards/Honors	Award Winning Units	Award Time	Awarding Organization
Value Case Award of 2019 China Recruitment and Appointment Value Awards	Ningbo Joyson Electronic Corp.	2019	HR Excellence Center
Best Employer Branding Video Clip Award of 2019 Employer Branding Creativity Competition	Ningbo Joyson Electronic Corp.	2019	Wings& HRflag
Best Employer Brand Creative Copywriting Award of 2020 Employer Brand Creativity Awards	Ningbo Joyson Electronic Corp.	2020	EVP Research Institute
2020 Human Resource Management Excellence Awards	Ningbo Joyson Electronic Corp.	2020	51job
Employee Experience Innovation Award of 2021 Employer Brand Creativity Awards	Ningbo Joyson Electronic Corp.	2021	EVP Research Institute
2020 Human Resource Salon Best Human Practice Award	Ningbo Joynext Technology Co., Ltd.	2020	Human Resource Salon Organization
2021 Best Employers for Human Resource Digitalization	Ningbo Joynext Technology Co., Ltd.	2022	HRTech China

Appendix

Awards

In recent years, our major accolades in the area of innovation, products and services are as follows: