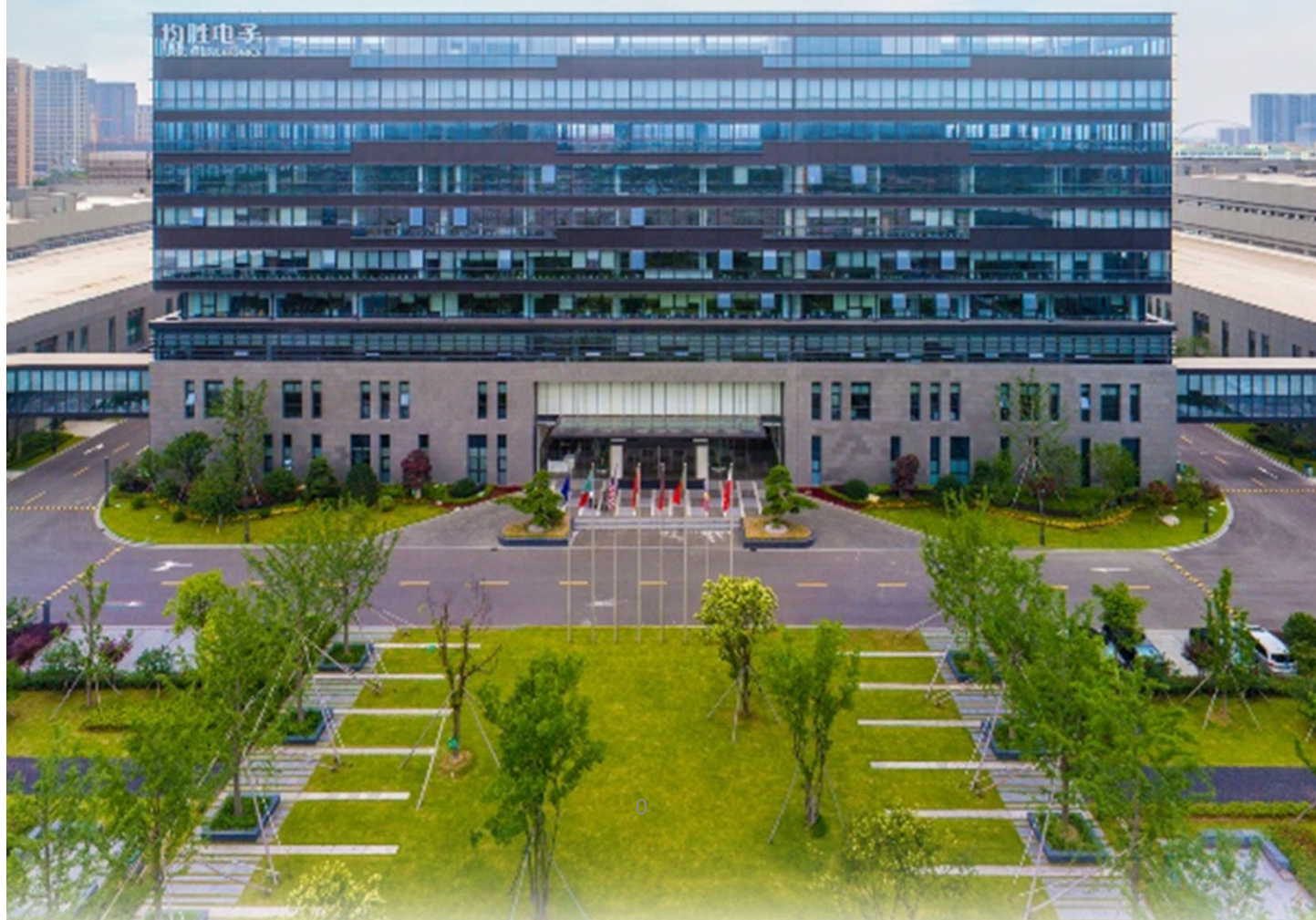


Ningbo Joyson Electronic Corp.

(Stock Code: 600699.SH)

2021 Corporate Social Responsibility & Environmental, Society and Governance Report



About this Report

This is the first Corporate Social Responsibility & Environmental, Social and Governance Report ('CSR&ESG Report' or 'the Report') issued by Ningbo Joyson Electronic Corp. (hereinafter referred to as 'the Company' and its subsidiaries (collectively referred to as the 'Joyson Electronics' or 'we') to present the management methods, initiatives and performance of Joyson Electronics in environmental, social and governance aspects in 2021.

The Board of Directors of Joyson Electronics is well aware of its responsibility for the authenticity of the Report. It also assumes full responsibility for Joyson Electronics's environmental and social governance strategy and reporting and has reviewed and approved this Report.

Reporting Period

This Report is an annual report for the period from 1 January to 31 December 2021 (hereinafter referred to as 'the Current year' or 'the Reporting Period'). To enhance the readability of the Report, some contents or data relate to previous or subsequent years.

Organisational Structure

Unless otherwise specified, the scope of the text disclosed in this Report is the same as that of the Annual Report 2021 of Joyson Electronics including the Company, Joyson Advanced Energy Institute, Joyson Intelligent Automotive Research Institute, Automotive Electronics Business Unit (BU) and Automotive Safety Business Unit (BU). For ease of expression, 'Automotive Electronics Preh' refers to 'Automotive Electronics BU Subsidiary Preh' and 'Automotive Electronics Joynext' refers to 'Automotive Electronics BU Subsidiary Joynext'.

The environmental data only covers the Automotive Electronics Preh and will be gradually expanded in the future.

Reporting Principles

This Report has been prepared in accordance with *the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in January 2022)*, *the No. 1 Self-regulatory Guidelines of the Shanghai Stock Exchange for Listed Companies – Standardized Operation*, core option of *Global Reporting Initiative Standards (2018) (GRI Standards 2018)*, *Corporate Social Responsibility Reporting Guidelines released by the Chinese Academy of Social Sciences (CASS-CSR 4.0)* and *the United Nations Sustainable Development Goals (UN SDGs)*. Unless otherwise stated, the currencies involved in the Report are measured in RMB.

Releasing Format

The Report has been published in both Chinese and English. Where the English content conflicts with the Chinese content, the Chinese one shall prevail. Readers and stakeholders may access this Report on the website of Joyson Electronics (<https://www.joyson.cn/>) and the Shanghai Stock Exchange (hereinafter referred to as 'SSE') (<http://www.sse.com.cn/>).

Contact Information

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Content

About this Report

Message from the Manager 3

1	About Joyson Electronics	4
2	Improving Governance with a Long-term Perspective	12
3	Protecting the Planet	26
4	Openness and Inclusiveness	40
5	Mutual Progress and Prosperity	54

Appendix

GRI Standards Index 77

Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0) Index 83

Glossary of Terms 86

Industry Associations 87

Awards 88

Message from the Manager

2021 has been a year of challenges. In the face of the recurring outbreak of COVID-19 around the world, the rising cost of raw materials and transportation, and the supply chain disruptions and industry recession caused by the global chip shortage, we used our strong crisis management capabilities to address various challenges and effectively complete our work, while also focusing on preventing and mitigating significant risks. During the year, we expanded our business lines in the automotive industry, improved our business model and opened new paths for development despite adversities.

Over the years, we have precisely targeted various markets to seize opportunities and expand globally, and we have harnessed the power of self-directed innovation and overseas M&As to achieve breakthroughs in terms of technological transformation and upgrading, industrial internationalisation and platform-based capitalisation. Based on these efforts, we have outperformed our competitors and become a leading Chinese company in the global automotive parts industry. We are committed to pursuing sustainability and innovation, and our dedication to offering products of the best quality and meeting the expectations of various stakeholders is the key to our success.

In 2021, the 'Four New Transformations' trend (electric, intelligent, connectivity, and transformation sharing) took hold in the industry. Against this backdrop, we embraced our intelligent connected vehicles (ICV) business line and our new energy vehicles (NEV) business line to consolidate our technology advantages and promote R&D in China. We also built the Joyson Advanced Energy Institute and Joyson Intelligent Automotive Research Institute to guide our R&D and commercialisation activities in the fields of intelligent driving, intelligent cockpits / connected systems, and new energy management system. Meanwhile, we have ushered the Company's automotive safety business into a new stage of development by introducing strategic investors and optimising resource allocations, with the goal of transitioning automotive safety from 'zero-fatalities' to 'zero-accidents'.

We fully appreciate the contribution that Joyson's people have made towards our steady progress amid intense global competition, and the unfaltering support provided by our partners and the communities in which we operate. In 2021, we pursued an 'attraction' strategy to introduce outstanding talent and management experience to Joyson, and we also identified personnel development needs to strengthen our professionals' skills. We took concrete actions to fulfil our promise to protect our customers' patents and intellectual property rights, paid close attention to their demands and pain points, and expanded the scope of our cooperation with them. During the year, we worked with our partners to promote industry development, demonstrated care for the underprivileged and our communities, leveraged our technological advantages to contribute to pandemic prevention in a scientific manner, and strived to meet our stakeholders' needs across a wide range of issues.

China has made a commitment to reaching peak carbon emissions by 2030 and carbon neutrality by 2060 (the 'dual carbon' goal), and enterprises around the world are focusing on how to operate in a green and low-carbon way and offer greener products. In this context, we are actively engaging in governance activities that address global climate change. We have incorporated low-carbon concepts and recyclability into our product designs, while also accelerating the development of new energy products. We have also promoted emissions reduction projects such as the 'cold energy recovery project' in our daily operations to improve energy efficiency. In the future, we look forward to working together with our global partners in the industry to tackle climate change by pursuing technological innovation, adopting green and low-carbon business models, and applying energy-efficient and environmental protection measures.

Against the backdrop of the national 'dual carbon' goal, we believe our new energy business line will achieve steady growth in 2022 and for many years to come, and we expect the 'Four New Transformations' to spark a new technological revolution in the automotive industry. As a leading automotive parts supplier and technical service provider, we will continue to work with our business units to seize opportunities and pursue technological innovation, raise management quality, and improve customer services. In short, staying true to our mission, we will continue to pursue excellence.

Jianfeng Wang

Chairman and President of Joyson Electronics

25 April 2022



01

About Joyson Electronics

- 1.1 Overview of Joyson Electronics
- 1.2 Organizational Structure
- 1.3 Core Business
- 1.4 Milestone
- 1.5 Global Presence
- 1.6 Mission, Values and Vision

1.1 Overview of Joyson Electronics

Joyson Electronics is one of global leading component suppliers and technical service providers for automotive manufacturers. Headquartered in Ningbo, China, Joyson Electronics has more than 40,000 employees over 30 countries globally. The Company is principally engaged in research and development (R&D), production, service and sale of intelligent cockpit / connected systems, intelligent driving, new energy management system and automotive safety systems. Now the Company has two divisions including Automotive Safety BU and Automotive Electronics BU as well as two research institutes including Joyson Advanced Energy Institute and Joyson Intelligent Automotive Research Institute.

Over the years, we have been committed to our vision of '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 technology'. We seek breakthroughs from a global perspective in our pursuit for 'safer, smarter and greener' products and rapid but balanced development with strategical marketing, cutting-edge R&D and design, trustworthy quality, and exceptional services.

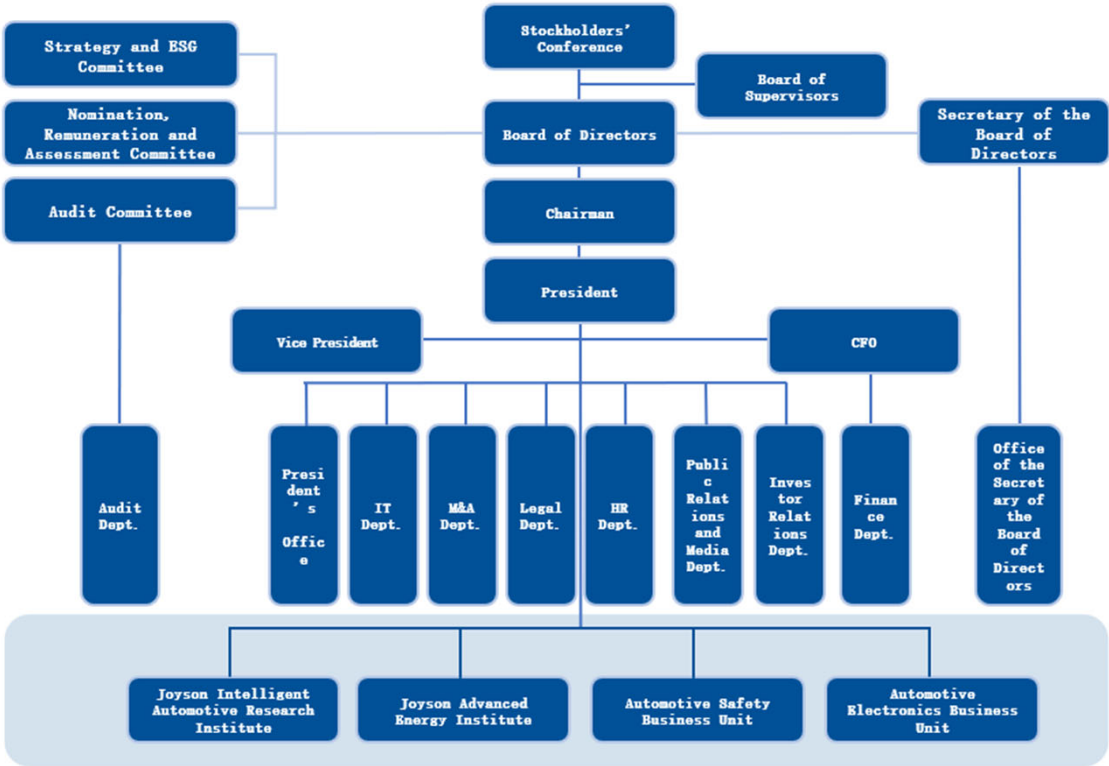
We have been exploring our business in automotive safety, intelligent cockpit / connected systems, intelligent driving and new energy management system sectors and have evolved into a structure of Automotive Safety Business Unit BU and Automotive Electronics BU for coordinated development. We also established the Joyson Advanced Energy Institute and Joyson Intelligent Automotive Research Institute as our arm in product R&D and innovation. As a reliable partner, we have formed long-term and steady partnership with global automotive manufacturers Mercedes-Benz, Daimler, BMW, Volkswagen, Audi, Tesla, General Motors, Ford, Toyota, Honda, Nissan and Mazda and tier-1 self-owned domestic brands NIO, XPENG, Li Auto Inc., BYD, Geely, GAC, etc. We have been working closely with chip manufacturers, communications, and internet companies to facilitate commercialisation of cutting-edge technologies.

Going forward, as a leader in global automotive electronics and safety sectors, we will keep pace with the industry's 'New Four Transformations' and strive for safer, smarter and greener transport in the future.



1.2 Organizational Structure

Organizational Structure of Joyson Electronics



1.3 Core Business

In 2021, we continued to focus on new lines of business such as intelligent cockpit / connected systems, intelligent driving, new energy management system and automotive safety system to leverage our advantages in the two BUs of automotive safety and automotive electronics, as well as the two institutes on new energy and intelligent automotive research to initiate and lead revolutions in technology and industry.

1.3.1 Automotive Electronics System

❖ Intelligent cockpit /connected systems

Intelligent development has become an unswerving trend in the development of the automotive industry, and also one of our development focuses. Over the years, we have centred around intelligent cockpit and intelligent driving in our exploration and innovation. We continued to make innovations in intelligent cockpit human-machine interface and in-car infotainment systems, and explore automotive connectivity, smart cloud, software value-added services and other sectors to create brand-new driving experience.

In terms of intelligence, we continued to keep close communication with Volkswagen, BMW, Audi, Ford, GM, Tesla, Geely, GAC, BYD and other vehicle manufacturers to optimise mass-produced products such as human-machine interface, domain controllers, connected vehicles and software engines in 2021. We worked with partners (such as Huawei, Qualcomm, Innovusion) in the fields of LIDAR, AI chips, operating systems to develop and promote various 'avant-garde technologies' such as intelligent cockpit total solution, intelligent cockpit domain controllers, research of intelligent network products based on 5G technology. We strengthen our R&D capability in intelligent cockpit fields to accelerate the electric and intelligent development of vehicles.

❖ Intelligent driving

With the increasing popularity of intelligence, smart driving has become a new growth point in the automotive industry. In the field of intelligent driving, vehicle manufacturers have started to build a new generation of intelligent vehicle solutions with new electrical and electronic architectures (domain controllers) as the core. Under this trend, intelligent driving domain controllers, high-precision intelligent sensors and virtual simulation platforms have become industry technology hotspots.

In July 2021, the Company established the new Joyson Intelligent Automotive Research Institute, which is dedicated to integrating artificial intelligence technology with the automotive industry and deeply participating in the trend of smart driving. The Company is positioned as a Tier1 in the field of intelligent driving, carrying out technology research and development for all levels of autonomous driving from L0 to L4, and collaborating with partners such as chip manufacturers, intelligent sensors and virtual simulation platforms to provide full-stack solutions from intelligent driving domain controllers, intelligent sensors, middleware to application layer algorithms, eventually becoming an internationally influential supplier of integrated software and hardware intelligent driving solutions.

❖ New energy management system

Against the backdrop of China's promise of reaching carbon peaking by 2030 and carbon neutrality by 2060 ('dual carbon') in recent years, new energy vehicle and energy storage industries are presented with more opportunities, though an industry chain of new energy vehicles has basically matured, there is still much room for developing the energy and power segments in the new energy field. We focus on new energy electronic control and power electronics when investing in the new energy R&D. The newly established Joyson Advanced Energy Institute integrates Joyson Electronics' global R&D resources and works with tertiary institutions to form an innovation consortium of the industry, academia and research institutions to promote the R&D of power electronics technologies, such as wireless charging and superfast charging of new energy vehicles.

We have a well-developed layout of mainstream new energy vehicle technologies and are capable of developing, testing, verifying and manufacturing battery management system (BMS) for 12V, 48V. We have a well-developed layout of mainstream new

1.3 Core Business

energy vehicle technologies and are capable of developing, testing, verifying and manufacturing battery management system (BMS) for 12V, 48V, 400V and 800V electrical systems. , 400V and 800V electrical systems. As a global leader in the technology and market of BMS and power electronics for pure electric vehicles and hybrid vehicles, we can provide integrated, modular, platform-based products. We have also made multiple technological advances in the fields of high voltage fast charging, wireless charging, multi-functional DC/DC voltage converters and on-board charger (OBC) which have been mass-produced for Europe-based luxury cars.

In recent years, we have become the supplier of renowned automotive companies including Porsche, BMW, Mercedes-Benz, Volkswagen, Volvo, Geely, Lynk&Co in the fields of new energy electronic control. In active response to domestic market demand, we have optimised our process system to promote the 'internal circulation' of the new energy vehicle industry in China..

1.3.2 Automotive Safety System

Our automotive safety products are provided by our global leading supplier of automotive safety system, i.e., Joyson Safety Systems (referred to as the 'Automotive Safety BU'), it mainly provides active and passive safety products such as airbags, seat belts, steering wheel, crash sensors, driver monitoring systems (DMS) and other products. In 2021, we continued our steady course to integrate global resources of the automotive safety business and optimise resources allocation. To accelerate the deployment and replacement of advanced production capacity for the automotive safety business, we improve operational efficiency and provide customers with more reliable and stable automotive safety products through an intelligent manufacturing management system of 'process automation, flexible platform, information driver and intelligent business'.

We strive to expand our customer base and market capacity to increase market share based on our continued focus on the Chinese market and by leveraging our localisation advantage and giga-factory strategy. To further develop the automotive safety business, we introduced strategic investors in the year to raise more funds for long-term sustainable development of the active and passive automotive safety business.

1.4 Milestone

Start-up years 2004 - 2008

In 2004, Joyson Electronics founded. 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. By 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 globalization 2010 - 2016

In 2011, Joyson Electronics was listed on the Shanghai Stock Exchange (SSE) and became an international automotive electronics company with independent intellectual property rights growing in China. 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 laid 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 optimization, the layout of Joyson Electronics in the field of automotive safety and intelligent driving has been further improved.

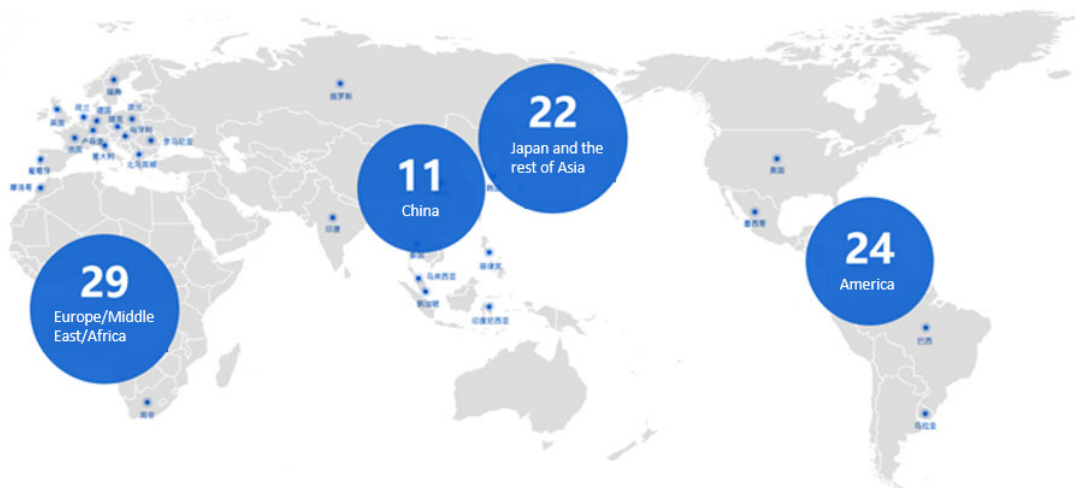
New Journey 2020 - Present

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 led into strategic investors and obtained more comprehensive support in terms of policy, industry, resources and funds. At present, Joyson Electronics has formed a better situation in which business such as intelligent cockpit/ connected systems, intelligent driving, new energy management system and automotive safety systems, and set foot on a new journey of development.

1.5 Global Presence

We continue to accelerate the pace of globalization. We have set up R&D centers and production bases in Asia, Europe and the Americas, now covering more than 30 countries and regions with 3 core R&D centres and supporting factories in major automotive producing countries.

Global Layout



1.6 Mission, Values and Vision

Vision

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 technology.

Mission

With China, Germany, Japan and USA as the centers, we are intended to provide automobile parts and services of technical innovation, excellent quality, reasonable price and, value for money for excellent automobile manufacturers.

Encourage global professional technical team to learn about the demands of the customers and keep constant upgrading of customer value via constant innovation ability as well as work enthusiasm and become a preferred partner of the customers.

Excellent performance provides a wide space and platform for the employees to develop. Professional work environment improved constantly, tolerant work atmosphere and study-based development organization make the Company the best employer for employees.

An electronic enterprise approved by the customers with the greatest development potential, creating return and profit for shareholders and all partners.

Values

Integrity: providing excellent products and services for the customers in compliance with laws and business practices; being honest to all shareholders, employees and the Company.

Employee encouragement: encouragement and reward should be given to employees for their innovation, good performance, motivation and study in business, courage to take risks and responsibilities and legal compliance.

Emphasis on outstanding achievements: taking responsibility for work results and meeting requirements of the customers; paying attention to work efficiency and comprehensive quality.

Support for change: actively facing to the reform, actively innovating, constantly improving working procedures and methods, advocating self-learning for self-improvement and striving for better performance.

High performance team: focusing on team target and the overall benefits, pursuing dedication, supporting each other, sticking to disciplines, emphasizing working methods and procedures and trusting in others.

Diversity and inclusion: respecting diversified cultural backgrounds and faiths of employees of Joyson Electronics from across the world, advocating tolerant and harmonious work atmosphere and creating an atmosphere fit for work and life of global employees.

02

Improving Governance with a Long-term Perspective

- 2.1 Compliance Governance
- 2.2 ESG Governance
- 2.3 Practice of UN Sustainable Development Goals (UN SDGs)



JOYSON
SAFETY SYSTEMS
GLOBAL HEADQUARTERS

2025

2.1 Compliance Governance

2.1.1 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, emphasize 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 of the Board of Directors of Joyson Electronics (including 3 independent directors), which includes 2 female directors accounting of 22% and 7 male directors. There were 3 members of supervisors (including 1 employee representative supervisors), which includes 1 female supervisor accounting for 33% and 2 male supervisors. A total of 3 shareholders' meetings, 10 board meetings, 8 supervisory meetings, 10 special committees of the board of directors and other 31 important meetings were held.

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 and the listed company adopt a coordinated approach of control. In addition to regular communication, the listed company's IA department gathers and summarises audit reporting materials submitted by the BUs. The IA department also reviews the quality of BU management's self-evaluation results during the C-SOX interim and final reviews each year to ensure the operating effectiveness of the overall internal control system. In 2021, the listed company launched 3 special audits of procurement audit, inventory and logistics audit, and operational responsibility audit.

Meanwhile, to strengthen internal control governance, reduce risks and ensure healthy development, we perform departure audit of executive management of the listed company head office and the BUs, and other key personnel designated by the Joint Conference on Ethics Compliance and Information Security (the 'Joint Conference') to evaluate the leaving personnel's performance of their responsibilities and duties for stronger supervision over key personnel.

2.1.2 Information Disclosure

In order to accept the supervision from the public and investors, and strength the stakeholder's understanding and recognition of Joyson Electronics, so that they can obtain timely and accurate information. We make comprehensive use of traditional media and new media platform such as official website, official LinkedIn account and official Wechat account to increase the channels of information disclosure and communication, enrich the forms of information

dissemination and enhance the communication effect. We fully communicate with investors by interaction on the Electronic Platform of the SSE, emails, answering their calls, receiving their visits for research, holding investor briefings and attending strategy meeting, etc.

2.1 Compliance Governance

We strictly follow *Administrative Measures on Information Disclosure by Listed Companies (2021)*, *Provisions on the Registration and Management System for Persons Privy to Insider Information of Listed Companies*, etc. 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

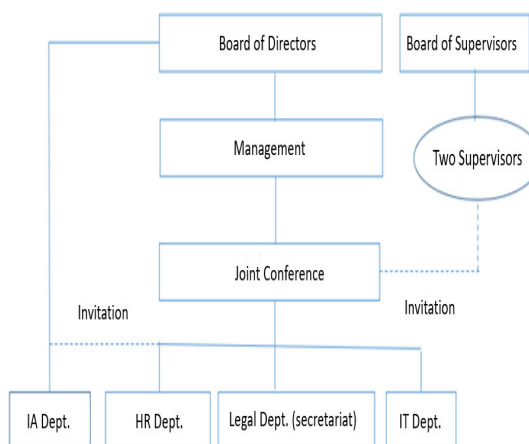
of information disclosure with truthful, accurate, complete and punctual compliance disclosure, and strengthen the disclosure awareness and responsibility of relevant personnel to avoid information disclosure violations.

In 2021, we prepared and disclosed a total of 4 periodic reports, issued 62 announcements, and held a total of 2 investor presentations.

2.1.3 Business Ethics

We insist on integrity and business ethics and are responsible for our business behaviours. We strive to establish a Compliance Governance system in light of the leading industry practices and insist on creating an integrity-based corporate culture in every aspect of our daily operation.

To strengthen the management of ethics compliance and information security, the Joint Conference under the management directly reporting to the President was established in 2019. The Joint Conference is comprised of the Vice President, heads of the Legal Department, Human Resources Department and IT Department, it also invites the chairman and members of the listed company's Board of Supervisors and the head of the IA Department under the Audit Committee of the Board of Directors to be its members. The Company's Vice President and chairman of the listed company's Board of Supervisors are joint chairmen of the Joint Conference while the Legal Department acts as the secretariat of the Joint Conference. All Joyson Electronics BUs have their respective contacts for ethics compliance and information security responsible for liaising with Joint Conference on behalf of their respective BUs.



Joint Conference in the Listed Company's Organizational Structure

As a working arm of Joyson Electronics global management head office, the Joint Conference aims to establish a robust, sound and globally consistent ethics compliance and information security policies and performance system to effectively prevent, mitigate or eliminate risks and their adverse consequences, and provide recommendations and full support to our work in ethics compliance and information security.

2.1 Compliance Governance

Key Responsibilities of the Joint Conference:

- Execute resolutions of the Board and President of the Company on ethics compliance and information security;
- Formulate policies and documents on ethics compliance and information security for the listed company;
- Formulate plans for investigating material breach of ethics compliance and information security, perform the investigation and provide recommendations on the breach treatment;
- Oversee the BUs' development of annual ethics compliance and information security plans and their implementation; and
- Support and guide the BUs' development and implementation of policies related to ethics compliance and information security.

To implement and regulate the relevant tasks, the Joint Conference has issued policies and implementation guidelines including the *Ningbo Joyson Electronics Corp. Guidelines on Protection of Trade Secrets*, *Ningbo Joyson Electronics Corp. Policy on Conflicts of Interest and Disclosure of Certain Interests*, and *Ningbo Joyson Electronics Corp. HR Guidance on Compliance, Ethics & the Police of Conflicts of Interest and Disclose of Certain Interests*. It has also released the *Joyson Code of Business Conduct* to define the baseline of being legally and ethically compliant.

We hope that our employees fully understand Joyson Electronics' requirements on business ethics to act in accordance with the Code of Conduct. To this end, we disseminate the information to all our employees through comprehensive trainings, annual conflict of interest declaration, disclosure requirements, etc.

Employee trainings	<ul style="list-style-type: none"> ▪ Information related to Code of Conduct, conflicts of interest and information security is included in induction trainings for new recruits and annual trainings to enhance all employees' understanding and knowledge; ▪ Through hybrid mode of online and offline trainings, we cover all our employees in our training with higher efficiency.
Annual conflict of interest declaration	<ul style="list-style-type: none"> ▪ We arrange for our employees to declare conflict of interest every year, so that they will have an opportunity to check the compliance of their behaviours. The explanations and training embedded in the declaration also help employees understand and learn; ▪ The Joint Conference will appoint persons in charge of the subsequent verification, discussion and follow-up actions depending on the information declared and levels of declared issues.
Transparency and openness	<ul style="list-style-type: none"> ▪ All requirements on business ethics are accessible to our employees on the Intranet, and major terms are publicly available on the corporate website. Revisions to policies and documents are simultaneously updated to ensure information transparency, openness, timeliness and validity; ▪ We provide support concerning laws, regulations and corporate policies to employees if they have any ethics and compliance-related issues to help them understand our Code of Conduct and relevant requirements.

2.1 Compliance Governance

Anti-Fraud

Joyson Electronics prohibits all forms of bribery. All the employees and any third parties acting on behalf of Joyson Electronics must comply with all applicable anti-bribery laws and regulations. Regardless of local practice or custom, no bribes, kickbacks, corrupt payment, facilitation payments or improper gifts shall be supplied, offered to or accepted from government officials, any business person or entity. To cultivate an atmosphere of integrity and diligence, and to prevent related events, we have established a special *Ningbo Joyson Electronics Corp. Anti-fraud Policy* and published it on the official website of Joyson Electronics. In 2021, there were no violations involving corruption in Joyson Electronics.

Case

The Automotive Safety BU has established a comprehensive Compliance Governance system with additional provisions for anti-fraud:

- Conduct annual risk assessments and anti-fraud checks to identify risk types and risk control measures;
- Develop a global compliance training policy and training matrix, and conduct compliance training based on this program;
- Identify abnormal behavior in financial reimbursement process;
- Establish an exit interview process and a communication line which is entrusted to a third party; and
- Conduct targeted audit work to risk assessment and annual performance.

2.1 Compliance Governance

Anti-monopoly and Anti-unfair Competition

Joyson Electronics is highly concerned about anti-monopoly and anti-unfair competition risks in compliance with the *Anti-monopoly Law of the People's Republic of China*, *Law of the People's Republic of China Against Unfair Competition* and other laws of the places where we operate. We assign the Legal Department and the Compliance Department as the initiators to set up a special task force responsible for drafting anti-monopoly and anti-unfair competition policies, providing thematic training, circulating, following up and studying regulatory developments and handling anti-monopoly and anti-unfair competition cases and litigations. We have formulated internal policies and system such as the *Antitrust and Fair Competition Policy* to regulate the process.

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 2021.

Information Security and Trade Secret Protection

Joyson Electronics is committed to effective protection of trade secret and clients' information and strives to ensure the security of information in business activities.

In addition to setting up a Joint Conference to coordinate related matters and hold publicizing 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. We have established relevant systems such as *Customer Property Management Control Procedure* to control and management all clients' property (including intellectual property) provided by clients. For client intellectual property, including

drawings, software, technical data, technical documents or patents, etc., the Sales Department is responsible for determining and clarify confidentiality responsibilities with clients before contracts are signed. 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 terms of internal information systems, we strictly abide by *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China* and other regulations of the operation location. We have formulated 16 rules and regulations such as *Data Classification Policy*, *Data Retention Policy*, *Outsourcing Policy* and *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, so as to reduce potential risks related to information security by system regulation.

In 2021, there was no major violation of laws related to information security and no confirmed complaint related to infringement of client privacy in Joyson Electronics.

Complaints and Reports

We provide comprehensive and diverse feedback, grievance and reporting channels and encourage our employees, suppliers and stakeholders to report potential violations or make suggestions on our Compliance Governance in name or anonymously. For the listed company, we have a global whistleblower hotline and email address, and each Business Unit has its own reporting channels.

2.1 Compliance Governance

We prohibit retaliation against anyone who raises concerns about business practices or cooperates in a corporate investigation. No director, officer or employee in good standing who reports a concern shall be subject to harassment, retaliation or adverse employment consequences. If a potential violation is reported, the compliance officers of the Internal Audit departments or each Business Unit will be responsible for further investigation. For confirmed incidents, in addition to taking appropriate measures against the violator, communicating the results internally and to external third parties as necessary, written reports assessing and improving internal controls are required to minimize the occurrence of similar violations.

In 2021, a total of 6 reports were received through the Company's reporting mailbox, with a 100% response rate and an 83% completion rate (1 of which could not be followed up because the information provided in the report was too vague).

Complaint and report hotline and email address:

Tel: +86- 0574-87515507

Email Address: IA@joyson.cn

2.1.4 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 2021, Joyson Electronics had no breach of tax laws and regulations.

2.2 ESG Governance

2.2.1 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 implementation of ESG work through continuous improvement of governance, clear and unambiguous delineation of authority and responsibility, and identification of international sustainable development trends and risks and opportunities.

The Board, as the highest decision-making body for ESG work, and its Strategy and ESG Committee, are

responsible for guiding the direction of our ESG work, regularly reviewing and providing independent advice on ESG performance, and assuming overall responsibility for ESG matters. Going forward, the Board will strengthen its ESG risk management efforts and assume responsibility for internal monitoring of ESG risks to protect our growth and the long-term interests of our stakeholders.

The ESG Working Group is the executive body responsible for coordinating and carrying out ESG work, implementing ESG plans, effectively recording and reporting ESG-related data, and fully implementing ESG-related management.

ESG Governance Structure of Joyson Electronics

The Board of Directors	<ul style="list-style-type: none"> ➤ Responsible for overall ESG governance ➤ Responsible for overall decision making on ESG work
The Strategy and ESG Committee	<ul style="list-style-type: none"> ➤ Guiding the direction of ESG work ➤ Monitoring the review of ESG performance
The ESG Working Group	<ul style="list-style-type: none"> ➤ Implementing the ESG work plan ➤ Communication and coordination of ESG matters ➤ Collecting and reporting ESG information

2.2.2 Communication with Stakeholders

We regard stakeholder communication as the cornerstone of sustainable development work and establish a multi-channel communication and feedback mechanism for this purpose. We collect and identify the demands of various stakeholders and deepen the participation of stakeholders in ESG management, so as to improve the sustainable development performance of Joyson Electronics and effectively respond to the expectations of all parties.

2.2 ESG Governance

Stakeholders	Expectations and needs	Communication and feedback
Government	<ul style="list-style-type: none"> ▪Compliance governance and risk control ▪ESG governance ▪Business ethics and anti-corruption ▪Taxation and value creation ▪Employment development ▪Protection of intellectual property rights and scientific research and technological innovation ▪Tackling climate change and reducing greenhouse gas emissions 	<ul style="list-style-type: none"> ●Daily communication and reporting ●Acceptance of supervision and assessment ●Strengthen compliance operation management ●Proactive taxation ●Multi-partnership to promote local employment ●Insisting on innovation and increasing investment in R&D ●Deepening energy conservation and emission reduction projects, reducing energy and resource consumption and emissions generation, etc.
Investors	<ul style="list-style-type: none"> ▪Compliance governance and risk control ▪ESG governance ▪Business ethics and anti-corruption ▪Production & operation and industrial layout ▪Protection of intellectual property rights and scientific research and technological innovation ▪Tackling climate change and reducing greenhouse gas emissions 	<ul style="list-style-type: none"> ●Regular investor interviews, meetings, roadshows and meetings with shareholders and investors ●Strengthen compliance operation management to create shareholder value ●True, accurate and complete disclosure of information ●Equal treatment of small and medium shareholders ●Insisting on innovation and increasing investment in R&D ●Deepening energy conservation and emission reduction projects, reducing energy and resource consumption and emissions generation, etc.
Customers	<ul style="list-style-type: none"> ▪ESG governance ▪Business ethics and anti-corruption ▪Product and service quality improvement ▪Customer satisfaction improvement ▪Protection of intellectual property rights and scientific research and technological innovation 	<ul style="list-style-type: none"> ●Daily service communication ●Strengthen compliance operation management ●Strengthen product quality management ●Conducting customer satisfaction surveys ●Insisting on innovation and increasing investment in R&D
Staff	<ul style="list-style-type: none"> ▪Compensation, benefit and incentives ▪Employee training and development ▪Humanistic care ▪Employee relations and work experience ▪Health and safety at work 	<ul style="list-style-type: none"> ●Compliance with laws, regulation and international employment practices ●Providing competitive compensation and benefits ●Providing various forms of training ●Building a smooth career development channel ●Promoting work-life balance ●Employee care activities, Joyson Cares Fund ●Acceptance employee complaints and feedback, etc.
Partners	<ul style="list-style-type: none"> ▪Business ethics and anti-corruption ▪ESG governance ▪Supply chain management and transparent sourcing ▪Win-win cooperation 	<ul style="list-style-type: none"> ●Improve procurement management ●Sunshine Procurement ●Special exchange activities for suppliers ●Supplier screening and evaluation ●Developing innovative cooperation models, etc.

2.2 ESG Governance

Stakeholders	Expectations and needs	Communication and feedback
Industry	<ul style="list-style-type: none"> ▪Fair competition ▪Promoting the progress of the industry and the development of the industry chain ▪Protection of intellectual property rights and scientific research and technological innovation ▪Business ethics and anti-corruption 	<ul style="list-style-type: none"> ●Improving Compliance Governance and rejecting vicious competition ●Strengthening strategic cooperation ●Carrying out exchange of experience ●Insisting on technological innovation, etc.
Environment	<ul style="list-style-type: none"> ▪Reducing the impact on the environment and natural resources ▪Tackling climate change and reducing greenhouse gas emissions ▪Improving operational eco-efficiency 	<ul style="list-style-type: none"> ●Practicing green operations ●Deepening energy conservation and emission reduction projects to reduce energy resource consumption and emissions generation ●Exploring new energy fields, developing low-carbon products, etc.
Community	<ul style="list-style-type: none"> ▪Community communication and building ▪Taxation and value creation ▪Career development ▪Tackling climate change and reducing greenhouse gas emissions ▪Pollutant emission management ▪Resource recycling and utilization 	<ul style="list-style-type: none"> ●Actively participating in community welfare ●Active taxation ●Multi-party cooperation to promote local employment ●Deepening energy conservation and emission reduction projects to reduce energy resource consumption and emissions generation ●Combating the epidemic ●Conducting Joyson open day activities, etc.

2.2 ESG Governance

In 2021, we continued to establish and improve the stakeholder participation mechanism, carried out diversified stakeholder communication activities, and improved communication with stakeholders through activities such as Joyson Open Day and Joyson Online Tour.



In order to promote the dissemination of driving civilization and driving technology, Joyson Electronics has set up Joyson Open Day, which is open to students and teachers of domestic and foreign universities, entrepreneurs, government departments and other stakeholders, and invited people from all walks of life to visit and communicate with us. In 2021, more than 40 open days were held, and the number of visitors reached 5,000.

2.2.3 Materiality Assessment for ESG Topics

We attach great importance to the identification and management of ESG topics, based on the actual business operation and development plan, combined with the feedback from various stakeholders and external experts' opinions. In addition, we widely refer to the leading practices of the industry and industry hotspots, domestic and international sustainability-related standards and capital market ESG rating indicators and construct the CSR&ESG report substantive issues database. In the first Report disclosure, we focused on the opinions of internal stakeholders and sorted out the substantive issues matrix of this Report by combining interviews with questionnaire research. The matrix presents the materiality of issues into three levels: very important, important, and relevant.

2.2 ESG Governance

01 Identification and Confirmation of Social Responsibility Issues

- Comprehensively sort out the key points of our sustainable development work and feedback from stakeholders, conduct a benchmark analysis of industry hotspots and leading practices, and determine the scope of topics;
- Identify the industry's focuses in the area of sustainability by referring to the capital market ESG rating assessment elements in combination with sustainability disclosure-related guidelines and targets to identify industry priorities in the area of sustainability.

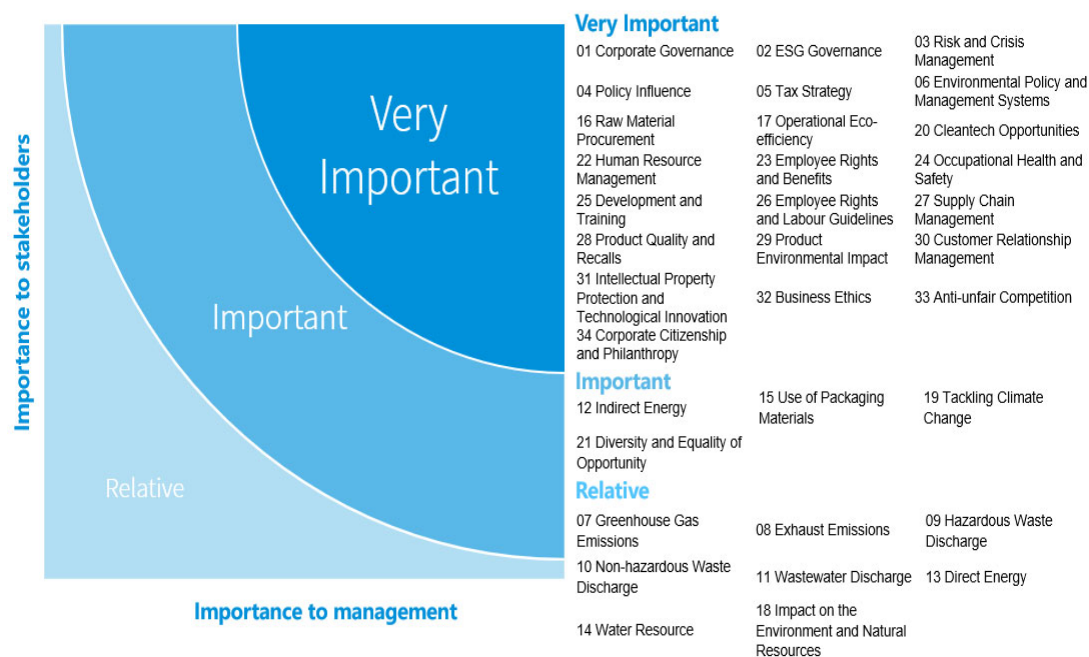
02 Stakeholder Communication and Research

- Conduct stakeholder interviews to gather feedback and suggestions on our sustainability practices and views on future sustainability strategies;
- Prepare an online questionnaire for assessing the materiality of social responsibility topics, invite internal stakeholders to score the materiality of the corresponding social responsibility topics, and collate and analyze the final research results and the overall rating of internal stakeholders' satisfaction with Joyson Electronics' sustainable development; the final score was 4.5 (out of 5.00), which is relatively high.

03 Materiality Assessment

- Based on the results of the stakeholder research questionnaire and the Company's development, we evaluate the material topics in two dimensions: 'importance to stakeholders' and 'importance to management' and rank the substantive social responsibility issues according to their scores to generate a matrix.

In 2021, we paid more attention to the following ESG topics: corporate governance, ESG governance, risk and crisis management, environmental policies and management systems, clean technology opportunities, supply chain management, product management, customer management, employee management, protection of intellectual property rights and technology innovation, business ethics, etc.



Going forward, we will continue to pay attention to the feedback from all parties and update the issue database. We also plan to expand the scale of research based on the original stakeholders who participated in the material topics assessment when the conditions are ripe, so as to more comprehensively and fully understand the demands of various parties and support the adjustment of management strategies and the deepening of sustainable development work.




2.3 Practice of UN Sustainable Development Goals (UN SDGs)

In 2021, Joyson Electronics comprehensively sorted out and examined the connection between its own operations and the 17 sustainable development goals of the United Nations. We integrated the core areas of business development with the SDGs, focused on 12 goals such as industry, innovation and infrastructure, reduce inequality, responsible consumption and production, and climate action etc. to carry out actions, and work with stakeholders to promote global sustainable development goals realization.

Corresponding SDGs		Our Actions in 2021
		Governance Aspects
		<ul style="list-style-type: none"> ▪ Carry out work in a compliant, responsible and efficient manner, continuously promote the construction of clean government and strengthen risk management; ▪ Our employees come from all over the world. We respect diverse cultural backgrounds and beliefs and advocate a tolerant and harmonious working atmosphere; we prohibit the employment of child labour, forced labour and all forms of discrimination. As of the end of the Reporting Period, female employees accounted for 22.2% of the management¹; ▪ We invest in cutting-edge technology, keep forging ahead, and make new achievements in new fields. With the continuous development of the enterprise, we provide a platform for the career development of tens of thousands of employees. In the rapidly changing external environment, we reflect business resilience and growth momentum, and share achievement with employees; ▪ We work closely with stakeholders in product development and green development to build consensus and jointly address the challenges of sustainable development.
		
		
		Environmental Aspects
		<ul style="list-style-type: none"> ▪ Guided by the vision of green and low-carbon development, we have set up a working group on energy conservation and emission reduction to promote energy conservation and material conservation and reduce energy and resource use and emissions. We focus on helping suppliers to achieve greener and lower carbon operations to support sustainable production across the value chain; ▪ We take quick action in addressing climate change, establish a Joyson Advanced Energy Institute, focus on battery and energy storage research, and explore the close integration of climate change and business; ▪ For local public emergencies and extreme weather events, we establish and improve emergency management systems, improve emergency management organizations, and prepare and integrate emergency plans and on-site disposal plans to strengthen emergency management.
		

1: The statistical calibre of management: the board, supervisor and senior manager.

2.3 Practice of UN Sustainable Development Goals (UN SDGs)

Corresponding SDGs		Our Actions in 2021
		Social Aspects
		<ul style="list-style-type: none"> ▪We pay attention to employee care and offer employee canteens, fitness centres, multiple benefits, and Joyson Cares Fund; ▪We attach great importance to employee training and development. Through the JOOC training platform, 'Joyson Talk', and the global joint training model. We encourage employees to improve themselves and further their studies, and establish a training base for Joyson Electronics Intelligent Manufacturing Academy to cultivate technical talents and promote the economic development of the industry; ▪In the face of the epidemic, we work together and combine our own operational practices to achieve timely supply of scarce materials through industry cooperation, cross-border production and other scientific means of fighting the epidemic, helping the world to fight the epidemic together; ▪We are enthusiastic about public welfare, by conducting project of the 'Joyson Reading Stations', the 'Migratory Bird Dream Project' and the 'Open Day for Elementary and Middle School Students' to extend warmth and care. In addition, we focus on charitable causes related to education and poverty alleviation and contribute to community education and poverty alleviation activities with an annual charitable donation of RMB 2 million.
		

03

Protecting the Planet

- 3.1 Energy and Resources
- 3.2 Emissions and Waste
- 3.3 Energy Conservation, Emissions Reduction and Clean Production
- 3.4 Noise Management and Biodiversity Protection
- 3.5 Addressing Climate Change

JOYSON
SAFETY SYSTEMS
GLOBAL HEADQUARTERS

25

3.1 Energy and Resources

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 utilization efficiency, reduce pollutant emissions, and constantly broaden new ideas for low-carbon operation in combination with production and operation practice. During the Reporting Period, we are constantly investing in environmental protection, with the Automotive Safety BU (China) alone investing nearly RMB 3,345,000.

In 2021, we had no major environmental violations.

3.1.1 Energy and Resources Management

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 standardize the energy and resources usage, strive to build a resource-saving and environment-friendly enterprise, and realize the coordinated and sustainable development of people, resources and environment.

We attach importance to the construction of management system and the setting of target indicators. Each business unit has set up an overall EHS management policy and management structure at the global level to supervise and manage the global EHS work combining with their own operation practice. At the same time, all localities have EHS structures to assist in the follow-up, including the implementation of regular inspection and testing, environmental performance evaluation, target inspection and so on. The non-conformities found

in the inspection shall be rectified according to *the Events, Non-conformities and Corrective Actions*. Consideration of energy consumption indicators has also been included in the performance appraisal in the production field to promote continuous improvement. Taking the Automotive Safety BU as an example, in 2021, we formulated environmental management objectives including power consumption per ten thousand RMB output, carbon dioxide emission per ten thousand RMB output, sewage per ten thousand RMB output, hazardous waste per ten thousand RMB output, etc., which have been achieved. At present, the Automotive Safety BU (China) and Automotive Electronics BU (China) have obtained ISO14001 certification.

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 organization structure in each factory, set up an energy cost centre, match the target system and allocate it to each department in each region, conduct monthly tracking analysis in combination with output fluctuation, equipment status, etc., and finally ensure lean and effective energy consumption.

3.1 Energy and Resources

Our guiding principles

The Preh Group Management Board understands the **health and safety** of all employees as well as the **protection of environment and climate** as important corporate guiding principles for a **sustainable acting**. We assess **current and future activities** regarding ecological and safety aspects, whereby the relevant environmental and safety **legislations** are considered as a **minimum requirement**. Thereby prevention takes a central significance. Our employees and partners are encouraged to contribute actively with the following guiding principles:

Occupational health and safety

Our work safety organizations in the Preh sites develop, realize and optimize work safety concepts continuously under consideration of country-specific regulations and conditions. We orient on the following control hierarchy to ensure the health of our employees by the maintaining of a safe work environment by:

- hazard elimination and substitution, as far as possible
- technical measures to promote a. o. machine safety and workplace ergonomics
- organizational measures, like instructions
- provision and use of personal protective equipment

Conservation of resources and protection of environment and eco-systems

We respect our environment and implement actions to avoid negative impacts. We established therefore the following principles for all production sites:

- prevention of air, water, soil and other pollutions
- reduction of resource consumption and waste generation
- protection of local ecosystems by compliance with phytosanitary measures (e.g. for wood packaging)

Conservation of energy and climate protection

At the Preh sites we strive for the improvement of our energy related performance by limiting our consumption and reduction of greenhouse gas emission by:

- analyze and evaluation of energy consumption
- implementation of realizable energy efficiency projects and usage of renewable energies
- participation in climate reporting initiatives

To realize our principles, we commit to:

- assess the needs and expectations of all shareholders by joint cooperation and open dialogues;
- fulfill our **compliance obligations** whereby legal requirements represent our minimum standard;
- promote **responsible chemical management** – including selection, handling, storage and disposal of chemicals to prevent potential negative impacts;
- assess EHS-related aspects of our activities and products to **avoid injuries and occupational diseases** and to **ensure environmental protection**;
- inform, qualify and motivate our employees to **promote the awareness** for a responsible acting towards our **process and product responsibility**;
- establish **emergency organizations** to ensure that immediate actions in case of incidents and accidents are taken to minimize negative impacts to persons and the environment;
- ensure **fire protection** by developing adequate and compliant concepts in cooperation with local authorities;
- promote **responsible sourcing** through our supply chain and to encourage our suppliers and contractual partners for a sustainable production and economizing;
- improve the **EHS performance** through continuous monitoring, reporting and implementation of actions.

Our activities focus on the preservation of environment and local ecosystems, corporate sustainability and responsibility towards our employees as well as partners.

3.1 Energy and Resources

3.1.2 Energy and Resource Usage

In the production process, we use electricity, natural gas, gasoline and water as the main resources and energy. The production process of the division is dominated by electricity and a small amount of natural gas and gasoline. 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.

We adhere to the recycling of resources and take circular economy as the key point of development. We have strengthened our management of the use of packaging materials, raw materials and recycling of production waste.

- 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 utilization rate of packaging materials, recycling packaging materials and increasing the proportion of recyclable materials. In the Automotive Electronics BU, we have taken

special recycling measures for recyclable pallets as the Automotive Electronics Preh (China) alone recycled 1,655 pallets in 2021. In the Automotive Safety BU, the Logistics Department will carry out cost analysis every year and track the fluctuation of the relative percentage of packaging material investment with sales increasing and production changes. In 2021, the purchase amount of recyclable packaging materials of Automotive Safety BU (China) accounted for 21.82% of the total purchase amount of packaging 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 2021, 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 2021, a total of 18.6 tonnes of various types of production waste were collected.

Types of energy and waste	Unit	Data in 2021
Energy usage		
Electricity	KWh	84,048,095.00
Natural gas	m ³	1,798,985.00
Diesel oil	L	61,186.00
Gasoline	L	39,945.29
Heating Oil	L	40,352.00
Comprehensive energy consumption	GWh	103.94
Energy density (based on earnings)	GWh /million RMB	0.01
Resource utilization		
Water	Ton	92,097.00
Water consumption density (based on earnings)	Ton/ ten thousand RMB	0.09

3.2 Emissions and Waste

3.2.1 Emissions and Waste Management

We strictly abide by laws and regulations including *the Law on Prevention and Control of Air Pollution of the People's Republic of China, the Law of People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law on Prevention and Control of Water Pollution of the People's Republic of China, Management Measures for Hazardous Waste Transfer Receipt, Integrated Emission Standard of Air Pollutants [GB 16297-1996] and the Pollution Control Standard for Hazardous Waste Storage [GB18597-2001 (revised in 2013)]* and so on. All business divisions and subordinate enterprises formulate corresponding management systems such as *the Work Instruction of Waste Noise, Water and Gas Management, Waste Management, Process Instruction of Waste Management*, and emergency plans for environmental emergencies according to the actual operation, so as to realize comprehensive emission supervision and timely response to emergencies. Each operation site shall carry out internal sampling inspection and supervision on the discharge of exhaust gas, wastewater and waste according to the standards of local environmental protection departments to ensure that the discharge meets the standards.

3.2.2 Emissions and Waste Generation

Our emissions mainly include exhaust gas, wastewater and waste. Relying on the environmental management system, we carry out pollution prevention strategies and cooperate with external third parties to effectively monitor and treat emissions and waste.

➤ Exhaust Gas

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 organization to carry out testing in accordance with the provisions of the Environmental Protection Agency.



Waste gas treatment facilities of painting workshop - Regenerative Thermal Oxidizer (referred to as 'RTO'). The waste gas collection rate of fully enclosed painting line is 95%, and the RTO treatment rate is 90%.



Waste gas treatment facilities of painting workshop - Regenerative Catalytic Oxidizer (referred to as 'RCO'). The waste gas collection rate of the fully enclosed painting line is 95%, and the RCO treatment rate is 90%.

3.2 Emissions and Waste

➤ Wastewater

We basically have no production wastewater discharge. The wastewater generated is mainly domestic sewage, which is incorporated into the Municipal Pipe Network. 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. It shall be regarded as hazardous wastes after being collected and sealed then handed over to a qualified third-party organization for disposal.

➤ Waste

To implement targeted and compliant treatment of waste to minimize the impact of waste on the environment and realize resource recycling, we set up special collection buckets of different colors in the plant and office area according to waste materials and treatment methods, so as to classify and dispose the waste.

Waste types	Waste categories	Disposal methods
Hazardous waste	<ul style="list-style-type: none"> ▪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 a qualified third-party organization, and the qualification of the organization's hazardous waste treatment directory shall be reviewed every year.
Recyclable waste	<ul style="list-style-type: none"> ▪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	<ul style="list-style-type: none"> ▪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.

3.2 Emissions and Waste

Index	Unit	Data in 2021
Solid waste		
Hazardous waste	ton	752.00
General solid waste	ton	3,988.70
Wastewater		
Wastewater	ton	87,304.00

3.3 Energy Conservation, Emissions Reduction and Clean Production

Together with the actual production, we have carried out reasonable research, actively pilot and in-depth promotion, solidified a number of advanced environmental protection management practices, and constantly laid the foundation for the realization of 'zero emission' and the construction of green enterprises.

In order to ensure the unified management and deep implementation of energy conservation and emission reduction projects, we set up an energy conservation and emission reduction team at the level of Joyson Electronics, with the vice chairman of the Company as the leader of the energy conservation and

emission reduction team, the business division and relevant factories are involved. Each plant in the operation location can set up its own energy conservation and emission reduction implementation team in combination with its own practice to study targeted energy conservation and emission reduction schemes. In 2021, in addition to the control of conventional energy conservation, we completed many projects such as the transformation of injection molding machine, cold energy recovery, recycling of equipment and packaging materials and so on.

Continuous Improvement Incentive Project

The innovation and establishment of energy conservation and emission reduction projects need the participation of all employees. In order to encourage all employees to put forward reasonable suggestions, the Automotive Electronics BU (China) *formulates the Process instruction of Improvement Proposal Management* and is equipped with a reasonable suggestion system to complete suggestion collection, online analysis and suggestion evaluation. All factories will exchange and learn from energy conservation and emission reduction projects. If relevant rationalization suggestions are adopted, the suggestions will be regularly reported, implemented, and formulated into corresponding documents for subsequent promotion. According to the evaluation level and effectiveness of the suggestions, the employees who put forward the suggestions will also be rewarded accordingly, and the excellent rationalization suggestions will be publicly commended at the annual meeting.

Upgrading Equipment to Improve Exhaust Gas Purification Efficiency

In order to improve exhaust gas treatment and the efficiency of exhaust gas treatment, the Automotive Safety BU has successively completed the transformation of exhaust gas treatment equipment in Lingang factory in 2020 and Qingpu factory in 2021. In Lingang factory, we have completed a series of improvement measures for VOC treatment devices, such as activated carbon replacement, drainage transformation, VOC box transformation and rust prevention treatment. In Qingpu factory, we changed the collection mode of organic exhaust gas generated by leather coating post from activated carbon adsorption mode to RCO mode, eliminated the original purification device and improved the efficiency of waste gas purification.

3.3 Energy Conservation, Emissions Reduction and Clean Production

Cold Energy and Heat Energy Recovery Project

In 2021, the Automotive Electronics BU (China) implemented the first phase energy recovery project, which is the liquid nitrogen vaporization cold energy recovery project. The factory converts the cold energy released in the past liquid nitrogen vaporization process into air-conditioning cooling water in mold, surface mounting, assembly and other workshops through the water circulation system, so as to make full use of the liquid nitrogen vaporization cold energy. Six months after the first phase cold energy recovery project was put into operation, the overall power consumption of relevant workshops was reduced by 41% compared with the same period last year. The second phase of energy recovery project is the thermal energy recovery project of injection molding process, which is planned to be put into use in 2022. At that time, the two-way recovery of cold and heat energy will achieve significant energy conservation and emission reduction.

Huzhou plant of Automotive Safety BU invested RMB 1.5 million in 2021 to recover the waste heat of air compressor and air-cooled heat pump chiller, which is used to improve the air temperature of dehumidification fan on runner dehumidification unit and improve dehumidification efficiency. The project can save 44.5 kwh per hour.

Equipment Recycling Project

In the Automotive Electronics BU, we have carried out the transformation and reuse of the corresponding idle production equipment to achieve environmental friendliness while reducing costs. By the end of 2021, totally 28 idle equipment in the Automotive Electronics BU (China) had been transformed and reused, including 9 in 2021.

❖ Green Office

In terms of green office, we have also formulated corresponding measures, such as turning off electric lights during the rest time and meal time in each operation area, using natural light sources in all office and public areas in the plant under good lighting during the day, properly turning off the electric lights near windows and doors in the office and regularly changing the LED lights in the plant, so as to implement energy-saving management measures in daily life.

We are deeply aware of the importance of promoting the clean and low-carbon energy structure of enterprises and vigorously exploring and promoting clean technologies and energy-saving equipment to help achieve the national strategic objectives. In 2021, in terms of clean energy, we will continue to promote energy transformation, continue to investigate and explore green energy, and actively carry out photovoltaic power generation projects in various places.

3.3 Energy Conservation, Emissions Reduction and Clean Production

In 2021, the actual total amount of photovoltaic power generation has reached 6,207 megawatt-hours in the Lingang and Jingzhou plant of the Automotive Safety BU, which equates to reducing greenhouse gas emissions by 3,787 tons of carbon dioxide equivalent. In terms of cleaner production, in addition to the project improvement and energy resource reuse mentioned in the above chapters, we also actively promote the projects related to cleaner production in various places, strive to combine cleaner production with the daily operation and management of enterprises, gradually formulate targeted relevant plans, improve cleaner production plans, formulate medium and long-term objectives of

cleaner production, and improve the understanding of the concept of cleaner production, so as to establish a long-term mechanism for cleaner production. As of the end of the Reporting Period, Huzhou Plant of Automotive Safety BU has obtained the provincial green and low-carbon factory certification and the approval of cleaner production, and the cleaner production audit of Lingang Plant is in progress.

Huzhou factory of Automotive Safety BU has been certified as a provincial green and low-carbon factory



3.4 Noise Management and Biodiversity Protection

3.4.1 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 organization 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.

3.4.2 Biodiversity Conservation

We fully recognize 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.

3.5 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 economic 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.

3.5.1 Risk Control System

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). In 2021, We refer to the TCFD (Climate Related Financial Disclosure) framework to identify the risks related to Joyson Electronics operation through policy analysis, benchmarking and combining with the opinions of external experts and gradually formulated the policies and strategies that should be adopted in response to climate change in the future.

Category		Climate-related risks
Physical risks	Acute	<ul style="list-style-type: none"> ▪A series of risks that will reduce business stability, increase costs, and decrease production capacity caused by manufacturer or supply chain production suspension or reduction, disrupted transportation of products during the sudden occurrence of extreme climate or weather events such as typhoon. ▪Extreme climate or weather events are very likely to cause production equipment damage and employee safety incidents, giving rise to additional adverse impact.
	Chronic	<ul style="list-style-type: none"> ▪Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may lead to an increase in operating costs and equipment maintenance and repair costs caused by the increase in cooling demand in summer.
Transition risks	Policy and legal risks	<ul style="list-style-type: none"> ▪As policy actions around climate change continue to evolve, regulators will take stricter measures to limit GHG emissions and strengthen GHG emissions disclosure requirements; ▪China is accelerating the development of a carbon trading market and improving the policies on international carbon tariffs, carbon emission compliance in the future may lead to increasing costs; ▪Policy changes may also lead to early retirement of existing fixed assets, such as high energy-consuming facilities; ▪There may be a risk of being prosecuted or subject to fines and financial losses due to non-compliance with relevant climate-related policies or laws.
	Technology risk	<ul style="list-style-type: none"> ▪In the transformation towards lower carbon and more environmental protection, investments in new technologies and new energy products may increase due to innovations in production technology in response to environmental requirements and product R&D findings.
	Market risk	<ul style="list-style-type: none"> ▪Under the guidance of policies and markets, and as consumers are increasingly aware of lower-carbon alternatives and environmental protection, they will opt for greener products, so as to reduce the demand for traditional products, which may lead to relevant market risks; ▪As one of the suppliers along the industry chain of automobile industry, customers' behavioural changes, such as supply chain requirements if our customers implement projects to cope with to climate changes.
	Reputation risk	<ul style="list-style-type: none"> ▪Stakeholders are increasingly concerned about issues in response to climate changes, we may suffer from reputation risk if it fails to meet stakeholder expectations or there is any behaviour in violation of relevant laws and regulations.

3.5 Addressing Climate Change

We always firmly believe existing simultaneously challenge and opportunity that in dealing with climate change.

In terms of acute physical risks, our products are produced in indoor factories with good conditions. Although extreme weather such as typhoon, rainstorm and high temperature may interfere with daily operations like production, delivery and labour management, the impact is controllable. When receiving the meteorological risk warning, we will incorporate the potential impact of the extreme weather into the production schedule and delivery management. We also take measures to reduce the impact through formulating emergency plans, organizing emergency training and drills, and making emergency preparations in daily operation.

In terms of chronic physical risks, we continue to run energy-saving and consumption reduction projects, collect excellent operation cases in the industry, and reduce costs while saving energy through continuously improved processes and equipment, so as to deal with possible related risks. At the same time, the gradual enhancement of our R & D strength in the field of new energy vehicle electronic control business will also provide new energy vehicle factory customers with more excellent and reliable new products to help the development of new energy vehicles.

In terms of transition risk, the regional power rationing in 2021 has had a certain impact on our factories in Tianjin, Jingzhou, Huzhou, etc. To this end, we actively connect with the government, grasp information timely, maintain communication with customers, suppliers and other parties, and ensure stable supply while cooperating with the requirements of the local government through production scheduling adjustment and establishment of safety inventory. Although strict supervision is imperative, and customers have put forward new expectations for the supply chain in response to climate change, the market growth in the fields of new energy vehicles electronic control system is also improving at the same time, and the demand for BMS and power electronic products of new energy vehicles is also gradually increasing. We have taken relevant measures such as purchasing green power and responded positively to the increasing requirements of customers. In the future, we will also continue to pay attention to the impact of climate change on our business, fully respond to policies and customer requirements, grasp the opportunities of new energy vehicles, carry out a new round of technological breakthroughs, and lead the future of travel with wisdom.

3.5.2 Response to the Carbon Neutrality Goal

We strive to become a pioneer enterprise focusing on climate change and green development. In addition to the various energy-saving and emission reduction projects mentioned above, we are making carbon reduction efforts based on the research and development of new energy products in combination with our own products characteristics, contributing to the realization carbon neutrality commitment in China in 2060.

At present, it has gradually become a consensus that the industry will change from 'electric first' to 'comprehensive electric' in the world. Building a green and low-carbon transportation system and promoting the accelerated transformation of green and low-carbon technology innovation can provide strong support for the realization of carbon neutrality commitment, and the focus of automobile manufacturing industry will gradually shift to new energy vehicles. In the new energy vehicle industry, we have had a lot of experience in the field of power battery management system in recent years, and in the process of R&D and industrialization of new energy electronic control technology, our innovative exploration has never stopped, and the number of global orders is also increasing.

In order to better respond to the national dual-carbon demand, seize market opportunities and build a key technology supply system, we established the Joyson Advanced Energy Institute in January 2021, and the Institute is expected to invest RMB 100 million every year to support the R & D of new energy products such as battery management system and power electronics. The staffing is expected to reach 100 people in 2022, of which R & D personnel account for more than 60% and those with master's degree or above account for 50%. Relying on the Joyson Advanced Energy Institute, we will further carry out innovative research and development of electronic control technology, improve the intellectual property system, strengthen our leading position in the field of electronic control of new energy vehicles, simultaneously promote the regional electrochemical energy storage business, from key parts to products, new energy business layout of 'vehicle end + energy storage end' will be realized, and drive the development of the industrial chain. Relying on high-tech to promote the development of a broader low-carbon economy and comprehensively respond to the national carbon neutralization goal.

3.5 Addressing Climate Change

3.5.3 Greenhouse Gas (GHG) Emission Management

We are always concerned about our greenhouse gas emission performance and have carried out greenhouse gas emission calculation and reporting in some regions to meet the needs of regulation and continuous improvement. The Automotive Electronics BU (China) has started to calculate and submit data related to greenhouse gas emissions to the government, customers and other stakeholders as required since 2019.

In 2021, the total GHG emission of Automotive Electronics Preh is 22,480.40 tons of carbon dioxide equivalent, and the emission intensity (based on earnings) is 0.022 tons of carbon dioxide equivalent per ten thousand yuan. Among them, direct GHG emissions are 3,869.20 tons of carbon dioxide equivalent and indirect GHG emissions are 18,611.20 tons of carbon dioxide equivalent.

Greenhouse gases	Unit	Data in 2021
Total GHG emission	tons of carbon dioxide equivalent	22,480.40
Total direct GHG emission	tons of carbon dioxide equivalent	3,869.20
Total indirect GHG emissions	tons of carbon dioxide equivalent	18,611.20
GHG emission intensity (based on earnings)	tons of carbon dioxide equivalent per ten thousand yuan	0.022

In the future, we will continue to give full play to our strength and work with our partners to seek new breakthroughs and call on all sectors of society to contribute to the fight against climate change.



04

Openness and Inclusiveness

- 4.1 Employment Standards
- 4.2 Caring for Our People
- 4.3 Training and Development
- 4.4 Health and Safety

4.1 Employment Standards

Employees are always the most important asset of Joyson Electronics and the core driving force of development. We strictly abide by the *Law of the People's Republic of China on Labor*, the *Law of the People's Republic of China on Labor Contract* and other local relevant laws and regulations. We respect the rights and interests of every employee, and protect competitive salary and welfare, so as to make employees work more safely, decently and with dignity. We value mutual commitment with our employees and strive to become an excellent employer in our employees' mind.

4.1.1 Equality and Diversity

Diversification and equal opportunities are our basic policies. Based on the principle of gathering global wisdom, we welcome employees from all over the world. We attach importance to the diverse perspectives brought to the enterprise by employees' different backgrounds, languages and gender, respect employees' privacy and different value propositions under the win-win values and are committed to creating a diversified, open and equal working atmosphere.

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 characteristics, transgender, age, genetic information, marital status, veteran status or disability. Relevant terms are described in internal documents such as *Employee Handbook*, *Code of Business Conduct* and communicated to all employees.

By the end of 2021, Joyson Electronics has 43,110 employees worldwide. We continued to promote the proportion of female employees in governance institutions. There were 18 management employees² this year, of which 77.8% were male and 22.2% were female. Members of governance under the age 30

account for 17 %, those aged 30 to 50 account for 64 %, and those aged over 50 account for 19 %. There are no ethnic minority members of governance.

We adhere to localized employment principle and provide more employment opportunities for our communities on our own platform. Taking Automotive Electronics Joynext as an example, Automotive Electronics Joynext successfully completed the factory expansion project in Poland in 2021. The project is located in Automotive Electronics Joynext plant in Oboniki, Poland. It has completed the expansion of the new plant and its supporting facilities covering a total area of 2,250 square meters, aiming to greatly improve the breadth and depth of the production of intelligent networked automobile products and realize higher and faster customization to meet the needs of customers. With the expansion of the factory and the improvement of production capacity, the factory has also increased more employment opportunities for the local area. By the end of the Reporting Period, Polish employees accounted for more than 90% of all employees in the factory.

We insist on exploring talent recruitment methods and talent introduction strategies and create various ways of talent interaction and exchange. During the Reporting Period, 8,645 new employees joined our family in China, including 9 doctors and 4 postdocs.

Number and proportion of employees by function

Function	Number	Proportion
Production Operations	35,994	83.49%
Marketing and Sales	353	0.82%
Technology Development	4,580	10.63%
Financial Management	702	1.63%
Functionalities	1,216	2.82%
Others	265	0.61%

2: The statistical calibre of management: the board, supervisor and senior manager.

4.1 Employment Standards

4.1.2 Protection of Employees' Rights and Interests

We adhere to the legal and compliant employment policy, protect the basic legitimate rights and interests of employees, and eliminate child labor, forced labor and employment discrimination.

Labor Contract

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

Prohibition of Forced Labor

We prohibit all forms of forced labor and prohibit any department personnel from forcing employees to work by collecting deposits, detaining certificates, violence, threats or illegal restriction of personal freedom.

Social Insurance Payment

According to national and local laws and regulations, we pay social insurance for all employees such as basic pension, basic medical care, unemployment, industrial injury, maternity, etc. Each subsidiary can also purchase additional relevant insurance such as accidental injury insurance for employees according to the particularity of industry or position.

Freedom of Association and Collective Bargaining

We respect the freedom of association and collective bargaining rights of employees and implement the signing of collective bargaining agreements in accordance with the nation and local laws and regulations. We support the holding of various employee activities. In 2021, our trade union organized a number of cultural and sports activities, such as basketball, badminton, tug-of-war, chorus and so on, which attracted the participation of the majority of employees.

Prohibition of Child Labor

We have defined the minimum age of the recruited employees in the relevant specifications and reviewed the identity information of the proposed employees by comparing the ID card, social security information and other ways in the recruitment process.

During the Reporting Period, Joyson Electronics did not violate laws and regulations such as discrimination, child labor, forced and compulsory labor, violation of the right to freedom of association or collective bargaining.

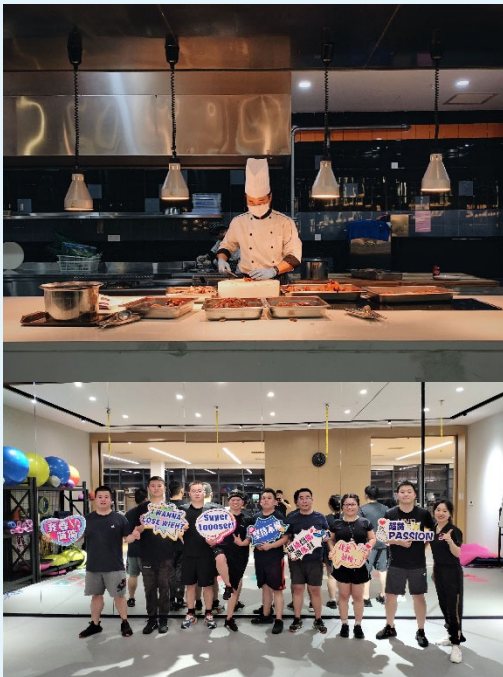
4.2 Caring for Our People

We believe the success and development of Joyson Electronics depending on the well-being of employees. 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.

Staff Canteen and Fitness Center

We pay attention to the healthy diet of employees. In order to ensure the nutrition of employees, we have set up free canteens at all operation points and promote a dining method similar to hotel buffet, so that employees can have more choices. For the satisfaction of dishes, we will attract employees to participate and get to know their opinions in the form of questionnaire with small gifts quarterly.

In order to enable employees to better balance their work and life, we have established a free fitness center in the office, so that employees can exercise and relax and keep healthy under the guidance of professional fitness coaches after work.



Joyson Electronics Canteen and Fitness Center

Housing support

We hope to help our employees in housing and settling down, so as to provide them with more sense of belonging in the city where they work. Therefore, we studied the stereoscopic solution. In addition to the housing provident fund stipulated by national laws, we also provide a variety of support for employees:

- When purchasing housing, employees can apply for a certain proportion of down payment funds to solve the dilemma of insufficient start-up funds.
- Provide a certain proportion of interest free loans to avoid the decline of employees' life quality due to heavy repayment pressure.
- Help employees actively apply for talent housing or housing preferential projects provided by the local government.

In addition, we also provide rental support for employees. In Ningbo, we rented a staff dormitory that can reach the office within 5 minutes' walk, which can solve the housing problem of at least 1000 people. There is a special Worker's Home in the staff dormitory, equipped with TV, pools, free Wi-Fi and other entertainment equipment, so that employees can carry out recreational activities in their spare time.

4.2 Caring for Our People

Joyson Cares Fund

In order to further form a long-term mechanism of caring for employees, we established the 'Joyson Cares' in 2013, which is mainly used for emergency rescue and support for employees in difficulty. The fund is equipped with a special fund management charter, fund account number and management committee. Through the 'Joyson Cares' manual distributed by the management committee, employees can know how to apply for this Love Fund. The distribution of each batch of the Love Fund will be publicized on the public bulletin board to achieve fairness, justice and openness. The sources of Joyson Cares mainly include voluntary contributions from employees and our corresponding supporting funds.

Since the establishment of the Love Fund in 2013, we have raised more than RMB 2 million for Joyson Cares, funded more than 500 suffering employees, and distributed RMB 1.9 million totally. In 2021, 31 employees were subsidized, with a subsidy amount of RMB 150,000.



Joyson Cares

In addition, we also improve the happiness of employees in the process of daily work through the distribution of gifts on traditional festivals, preferential car purchase and colorful employee activities.

Joyson Global Food Festival

We have 3 core R & D centers and supporting factories in 30 countries around the world, but not all employees know the business of each region. To help employees deepen their understanding of the business situation of each region and the characteristics of the region, we established the 'Joyson Global Food Festival' in 2021. During the food festival, qualified restaurants around the country will display 1-2 national specialties every day. Combined with our introduction to local business and local customs, employees can feel the global industrial layout and regional culture of Joyson Electronics while enjoying delicious food.



Joyson Global Food Festival

4.2 Caring for Our People

Joyson Family Open Day

In addition to striving to improve internal employee satisfaction, we also hope to increase the understanding of employees' family members about their work. In May every year, we uniformly organize Joyson family open day, invite employees' family members to Joyson, and each business department also sets up an independent clock point. External partners in daily work and friends from nearby communities can also participate through online application. On the day of the activity, there were speeches by external experts, team cooperation projects on the family as a unit, various games loved by children, parent-child DIY activities, and our product display. Employees' families can intuitively feel what kind of enterprise their families work in. In 2021, family open day in the Company in Ningbo invited school principals to share education related topics, and the activity attracted about 2,500 people.



Joyson Family Open Day Activities

We hope to establish a transparent, direct and two-way communication mode, encourage employees to speak freely. We sincerely accept employees' valuable suggestions and welcome all employees to actively participate in the daily management decisions of the enterprise. To this end, we have opened hotlines, mailboxes, suggestion boxes and other channels for employees to put forward their opinions. If employees find any potential unethical or illegal behaviour at work, they can also give feedback through our integrity hotline and email without fear of harassment and retaliation.

4.2 Caring for Our People

In addition, we pay attention to the aspirations of our employees and value the sense of achievement, participation and identity that they have gained in Joyson, hoping to create a platform for co-creation and sharing based on empathy with our employees.

JOYEE Project

With the concept of making employees feel passion and gain happiness at the same time, and combined with the characteristics of younger employee groups, Automotive Electronics Joynext will be committed to creating a highly autonomous, transparent, and positive working atmosphere to promote the efficient operation of the organization. To this end, Automotive Electronics Joynext has set up JOYEE project, which divides the core work of human resources management into four dimensions: organizational structure, employer brand building, organizational development and improving employee experience, there has more than 30 sub-projects to implement all work.

Taking employee care as an example, Automotive Electronics Joynext has set up EAP (Employee Attention Project) to focus on employees' psychological stress, stress understanding and relief, relationship handling between work and life, and organizational integration. Since July 2021, online or offline EAP activities will be held every month, such as workshops, online psychological evaluation, interpretation of one-to-one reports, personal one-to-one mental health consultation, monthly online promotion of relevant articles to continuously improve employees' stress resistance and organizational integration ability. Automotive Electronics Joynext also stressed the importance of employees' self-organization and design activities and returned the initiative to employees. Employees can organize and plan various activities such as annual meetings and lantern riddles. In order to strengthen communication, employees also spontaneously set up a communication platform team, established standardized platform operation rules, and can discuss the form of platform publishing content by themselves, so as to realize free speech and a high degree of freedom.

In addition, Automotive Electronics Joynext pays special attention to the sense of experience, belonging and well-being of overseas colleagues (such as a small number of employees in charge of quality in the customer's office). In addition to arranging senior managers to hold small communication meetings at the site of resident colleagues every month, during the epidemic, additional care and guarantee were given to overseas colleagues in the EAP project.

4.3 Training and Development

We insist on building a growth model of collaborative development and mutual achievement with our employees. To this end, we will create a learning atmosphere, build a multi-level professional training system and invest high-quality resources to help our employees continuously improve their professional development through multiple approaches. During the Reporting Period, the percentage of employees who received regular performance and career development assessment was 100%. For example, the total training time for employees at Automotive Electronics Preh (China) is 8,100 hours and 7.1 hours per person in 2021.

JOOC Platform

In addition to vigorously promoting offline training, we have built a comprehensive interactive learning and exchange platform named Joyson Open On-Line Course (JOOC). The platform has the vision of building a corporate culture, establishing a learning organization and strengthening global cooperation. By providing online course resources and employees' self-made courses, employees can not only improve their learning, but also share their experience and feelings as lecturers with colleagues. In order to spread the learning culture of all staff learning and discussion and promote the improvement of general skills of Joyson Electronics global employees in the workplace and the rapid development of their career.

In 2021, JOOC offered a total of 92 courses, participating with 2,908 Joyson Electronics employees, and the average learning time of each employee was more than 6 hours.

Global Joint Training Model

As a multinational enterprise with international business and global staffing, in order to realize the rational allocation of human resources within the organization and improve the organizational cultural identity and the synergy of working methods, we have established diversified global joint training modes such as Elite Program, Nova Program and J100 Program for different professional and functional positions.

Nova Program

Nova program, which started in 2017, is a Chinese-German joint training and rapid development project for fresh college students. After graduating and joining Joyson Electronics, fresh college students will first carry out comprehensive quality training, language training and skill reserve in China for one to two years, and then send them to European companies for two-year national assignment to improve their professional ability and international thinking, and then return to China to apply what they have learned. By participating in global development projects, employees have consolidated their professional ability in R & D technology, learned the advanced development technology and production process in Germany, and they have an international perspective and an open and innovative way of thinking. As of 31 December 2021, a total of 31 fresh graduates have been recruited for the project.

4.3 Training and Development

Joyson TALKs

We strive to create opportunities for employees to contact cutting-edge technologies, understand the development trends of the industry and communicate with experts. To this end, we founded the 'Joyson TALKs' project in 2018, implying Upgrade Technology, Drive Action, Enrich Life, Share Knowledge. 'Joyson TALKs' regularly invites influential industry celebrities, tech leaders and enterprise executives to share themes, and conduct on-site exchanges with Joyson employees. The theme content focuses on four parts: technology frontier, knowledge sharing, colourful quality life and self-drive action change. Since 2018, more than 30 lectures on 'Joyson TALKs' have been held, such as the application of key technologies and products of artificial intelligence, the end, change and path of driverless, the planning of Internet of vehicles business platform, the new energy-5G-artificial intelligence Troika to promote the reform of the automotive industry, building a global automotive supply chain, counting the three ages of electric vehicle BMS, service-oriented leadership, Internet operation and operational thinking, being anxious parents, to working women: achieving the best you and many other topics. In 2021, 'Joyson TALKs' held 7 lectures, invited 8 guests and had more than 1,000 participants.



'Joyson TALKs' Project Activity Site

Encourage Self-improvement

In terms of strengthening the construction of talent echelon, in addition to vigorously encouraging the introduction of excellent talents, we also issued the 'Policy of Encouraging Joyson Personnel Training', and formulated supporting systems such as *Employee Education Promotion System and the Policy of Encouraging Employees to Obtain Professional Titles and Qualification Certificates*, so as to encourage employees to complete the education promotion, and help for different employee groups.

- We welcome dispatched employees to become regular employees and continue to develop and improve in Joyson Electronics. In 2021, 45% of dispatched employees were successfully converted to regular employees.
- We actively provide a variety of education promotion support projects such as Upgrade from College, Master of Engineering and MBA. Employees can participate in corresponding projects according to their own situation to improve their professional skills and management ability.
- For professional technicians, we encourage them to obtain corresponding professional titles and qualification certificates according to the development sequence of their profession.

4.3 Training and Development

Creating Conditions to Support Further Study

As the old saying goes, 'there is no end to learning' and 'make no social distinctions in teaching'. In Joyson Electronics, the sentences are the same for any employee. In this era of rapid technological development and in the automotive manufacturing industry with the tide of technological change, we encourage employees at all levels to continue their further study, continuously improve their professional and technical level, and better contribute to the development of the enterprise. 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 2021, the Automotive Electronics Preh (China) supported 61 employees to complete re-education, including 27 employees upgraded from college, 31 employees upgraded from undergraduate to master and 3 employees upgraded from master to PhD.

Global Excellent Employee Selection

In order to recognize and thank the outstanding contributions made by the staff, promote the exchange and communication of employees in different working groups around the world, share internal leading practices, and encourage employees to continue to improve, we adhere to the annual excellent employee selection activity. In 2021, 15 employees from 8 countries including China, Thailand, Portugal and Japan won the global excellent employee award.



Joyson Electronics Excellent Employee Selection Activity

4.3 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 accelerated the cooperation with vocational colleges and scientific research universities in student training practice since 2008, and successively invited students from Northwestern Polytechnical University, Tsinghua University, Harbin Institute of Technology and other universities to Joyson Electronics to participate in different cycles of practice and training activities. In particular, we have launched a phased medium and long-term internship program for college students in Ningbo, that is, students can arrange time to practice for 1-2 days within a week in Joyson Electronics, add the two-month internship in the summer vacation, so as to meet the learning needs of students in different time states.

At the same time, we will build a training base for Joyson Electronics intelligent manufacturing school. The base has 10 training apprenticeship spaces with domestic first-class equipment level and integration of engineering and learning, which can meet the needs of 4500 employees and 2000 practical apprentices per year. It has built 8 professional training sites integrating personnel training and production and operation, such as electronic software, electronic control design and production, machinery manufacturing and processing. The base has the functions of training, field trip and evaluation function, it undertakes the teaching tasks of training and education, organically integrates production and operation practice with training and teaching.



Training bases of Joyson Electronics Intelligent Manufacturing School

4.4 Health and Safety

It is our basic responsibility to ensure that employees have a safe working environment. We try our best to create a safe and healthy working environment, maintain the safety of each working place, and try our best to avoid physical injury to employees due to any dangerous factors. In 2021, Automotive Safety BU (China) alone invested a total of RMB 9,863,000 in safety projects.

During the Reporting Period, there were no safety violations that had a significant impact on Joyson Electronics and our employees.

Strengthen Leadership

On the premise of relevant laws and regulations in the place of operation such as the Law of the People's Republic China on safe Production and the Law of The People's Republic of China on Prevention and Control of Occupational Diseases, we have continuously learned the management concepts and methods in the world's leading practice, actively promoted the construction of occupational health and safety system, and established more mature occupational health and safety management system including policies, commitments, organizational structure, target performance, education and training, operation management and emergency response. At the same time, we confirmed the objectives and indicators of safety, environmental protection and occupational health throughout the year in the form of safety production responsibility statement and formulated additional special tasks in combination with the weak links found in each factory in the previous year, which were included in the responsibility system assessment, and further controlled and observed through annual assessment, flight inspection and other measures. Automotive Electronics BU (China) has obtained ISO 45001 occupational health and safety system certification and level III enterprise (light industry) certificate of safety production standardization.

Occupational Health and Safety Policy of Automotive Electronics BU (China):

The work safety organization shall continuously develop, realize and optimize 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

During the Reporting Period, there was no death of employees at work at Joyson Electronics.

4.4 Health and Safety

Publicity and Education

We deepen safety awareness in staff training, and regularly carry out safety awareness and safety ability training in multiple dimensions around the occupational health and safety management system. We specifically list the safety rules in the employee manual, which requires all employees to report unsafe conditions and strictly abide by the health and safety regulations of the office and the factory. In case of any emergency, such as fire, typhoon, flood, etc., we must report it immediately to evacuate other employees. In 2021, the Automotive Safety BU (China) carried out nearly 60 safety production activities including safety production theme month, safety production knowledge Q&A, fire safety skill competition and other activities, with more than 500,000 employees participating.



Safety Production Activities in Various Regions

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. We also carry out long-term tracking of employees in positions that may involve potential occupational hazards such as painting, injection molding, steering wheel foaming process and coating process, issue corresponding labor protection articles that meet national standards, and further reduce the possibility of injury caused by occupational diseases in combination with process improvement every year.

4.4 Health and Safety

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.

On-site External Personnel Management

For long-term resident suppliers, we manage and require them according to the standard of managing our own employees. Any supplier entering the factory park will be trained by the EHS team and will require the supplier to read the safety rules and sign relevant documents to complete the notification obligation. The Automotive Safety Business Department will inform the outsiders of the safety needs in the form of visitor list and require them to sign. For external suppliers such as on-site and construction, all staff shall sign in the form of construction registration form and construction safety notice.

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 standardized 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 special exercises on chemical leakage in various places. The training covers topics such as types of hazardous chemicals, list of hazardous chemicals at operation points, characteristics of common chemicals and emergency treatment, protection and precautions for users, accident case sharing and so on.



Local Chemical Training and Safety Drill

05

Mutual Progress and Prosperity

- 5.1 Quality First
- 5.2 Improving the Customer
Experience
- 5.3 Ensuring Steady Supply
- 5.4 Public Welfare

5.1 Quality First

5.1.1 Product Innovation

As a pioneer and leader in the field of automotive safety and intelligent driving, Joyson Electronics takes product innovation as the first driving force, always insists on the improvement and upgrading of the product development system and focuses on developing products adapted to different market demands and functions applicable to higher-order application scenarios to support the needs of complex driving scenarios in the future.

In 2021, based on our original strengths and to further strengthen our independent research and development and mastery of core technologies, we established the Joyson Advanced Energy Institute and the Intelligent Vehicle Technology Research Institute in January and July, respectively, dedicated to deeply integrating artificial intelligence and new energy-related technologies with the automotive industry and accelerating the transformation of the automotive industry.

The Joyson Advanced Energy Institute is focusing on our core businesses of new energy vehicles and energy storage and aiming at BMS and power electronics to integrate Joyson's global R&D resources, by doing so new energy vehicles and energy storage will become double drivers of our business to make our contribution to the global 'dual carbon' campaign. On the other hand, Joyson Intelligent Automotive Research Institute is focusing on developing the full stack capability of intelligent driving to accelerate R&D of L2++ to L4 advanced driver-assistance systems and automated driving domain controllers and functional modules.

The Joyson Intelligent Automotive Research Institute continues to recruit high-end talents in automated driving perception, planning, decision-making and control algorithms, software development, system design, and simulation testing. It is expected to make breakthroughs in areas such as mass-produced, automotive-grade intelligent driving domain controllers by exploring new models for business cooperation between OEMs and suppliers. The first project on intelligent driving domain controller will be mass-produced in early 2023.

Thanks to the Joyson Advanced Energy Institute and Joyson Intelligent Automotive Research Institute, we will further promote advanced R&D in China, improve the industry layout of new energy vehicles, reinforce our leading position in the intelligent cockpit field, and seize new business lines in intelligent driving and new energy.

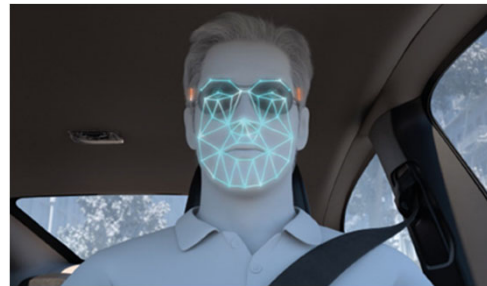
The automotive safety business may sound traditional but plays a key role in the revolution of the automotive industry. As smart electric vehicles have become a trend nowadays, global standards on automotive safety, and regulatory and evaluation framework have also been stepped up. Meanwhile, Smart electric vehicles need to be safe to protect both drivers and occupants.

To protect drivers and occupants from the perspectives of occupant protection, pedestrian protection and active safety, the Automotive Safety BU is committed to 'saving lives by innovation' in its R&D on various safety systems and promotion of transport safety development around the world. From 'zero-fatality' to 'zero-accident', we have developed integrated safety solutions including driver monitoring system, occupant monitoring system, motorised seat belt and smart steering wheel; new airbag systems including headliner passenger airbag, far-side airbag as well as safety system including physical block device to provide all-round driving protection for both drivers and occupants. Going forward, we will continue to improve resources allocation in implementing advanced production capacity to construct a smart factory management system.

5.1 Quality First

❖Driver monitoring system:

As the automated driving develops, a driver can hand over some driving tasks to the vehicle at the L2-L3 automated driving level, but he or she still needs to monitor the road when the road conditions is difficult, and the operating system is immature. The distraction detection and fatigue detection of the DMS can improve driver safety in this scenario. An increasing number of regulations have made DMS a must for passenger cars, which opens up a larger market for DMS products.



Driver Monitoring System (DMS)



Front Hood Lift

❖Front hood lift:

automotive safety not only concerns about the safety of vehicle occupants, but also the safety of vulnerable road users, and front hood lift is a safety product in this scenario. When a vehicle hits a pedestrian, the rear end of the hood will be lifted up to create a gap between the hood and the front cabin, preventing the pedestrian's head from hitting a hard object inside the front cabin and causing fatal injuries.

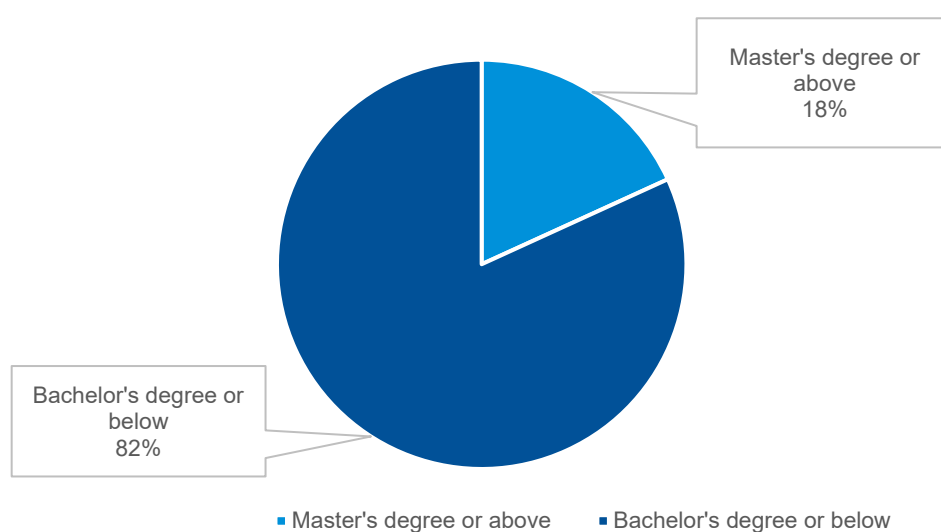
In 2021, our total R & D investment was RMB 902.41million, and the proportion of total R & D investment in operating revenue was 8.8%, an increase of 31% compared with last year.

5.1 Quality First

Talent is the first element to guarantee technological innovation. In 2013, we were approved by the National Postdoctoral Management Committee of the Ministry of Human Resources and Social Security to open a postdoctoral research station to recruit high-quality researchers. We take the initiative to provide space for the development of technical expertise by accelerating the development of talents in various areas of expertise through different training programmes and by promoting the incubation of new technologies in various areas. Taking the Automotive Safety Business Unit (BU) as an example, we have implemented the 'Expert 100' programme internally, taking the School of Engineering and Technology and other professional training colleges as a carrier, relying on a comprehensive training system, and integrating internal and external training resources to provide employees with a wide range of courses in areas such as operational skills and professional knowledge. In 2021, the School of Engineering and Technology offered a total of 52 internal and external training courses, including Fastener Fundamentals, Airbag Development and Design Principles and Processes, and Steering Wheel Development and Design Principles, with a total course duration of 9,060.5 hours and 2,255 participants.

In addition, we attract R&D personnel through various programs such as 'preferential housing for talents', 'patent incentives' and 'postgraduate degree enhancement programs' in conjunction with the operational practices of the division. We have set up comprehensive incentives, such as the *Incentive Agreement for Service Invention*, to encourage the design, application and implementation of creative R&D projects through cash rewards, etc. We also provide certain support to R&D personnel when they write scientific articles that are highly relevant to their work, and the indicators related to patents and development have been included in the performance indicators of R&D Department personnel. In 2022, we also plan to carry out a 'three-year retention incentive plan to further encourage outstanding R&D personnel by giving one-time incentives to key personnel with excellent performance within three years, and to encourage outstanding employees to stay in Joyson for continuous development³. Take the Automotive Safety BU as an example, by the end of 2021, the average tenure of R&D engineers in China reached 4.9 years.

Percentage of employees in the R&D Department of the Automotive Safety BU (China) by education



3: The training and incentive measures for R&D personnel here vary from division to division, depending on their own situation.

5.1 Quality First

At the same time, we insist on unlimited expansion of internal and external cooperation and communication. Internally, to promote the exchange of information on global leading technologies and the sharing of internal technical achievements, we hold global R&D conferences, 'Tech Day' and other communication activities to show cases, pre-research and planned projects related to innovative technologies; externally, with an open attitude, we actively extend our circle of friends and work with industry partners, academic institutions and other related parties to build strategic cooperation mechanisms and industry-university-research platforms in various ways to create a mutually beneficial industrial ecosystem.



2020 Tech Day of Automotive Safety BU (2021 'Tech Day' was not held as scheduled due to the pandemic)

5.1 Quality First

Promoting Industry-university-research Cooperation

We actively promote industry-university-research cooperation with well-known universities and have successively established scientific research cooperation with more than 20 universities at home Zhejiang University and abroad, such as Zhejiang University and Tongji University. Our cooperation with Tongji University began in 2015 with the establishment of the Intelligent Driver Controls and New Energy Electronic Control System Laboratory, which brings together the research and talent advantages of Tongji University and the advanced technology and industrialisation capabilities of Joyson Electronics to jointly complete key technology research in relevant research areas, promote the promotion and application of automotive driving control systems and new energy and battery management systems in the Chinese market, and promote the training of outstanding talents and the combination of industry, university and research. Over the years, we have worked hand in hand in the areas of battery state estimation algorithms, active battery equalisation, 48V power supply systems and wireless charging solutions for electric vehicles and have achieved milestones.

In addition, in terms of intelligent cockpit research and development, as the intelligent cockpit has entered the era of emotional multimodal interaction, the user group we are facing is also closer to Generation Z. In response to this development trend, Automotive Electronics Joynext fully draws on the forward-looking scientific research thinking of young teachers and students. It carried out an in-depth cooperation with the University of Nottingham Ningbo on the new generation of intelligent cockpit human-computer interaction at the end of 2021. Through in-depth research on the preferences of the Generation Z and many rounds of brainstorming, nearly 30 interaction scenarios close to the needs of users were created from 0-1 to create personalized, emotional, and intelligent human-computer interaction methods. The results of the joint creation will also be applied to the development of ideas for the next generation of intelligent cockpit products.



The Intelligent Driver Controls and New Energy Electronic Control System Laboratory jointly established by Joyson Electronics with Tongji University was awarded the Provincial Level 1 Laboratory of Intelligent Vehicle Technology in Zhejiang Province.

5.1 Quality First

Deepen Industry Cooperation

We insist on promoting industry cooperation and broadening the technology boundary through the mode of joint development to multiply the effectiveness of cooperation. In 2021, Automotive Electronics Joynext signed a cooperation agreement with Huawei Technologies Co. The two sides will rely on their respective advantageous resources, focus on comprehensive in-depth research and co-creation in the field of intelligent cockpit, create future-oriented intelligent cockpit software and hardware products and services, and devote to continuously improve the intelligent interaction experience between users and the cockpit. In the future, the cooperation mode of both parties will continue to expand and will jointly plan and design the next generation of intelligent cockpit products based on user needs, promote the development of intelligent cockpit technology to intuition and empathy development, provide users with a humanized and safe driving experience, and jointly shape the intelligent mobile space in the new era.

Creating an Open R&D Ecosystem

We are committed to creating an open R&D ecology, such as the Intelligent Vehicle Technology Research Institute's open autonomous driving simulation test system, which can be used for iterative training and functional development of various algorithm modules of autonomous driving and functional software at L2/L3/L4 levels, providing a simulation test and evaluation environment for intelligent decision control, complex environment perception, vehicle-road cooperation and other systems, as well as in-loop test verification and system evaluation of the entire vehicle component system represented by the intelligent driving domain controller hardware.

Our Autonomous Driving Cloud Simulation Platform team is working with universities with advanced vehicle dynamics and traffic flow simulation technologies, and industry-leading traffic data centres to develop smarter and more realistic edge scenario replication technologies and more reliable test evaluation systems. Students from universities can also use this open testing platform to test the system in a virtual environment for complex traffic and weather conditions. The system is already working with over 100 universities nationwide and is expected to be used by over 5,000 students in 2022.

Over the years, in line with the actual development of the industry and the need for technological progress, the state has been gradually introducing relevant regulations to further improve and optimise the safety technology requirements for the relevant products to promote the continuous improvement of product safety across the industry. With many years of technology accumulation and strength, we are also deeply involved in the drafting and formulation of standards such as *Performance Requirements for Automotive Side Airbag and Curtain Airbag Modules (GBT38795-2020)* to support the sustainable and healthy development of the industry.

5.1 Quality First

5.1.2 Protection of 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 creative achievements of others. We follow the *Patent Law of the People's Republic of China*, the *Enterprise Intellectual Property Management Code* (GB/T29490-2013) and other laws and regulations of the operating location, and have formulated systems such as *Guidelines for the Protection of Trade Secrets* and *Patent Management Regulations* at the level of each business unit of Joyson Electronics, which include patent application, patent search, patent fee payment, patent right management, patent-related responsibilities and

obligations, and patent rewards into strict process control. In order to strengthen management, we have established a patent management department combined with the intellectual property specialists to strengthen control. We have also carried out training related to intellectual property, hired external teachers to give lectures, in the form of both centralized training and targeted counseling training, to increase the knowledge and awareness of relevant employees in intellectual property.

At present, we have more than 5,000 intellectual property rights worldwide, including the core technologies in the field of automotive safety and automotive electronics.

In 2021, we actively held several trainings related to intellectual property in different business divisions, covering topics such as intellectual property basic knowledge sharing, patent pre-examination and confirmation, intellectual property search database and usage methods, intellectual property practice and case analysis, the current situation of China's automotive intellectual property rights and the situation it faces, patent application and authorization, and patent thinking, with nearly 300 participants.



Trainings Related to Intellectual Property Rights

5.1 Quality First

5.1.3 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 our overall quality management system based on ISO 9001 and IATF 16949 quality management and ensure that we meet our customers' quality management requirements. In the case of China, for example, all of our operating sites of Automotive Electronics BU (China) and Automotive Safety BU (China) were certified to IATF 16949 in 2021.

The Key Quality Management Points of Joyson Electronics

System implementation	<ul style="list-style-type: none"> We have developed the <i>Inspection Instruction of Incoming Process, Change Management Process, Control of Non-conforming Products, Product Analysis Process, After Sales Management Procedure</i> and other related systems to regulate the daily quality control work.
Tight control of processes	<ul style="list-style-type: none"> Concept promotion: We embed the concept of quality control into all stages of production operations, covering all stages of product APQP (Advance Product Quality Planning), incoming material inspection, production quality control, and many other aspects such as error prevention and product experimental verification. Supply control⁴: We place emphasis on quality management at the supply chain end and seek to ensure that suppliers understand our requirements in terms of quality. To this end we communicate quality expectations by issuing supplier manuals, signing QAA quality assurance agreements with suppliers, and holding supplier conferences. At the same time, we carry out rigorous audits of suppliers, including quality aspects, at various stages of the process, including potential supplier selection and approval, project contracting, monitoring during the project and annual inspection, and ensure that their performance can be effectively monitored through occasional unannounced audits; we carry out compliance checks on the product reports provided by suppliers; we sample different materials to ensure the stability of product quality and adjust the frequency of inspections based on the physical quality of the products. Intelligent equipment: We use equipment that is leading in overall automation; we strive to accomplish high quality quality inspection work through steadily increasing process automation. For example, the production line equipment is equipped with full inspection function, and the error-proof mechanism of the equipment can ensure that the product can achieve a series of actions such as error identification, stopping operation and activating alarm when any process error occurs; the final inspection machine can also carry out various testing items such as dormant current, operating current, voltage detection, knob function and torque related testing, key force function and related testing, etc., so as to complete the quality inspection work in a highly intelligent mode; the full online MES system is equipped with anti-mixing function and anti-leakage process, which greatly improves the production accuracy and enhances the stability of product quality.
Indicator driven	<ul style="list-style-type: none"> We adhere to a quality indicator-driven form of management and put relevant initiatives into practice in real terms. We set global quality targets at the beginning of the year, including failure rates, external quality cost control and the total number of written customer complaints, and then break them down into regions, factories, departments and teams, with targets being raised at every level to ensure that the final quality targets are met.

(Continued on next page)

5.1 Quality First

(Continued)

<p>Awareness raising</p>	<ul style="list-style-type: none"> ▪ We are committed to communicating and sharing quality-related good practices, and each BU combines its own practices in various formats such as monthly global quality conferences, quality weeks, quality seminars, etc. to exchange and discuss various quality-related topics such as customer quality evaluation, laboratory quality, quality process systems, etc. ▪ In 2021, we are actively organising quality month activities in various locations, in the form of promotions, competitions and competitions combined with seminars, inviting many departments such as R&D, logistics and production to conduct in-depth discussions on product and process quality. During the Quality Month activities of the Automotive Electronics BU, colleagues in the Quality Department also published a <i>Quality Knowledge Manual</i> to promote the concept of quality in conjunction with the production practices of each department. ▪ We attach great importance to the quality publicity, and regard it as a necessary training content for new employees, all production employees and other employees in departments highly related to quality and safety. The training covers many quality topics such as quality requirements, commitment to quality and compliance, product safety law basics and product liability (local rules), quality escalation processes, defective product handling processes and the 'three no's principle' (no non-conforming product received, no non-conforming product made, no non-conforming product sold), and is combined with follow-up assessments as needed to ensure the effectiveness of the training. In addition, we collate quality issues and risk points into a knowledge base and provide education to our staff.
<p>Product warranty and recall</p>	<ul style="list-style-type: none"> • We follow the requirements of different systems such as the <i>Defective Vehicle Product Recall Management Regulations</i> and the <i>After-sales Management Procedures</i> 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. • Our products strictly comply with the three-guarantee policy, and according to the different characteristics of the products of each BU, the warranty period for key components can be extended to a certain extent, even the same as that for the whole vehicle. • In 2021, take the case of China as an example, there were no incidents related to product recalls in Automotive Electronics BU (China) and Automotive Safety BU (China).
<p>Audit follow-up</p>	<ul style="list-style-type: none"> • While we continue to improve our own quality management, we also actively welcome quality audits from our clients. In 2021, the factories in China alone cooperated to complete more than 30 customer audits.

4: Quality management of the supply chain can also be found in the section 'Ensuring Steady Supply' of this Report.

5.1 Quality First



IATF 16949:2016 Certificate obtained by Some Joyson Electronics Operation Sites



Local Quality Month Activities

5.1 Quality First

5.1.4 Green Products

In addition to building our core competitiveness through innovation and building a rich product line, we are also committed to promoting new products that are highly reliable, energy-saving and environmentally friendly. We include environmental considerations in the product development stage, as well as ESG considerations such as energy saving and material recycling in design and production.

- Adopt more environmentally friendly materials and processes:
 - When ensuring the same appearance and performance requirements, we take into account the environmental protection needs in the product surface decoration design to minimize the pollution emission in the process. For example, in the paint process, water-based paint is more used, which is environmentally friendly, non-toxic and pollution-free in the process. In the electroplating process, the use of hexavalent chromium is changed to trivalent chromium to reduce toxicity and increase safety. At present, most of the products involved in the above process improvement have achieved mass production;
 - The airbag is a core part, which is used to contain the gas, so as to cushion and protect the passengers in case of collision. In order to improve the environmental protection of materials, we launched the raw material replacement project of airbag in 2020, and the project was officially completed in August 2021. On the premise of meeting the product performance required by customers, we gradually replaced the raw silk material of airbag with environmentally friendly degradable materials, so as to improve the recycling rate of products and ensure compliance with the requirements of future automobile environmental protection regulations

and the trend of reducing carbon emissions in the automobile industry. In addition, the purchasing difficulty of the replaced materials is also reduced, which improves the stability of the supply chain;

- In a wide variety of parts, the VOC and odor properties of chemical materials are closely related to the health impact degree. In order to introduce more environment-friendly and healthy raw materials and reduce the content of harmful substances in the steering wheel, we launched the steering wheel material improvement project in 2020, and the project was officially completed in December 2021. Combined with the experimental results, through the gradually constructed product development material library, we screened out the material brands with more environment-friendly and healthy performance, reasonably combined the materials of different brands of steering wheel parts, and launched a steering wheel with controllable cost and excellent performance, so as to improve the product smell and reduce the volatilization of harmful gases.
- Energy and material saving design concept: In the design of the MQB (Modular Platform for Transverse Engines) solution, we replaced mechanical keys with intelligent surfaces, reducing the weight of the product from 286g to 250g, lighter weight and less consumables, the reduction of structural parts also contributed to the reduction of mould consumption and energy consumption of the related manufacturing machinery; at the same time, the elimination of electroplating and painting processes also reduced the hazardous factors in the operation process and the pollution of the environment.

5.2 Improving the Customer Experience

We uphold the concept of providing cutting-edge travel solutions for customers, putting the interests of customers first and optimizing the customer experience with continuous improvement of our products, service processes and systems.

In order to standardize the processes related to sales and customer service, we have developed a series of systems including *Customer Satisfaction Confirmation Control Procedures*, *Customer Property Management Control Procedure*, *Product Quotation Review Procedure* according to the different business attributes of each business division to strengthen the guidance and supervision of all aspects of sales and customer service.

To further understand customers' demands and expectations, find opportunities, and achieve both customer experience and business value, we conduct customer satisfaction surveys to obtain and evaluate customers' evaluations. For example, the Automotive Electronics BU conducts satisfaction surveys covering all customers at a frequency of once a year, focusing on the four major aspects of business, logistics, quality and engineering services, in addition to annual customer strategy analysis and additional collection of customer feedback in order to continuously meet customer needs. To continuously improve the quality of customer service, we set customer satisfaction targets and reflect customer satisfaction indicators in the KPI of relevant departments to facilitate regular evaluation and

inspection. In 2021, customer satisfaction results have all met the targets.

In response to regular and irregular inquiries from our customers, especially the proliferation of environmental and social issues due to the increasing attention to ESG issues in the automotive industry, we have been paying close attention to them and are gradually implementing relevant initiatives as requested by our customers to support the implementation of sustainable development along the value chain. In 2021, we received more than ten ESG-related inquiries from our customers in China alone.

We receive and take seriously any form of feedback or complaints from customers through various channels. When we receive complaints from customers, we respond quickly and follow the internal processing procedure such as *Customer 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 2021, our response rate for customer complaints is 100%.

Rapid Response and High-quality Assurance

In order to further improve the efficiency of handling customer complaints and ensure that customer problems can be effectively handled in a short time, the Automotive Safety BU has implemented a 24-hour response mechanism: anyone who receives customer complaint information about each stage needs to immediately feed back to the project leader to form a problem solving team, and timely upgrade and report within 24 hours according to the severity of the problem after assessment, and continue to track the handling of the problem until it is closed. For the customer's 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 make correct and effective containment countermeasures within 24 hours.

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 including client quality problems, internal audit problems, supplier quality problems, process quality problems, etc. And we will 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.

5.2 Improving the Customer Experience

Special topic: Addressing Global Challenges to Build a Highly Resilient Supply Chain

In terms of maintaining the resilience of the supply chain, since 2020, the shortage of chip supply has become a major challenge for the global automotive manufacturing industry. Unstable supply of chips has led to a steep rise in their prices and related logistics and other operating costs, and directly affected the supply chain and the production schedule of original equipment manufacturers (OEMs). On top of that, the sudden outbreak of COVID-19 has exacerbated the supply of raw materials for the entire automotive industry, and the continued fermentation of the issue has exposed the complexity of the automotive supply chain and raised concerns among stakeholders about the security of the automotive supply chain.

Since mid-2020, we have been adjusting our strategy to optimize business planning so as to promote the construction of a flat and diversified supply chain, and take the initiative to respond to various risks and challenges through close cooperation, precise management, collaborative operations, efficient resumption of production and solution innovation.

Close cooperation	<ul style="list-style-type: none"> Maintain close contact with all OEMs, with the Logistics Department keeping track of customer demand trends, and the Procurement Department regularly communicating with various parties to ensure timely and effective adjustments to plans and communication of such adjustments, so as to ensure non-stop production despite the need for adjustments, and continuous supply despite some degree of shortage.
Precise management	<ul style="list-style-type: none"> Establish a dedicated inter-departmental task force to address the risks associated with the shortage of materials; Initiate supply chain risk assessment to accurately identify, thoroughly screen and define the risk level of the supply of materials; target each high-risk material for effective management; and monitor suppliers' production, delivery, logistics and distribution throughout the process; Refine the management of demand for materials by considering OEMs' production plans and relevant adjustments, and strengthen the control over the safe inventory cycle of core materials at special times; Strive for precision in production management, and conduct flexible manufacturing, change models and adjust production where necessary and possible.
Collaborative operations	<ul style="list-style-type: none"> Leverage our advantages as a multinational corporation to seek strategic suppliers globally, and activate a collaborative operation mechanism internally to prepare materials, and conduct internal transfers and distribution.
Efficient resumption of production	<ul style="list-style-type: none"> To ensure a stable supply chain for our customers, we need to get ourselves back to work and production smoothly. We give priority to ensuring the absolute safety of our people and complete all applications for resumption of work in an efficient and orderly manner. The world stands together in the combat against the pandemic. We donated face masks to overseas colleagues in pandemic-hit regions and strive to ensure stable supply to our customers. For example, Automotive Electronics Joynext shipped nearly 90,000 face masks to overseas colleagues despite all the difficulties.
Solution innovation	<ul style="list-style-type: none"> In addition to the procurement of scarce materials, we seek alternative solutions in technology and actively conduct pre-study on the design of alternative materials; Introduce more quality domestic suppliers; fully leverage China's technological advantages in artificial intelligence, autonomous driving and vehicle-road collaboration, the country's potential market size and even collaboration of the entire industry chain; and be the first to develop more innovative and industry-leading products and gradually apply them in global platforms.

5.3 Ensuring Steady Supply

Supply chain is a core component of our daily operations. We are committed to implementing responsible production practices and building a sustainable supply chain system by deepening supply chain management, strengthening quality and safety control, and promoting environmental protection concepts in order to defend human rights in the supply chain and build a diverse supplier base, while continuing to promote a low-carbon transformation of the supply chain.

5.3.1 Daily Management

Management structure	<ul style="list-style-type: none"> We have developed a refined management model based on a sound organisational structure to ensure full coverage of the overall process from procurement strategy formulation, to supplier identification, supplier quality control, mass production management and vendor supply, and link ESG factors to management performance to better implement ESG practices for the supply chain.
Tiered management	<ul style="list-style-type: none"> We adopt a tiered and classification management mechanism for suppliers and customise different standardised access and evaluation processes for different suppliers to strengthen risk management and improve procurement efficiency by taking into account our own risk control requirements.
Supplier access	<ul style="list-style-type: none"> We conduct analysis and evaluation of potential suppliers in strict accordance with the standard VDA review procedures, covering all types of suppliers. The review focus and procedures have been adjusted according to the characteristics of different types of suppliers; In addition to including process-related elements such as project management, planning and completion of product and process development, supplier management, process analysis / production and customer care, the potential supplier analysis and evaluation questionnaire comprehensively considers ESG-related factors such as environmental protection, occupational health and safety, forced labour, child labour and responsible supply chain. Suppliers who employ child labour or are blacklisted due to environmental protection issues are prohibited from supplying to the Company; To strengthen our supply chain management, we have signed the Supplier Code of Conduct with our suppliers to ensure that they understand and are aware of our expectations with respect to respecting human rights, protecting data security, ensuring product safety, reducing environmental impact, anti-corruption and anti-unfair competition.
Supplier evaluation and review	<ul style="list-style-type: none"> We conduct annual supplier assessments by way of sampling to evaluate and follow up on the implementation of quality assurance and customer service assurance. In 2021, the Automotive Electronics Preh (China) and Automotive Safety BU (China) completed more than 130 annual reviews (cycle reviews), accounting for nearly 40% of the total procurement amount. In addition, monthly and semi-annual evaluations of relevant assessment items including the performance of quality and delivery capability of suppliers are conducted in light of business units' actual operations to ensure effective tracking of supplier performance.
Communication with suppliers	<ul style="list-style-type: none"> We hope to enhance partnership with suppliers through diversified forms of communication using multiple channels. In addition to irregular communication, we also arrange special activities such as supplier conferences, which involve the submission of supplier EHS evaluation reports and special discussions. These activities help to raise the awareness of all parties on risk control, in addition to strengthening supplier management.

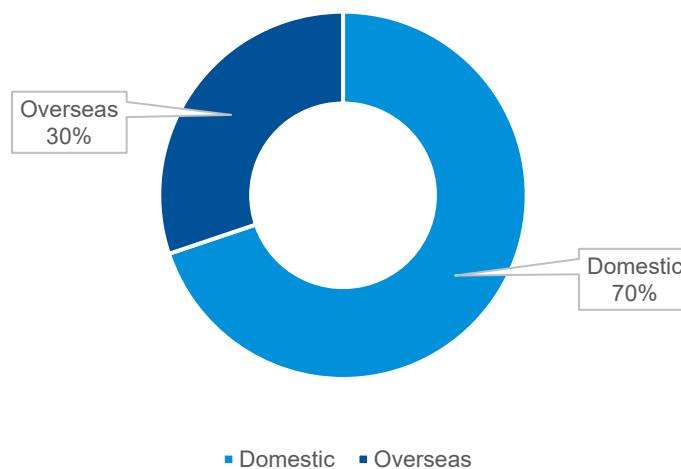
5.3 Ensuring Steady Supply



The Generator Supplier Commendation and Generator Technology Development Conference were Held in Huzhou in March 2021

Taking the Automotive Safety BU (China) as an example, in 2021, there were 368 suppliers, 8 new suppliers and 2 suppliers who terminated cooperation. After evaluation, it was found that there were no major risks related to ESG factors and no suppliers who terminated cooperation due to major environmental or social risks. At the same time, we actively promote localized procurement strategy to support the development of local enterprises. During the Reporting Period, domestic suppliers accounted for 89% of the total procurement amount, and overseas and other regional suppliers accounted for 11% ⁵of the total procurement amount.

Number of suppliers by region of Automotive Safety BU (China) in 2021



5: This part of supplier basic data only covers the direct material supplier of the Automotive Safety BU (China).

5.3 Ensuring Steady Supply

Other Supplier Management Indicators for Automotive Safety BU (China) in 2021

Supplier Management Indicators ⁶	Rate
Percentage of suppliers with ISO 14001 environmental management system certification	70.0%
Percentage of suppliers with ISO 45001 occupational health and safety management system certification	24.7%
Percentage of suppliers with IATF 16949 automotive industry quality management system certification	87.8%
Percentage of suppliers signing the CoC (Supplier Code of Conduct)	95.0% (direct materials)
	90.0% (indirect materials)
Percentage of suppliers signing the NDAs (Non-Disclosure Agreements)	95.0% (direct materials)
	90.0% (indirect materials)

We are committed to being a leader in product quality and safety control, and to this end, we place a strong emphasis on quality and safety control in our supply chain. The Automotive Safety BU has made IATF 16949 certification a requirement for direct material supplier access. In addition, we are committed to deeply penetrating our quality management requirements and those of our customers in the supply chain:

- The Automotive Electronics Preh incorporates the requirements related to product quality and safety in the production process of suppliers into the QAA (Quality Assurance Agreement), and require relevant suppliers to sign and cover the interpretation of QAA content in telephone communication or in the daily publicity process involved in visits and return visits to ensure that suppliers can fully understand the requirements related to this. By the end of 2021, the percentage of suppliers of the Automotive Electronics Preh (China) signing QAAs is 81%.
- The Automotive Safety BU communicates quality requirements in the form of supplier quality manuals and quality agreements to help suppliers fully understand our expectations for supplier quality management systems and become familiar with the requirements and processes of supplier quality-related work, thereby promoting suppliers' ability to achieve good quality assurance, guaranteeing stable supply quality and establishing good and transparent cooperative relationships.

6: The certification-related proportion in the indicators are the proportion of suppliers covered by actual business certificate statistics that have obtained relevant certification.

5.3 Ensuring Steady Supply

5.3.2 Creating a Sustainable Supply Chain

We strive to minimize supply chain risks while helping suppliers achieve greener, lower carbon operations. We focus on suppliers' environmental compliance and beyond, and include the environmental certificates or testing requirements such as environmental impact assessment reports, emission permit certificates, and ISO 14001 and ISO 45001 certificates in the supplier entry stage. The validity of the certificates is registered in the supplier system and checked monthly by our dedicated colleagues. In terms of environmental impacts of material, ELV, REACH and other hazardous substances and chemical control directives / regulations for the automotive industry have been maturely applied to the industry chain. We use IMDS and CAMDS data collection and declaration tools to

declare the material substances used to further ensure that our suppliers and the material substances we use meet the requirements of our customers and the corresponding regulations.

We also encourage our supply chain partners to obtain certifications related to environmental protection and safe production. At the same time, we are constantly exploring and collecting good practices related to Green Production at home and abroad, such as plant renovation and upgrading, production equipment replacement, and are willing to conduct regular and occasional exchanges and sharing with suppliers to promote industrial progress.

Information Sharing to Promote Equipment Upgrading of Suppliers

Injection molding is a relatively high energy consumption processing. The use of injection molding machines without energy-saving and consumption reduction measures will make enterprises bear high operating costs and environmental protection pressure. We recognize this risk in our daily operation and actively communicate with suppliers. For relevant suppliers who have reached cooperation, we provide reasonable suggestions to replace hydraulic injection molding machines with electric injection molding machines. For new suppliers, we also take relevant issues into account, so as to ensure the steady improvement of environmental protection, energy conservation, noise reduction and operation safety in relevant links of supply chain production.

In the changing future, we will continue to explore new cooperation models with our partners and continue to build a healthy, win-win and stable partnership.

5.4 Public Welfare

We shoulder our social responsibility and continue to make efforts in the fields of pandemic fighting, children's education and community support, bringing together the strength of individuals, enterprises and industries to carry out activities and deliver love and care.

5.4.1 Combating the COVID-19 Pandemic

Since 2020, Joyson Electronics, with one heart and one mind, and through industry cooperation, cross-border production and other scientific means, has achieved the timely supply of shortage materials, and contributed to the global pandemic prevention and control, resumption of work and production.

Industry cooperation	<ul style="list-style-type: none">Since 2020, the Automotive Safety BU in North America has joined hands with Ford Motor and General Motors Company to fight the COVID-19, and cooperated fully in the conversion of protective clothing and ventilator manufacturing, so as to produce urgently needed anti-COVID-19 equipment.
Transboundary conversion	<ul style="list-style-type: none">After the outbreak of the COVID-19, we quickly started the emergency production project of medical masks and other materials based with dust-free and based on sterile characteristics and business expertise of our own production and manufacturing environment. Materials have been certified by the relevant market since the transboundary support for mask production in February 2020, under the deployment of the government, we have supplied more than 150 million disposable medical masks to local enterprises, ensuring the timely resumption of work and production of enterprises and contributing to the recovery and stable operation of the local economy. In addition, we have also actively expanded our mask production lines, exporting to Italy, Spain, Germany and other EU countries, reaching a daily output of about 700,000 masks and exporting 5 million medical masks per week.
Community donation	<ul style="list-style-type: none">In order to alleviate the pressure of community materials, 13,500 masks have been donated to Chinese embassies and consulates, local nursing homes and other community organizations.In order to solve the problem that many primary and secondary schools are faced with no epidemic prevention materials at the beginning of school, we have taken the initiative to contact schools to discuss donations. More than 10 schools and public welfare organizations have been donated, with a total of 2 million masks.

5.4.2 Giving back to the Community

We support the education in the place where we operate. We as an enterprise take the 'Great Public Welfare' as the starting point, drive personal 'Little Public Welfare' and 'Micro Public Welfare' actions. As a result, more children can receive encouragement and help.

5.4 Public Welfare

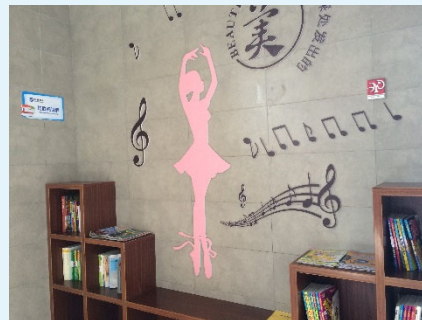
Awards to Nurturing Talent and Promote Excellence in Education

Since 2014, we have set up the 'Joyson Scholarship' at Tongji University to award outstanding young teachers, and in 2021, we continued to work with the Community Education Department in Ningbo to set up the 'Joyson Talent Cultivation Award' and the 'Joyson Award for Academic Excellence'. The 'Joyson Talent Cultivation Award' is granted to outstanding teachers with more than 10 years of teaching experience in community primary and secondary schools and the 'Joyson Award for Academic Excellence' aims to nurture young role models who have lofty aspirations, are diligent in their studies and pursue excellence.

In 2021, a total of 25 teachers were awarded the 'Joyson Talent Cultivation Award'.

Promoting Reading

We work with the Community Education Department and schools to set up 'Joyson Reading Stations'. Books are donated quarterly and placed in the reading stations for students to freely pick up; the circulation of books helps cultivate the habit of reading. During the Reporting Period, 'Joyson Reading Stations' has opened in Xinmao Primary School of Ningbo National High-tech Zone and will be opened in Ningbo High-tech Foreign Language School (primary section), further expanding the coverage of the project.



'Joyson Reading Stations'

In addition, in 2021, we supported the community education department in organizing a Chinese classics recitation contest for teachers and students and an on-site calligraphy and painting contest for elementary and middle school students. A total of more than 200 elementary and middle school students participated in the contest.

5.4 Public Welfare

Immersive Visit and Study

As a leading enterprise in intelligent manufacturing, we set up a special student open day on our own platform, inviting young colleagues or celebrities in the field of education and children to visit Joyson, to make children intuitively feel the charm of science and technology and stimulate their curiosity to explore the world by combining science popularization, sharing and games.

Realising Dreams

We care for children from disadvantaged families, and partner with charity organisations to launch the 'Dreams Come True Project'. Every summer, we collect the wishes of more than 50 children from families in difficulty and disclose them to all employees. Our employee can voluntarily pick any wish and make it come true. Over the years, our employees have insisted on fulfilling the small and simple wishes of many children, bringing surprises and joy to the children through their good deeds.

Emphasis on Safety and Health

Road safety education for young children is related to life safety and family happiness. In 2021, in cooperation with relevant institutions in Europe, Automotive Electronics Joynext printed 5,000 copies and distributed them to many local primary schools by making 'the safe way to school' as the topic and making safe travel education manuals, so as to cultivate children's good habits of safe and civilized travel and improve children's safety awareness.



safe travel education manuals

5.4 Public Welfare

Spreading Health Concept and Promoting Sports Spirit

In recent years, we have continuously promoted the dissemination of sports spirit and health concept through multi-party cooperation. At the end of 2020, Automotive Electronics Joynext officially reached a partnership with Wolfsburg football club and held football training camps in Wolfsburg, Germany and China, respectively. Automotive Electronics Joynext participated #Wolfsburg Spring Festival# online activity in the Wolfsburg joint cup football match and jointly launched the with the club on Weibo. While spreading the sports spirit of brave struggle, it also sent blessings to the fans who love sports and football. In the future, Automotive Electronics Joynext plans to carry out low-carbon initiative activities and offline football training public welfare projects with the theme of 'towards zero carbon' with the United club and carry out in-depth cooperation in corporate social responsibility projects.



Automotive Electronics Joynext officially reached a partnership with Wolfsburg football club and participated in various activities



At the end of 2021, Automotive Electronics Joynext also completed the naming of the original Dresden Ice Sports Hall in European R&D centre in Dresden. The venue will officially be renamed Joynext Ice Sports Hall⁷ in 2022. This naming cooperation is an important measure for Automotive Electronics Joynext to actively assume social responsibility, aiming to contribute to the development of local mass sports and professional sports in Dresden.

7: This ice hockey stadium is one of the largest and most important stadiums in central Germany. The average number of visitors to the stadium every year exceeds 1million. Previously, it has undertaken many activities, such as the International Ski Federation Short Track World Cup / EM, live concert, SES boxing competition, Ice Hockey World Cup Dresden, IIHF online Hockey World Championship, IAKS management conference, etc.

5.4 Public Welfare

In the face of public emergencies, we can also respond quickly with a strong sense of crisis management and provide support for the recovery of stakeholders while coping with the impact.

Bring All Energies to Against 'Fireworks'

In July 2021, when the typhoon 'Fireworks' hit, Joyson electronics officially launched the anti-typhoon emergency plan on 23 July. Joyson electronics emergency headquarters and emergency management office worked hard to implement ultra-standard defense measures. Leaders and relevant principals of subsidiaries visiting front-line command station took charge of the implementation of the typhoon prevention plan and the actual response measures of each in accordance with the actual requirements of each factory and each subsidiary.

We have incorporated emergency publicity, emergency personnel arrangement, production arrangement, rescue, rescue and post disaster recovery into the plan, and adopted the strategy of early prevention, early publicity, careful verification and implementation to people. On the premise of ensuring the personal safety of employees, each factory shall do a good job in the pre-typhoon investigation, in-typhoon inspection and post-typhoon inspection, investigate and deal with the weak links one by one in advance, inspect the power equipment as soon as possible, formulate the power outage power guarantee plan, prepare sufficient working and living materials for employees, and adjust the emergency plan and production arrangement in time according to the real-time early warning level. During the typhoon, the subsidiary factories in Shanghai, Ningbo, Huzhou and other areas affected by the typhoon maintained stable and orderly operation without casualties.



Joyson Electronics Produced Orderly During the Typhoon

At the same time, we do not forget other affected communities and people in Ningbo. On 26 July, when we knew that many residents in Zhangshui Town of Ningbo were facing power failure, travel obstruction and shortage of living materials, we quickly gathered volunteer employees to purchase the materials in short supply in the temporary resettlement site in Zhangshui Town and completed the transportation of two vehicles of aid materials on the morning of 27 July, so as to solve the material problems for the local community in time.



Joyson Electronic aid materials transportation team successfully delivered the aid materials to Zhangshui town on the morning of the 27th to help local residents get through the difficulties at ease.

We focus on charitable causes related to education, poverty alleviation and rural revitalization, and support related activities with an annual charitable donation of RMB 2 million.

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
General Disclosures			
Organization profile	102-1	Name of the organization	Overview of Joyson Electronics
	102-2	Activities, brands, products, and services	Overview of Joyson Electronics Main Products
	102-3	Location of headquarters	Overview of Joyson Electronics
	102-4	Location of operations	Overview of Joyson Electronics Global layout
	102-5	Ownership and legal form	Limited Liability Company (Listed)
	102-6	Markets served	Main Products
	102-7	Scale of the organization	About Joyson electronics Employment Standards
	102-8	Information on employees and other workers	Employment Standards
	102-9	Supply chain	Ensuring Steady Supply Chain
	102-10	Significant changes to the organization and its supply chain	Not Applicable
Strategy	102-11	Precautionary Principle or approach	Emissions and Waste Addressing Climate Change Health and Safety
	102-12	External initiatives	Not Applicable
	102-13	Membership of associations	Industry Associations
Ethics and integrity	102-14	Statement from senior decision-maker	Message from the manager
Governance	102-16	Values, principles, standards, and norms of behavior	Vision, Mission and Core Values
	102-18	Governance structure	Corporate Governance ESG Governance
Stakeholder engagement	102-40	List of stakeholder groups	Communication with Stakeholders
	102-41	Collective bargaining agreements	Employment Standards
	102-42	Identifying and selecting stakeholders	Communication with Stakeholders
	102-43	Approach to stakeholder engagement	Communication with Stakeholders
	102-44	Key topics and concerns raised	Materiality Assessment for ESG Topics

Issues	GRI Standards	Disclosures	Report content / remarks
Reporting practice	102-45	Entities included in the consolidated financial statements	About this Report
	102-46	Defining report content and topic boundaries	About this Report Materiality Assessment for ESG Topics
	102-47	List of material topics	Materiality Assessment for ESG Topics
	102-48	Restatements of information	Not Applicable
	102-49	Changes in reporting	First Report
	102-50	Reporting period	About this Report
	102-51	Date of most recent report	First Report
	102-52	Reporting cycle	About this Report
	102-53	Contact point for questions regarding the report	About this Report
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report
	102-55	GRI content index	Index
102-56	External assurance	Not Applicable	
Topic Specific Standards			
Economic Issues			
Economic Performance	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
	201-1	Direct economic value generated and distributed	Please refer to 2021 Annual Report
	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Continuous improvement and complement
Market Presence	201-4	Financial assistance received from government	Continuous improvement and complement
	103-1	Explanation of the material topic and its Boundary	Continuous improvement and complement
	103-2	The management approach and its components	Continuous improvement and complement
103-3	Evaluation of the management approach	Continuous improvement and complement	

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Continuous improvement and complement
	202-2	Proportion of senior management hired from the local community	Continuous improvement and complement
Indirect Economic Impacts	103-1	Explanation of the material topic and its Boundary	Continuous improvement and complement
	103-2	The management approach and its components	Continuous improvement and complement
	103-3	Evaluation of the management approach	Continuous improvement and complement
	203-1	Infrastructure investments and services supported	Continuous improvement and complement
	203-2	Significant indirect economic impacts	Continuous improvement and complement
Procurement Practices	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
	204-1	Proportion of spending on local suppliers	Ensuring Steady Supply
Anti-corruption	103-1	Explanation of the material topic and its Boundary	Business Ethics
	103-2	The management approach and its components	Business Ethics
	103-3	Evaluation of the management approach	Business Ethics
	205-1	Operations assessed for risks related to corruption	Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics
Anti-competitive Behavior	103-1	Explanation of the material topic and its Boundary	Business Ethics
	103-2	The management approach and its components	Business Ethics
	103-3	Evaluation of the management approach	Business Ethics
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
Tax	207-1	Approach to tax	Compliance Governance
	207-2	Tax governance, control, and risk management	Compliance Governance

Issues	GRI Standards	Disclosures	Report content / remarks	
	207-3	Stakeholder engagement and management of concerns related to tax	Compliance Governance	
	207-4	Country-by-country reporting	Continuous improvement and complement	
Environmental Issues				
Materials	103-1	Explanation of the material topic and its Boundary	Emissions and Waste Energy Saving, Emissions Reduction and Clean Production	
		The management approach and its components	Emissions and Waste Energy Saving, Emissions Reduction and Clean Production	
		Evaluation of the management approach	Emissions and Waste Energy Saving, Emissions Reduction and Clean Production	
	301-1	Materials used by weight or volume	Energy and Resource	
		301-2	Recycled input materials used	Continuous improvement and complement
		301-3	Reclaimed products and their packaging materials	Energy and Resource
	Energy	103-1	Explanation of the material topic and its Boundary	Energy and Resource
			The management approach and its components	Energy and Resource
			Evaluation of the management approach	Energy and Resource
302-1		Energy consumption within the organization	Energy and Resource	
		Energy consumption outside of the organization	Energy and Resource	
302-3		Energy intensity	Energy and Resource	
		Reduction of energy consumption	First Report Energy Saving, Emissions Reduction and Clean Production	
302-5		Reductions of energy requirements of products and services	Continuous improvement and complement	
Water and Effluents	303-1	Interactions with water as a shared resource	Energy and Resource Emissions and Waste	
	303-2	Management of water and discharge-related impacts	Emissions and Waste	
	303-3	Water withdrawal	Energy and Resource	

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
Biodiversity	103-1	Explanation of the material topic and its Boundary	Biodiversity Conservation
	103-2	The management approach and its components	Biodiversity Conservation
	103-3	Evaluation of the management approach	Biodiversity Conservation
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not Applicable
	304-3	Habitats protected or restored	Not Applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Applicable
	Emissions	103-1	Explanation of the material topic and its Boundary
103-2		The management approach and its components	Emissions and Waste Addressing Climate Change
103-3		Evaluation of the management approach	Emissions and Waste Addressing Climate Change
305-1		Direct (Scope 1) GHG emissions	Addressing Climate Change
305-2		Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
305-3		Other indirect (Scope 3) GHG emissions	Continuous improvement and complement
305-4		GHG emissions intensity	Addressing Climate Change
305-5		Reduction of GHG emissions	First Report
305-6		Emissions of ozone-depleting substances (ODS)	Continuous improvement and complement
305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Continuous improvement and complement
303-4		Water discharge	Emissions and Waste
303-5		Water consumption	Energy and Resource

Issues	GRI Standards	Disclosures	Report content / remarks	
Waste	306-1	Waste generation and significant waste-related impacts	Emissions and Waste	
	306-2	Management of significant waste-related impacts	Emissions and Waste	
	306-3	Waste generated	Emissions and Waste	
	306-4	Waste diverted from disposal	Energy and Resource	
	306-5	Waste diverted to disposal	Emissions and Waste	
Environmental Compliance	103-1	Explanation of the material topic and its Boundary	Energy and Resource	
	103-2	The management approach and its components	Energy and Resource	
	103-3	Evaluation of the management approach	Energy and Resource	
	307-1	Non-compliance with environmental laws and regulations	Energy and Resource	
Supplier Environmental 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	
	308-1	New suppliers that were screened using environmental criteria	Ensuring Steady Supply	
	308-2	Negative environmental impacts in the supply chain and actions taken	Ensuring Steady Supply	
Social Issues				
Employment	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	
	401-1	New employee hires and employee turnover	Employment Standards Loss rate Continuous improvement and complement	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Standards Caring for our People	
	401-3	Parental leave	Continuous improvement and complement	
	Labor/Management Relations	103-1	Explanation of the material topic and its Boundary	Employment Standards

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
	103-2	The management approach and its components	Employment Standards
	103-3	Evaluation of the management approach	Employment Standards
	402-1	Minimum notice periods regarding operational changes	Continuous improvement and complement
Occupational Health and Safety	403-1	Occupational health and safety management system	Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3	Occupational health services	Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5	Worker training on occupational health and safety	Health and Safety
	403-6	Promotion of worker health	Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8	Worker covered by an occupational health and safety management system	Health and Safety
	403-9	Work-related injuries	Health and Safety
	403-10	Work-related ill health	Health and Safety
Training and Education	103-1	Explanation of the material topic and its Boundary	Training and Development
	103-2	The management approach and its components	Training and Development
	103-3	Evaluation of the management approach	Training and Development
	404-1	Average hours of training and per year per employee	Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development
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

Issues	GRI Standards	Disclosures	Report content / remarks
	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
	406-1	Incidents of discrimination and corrective actions taken	Employment Standards
Freedom of Association and Collective Bargaining	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
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employment Standards Ensuring Steady Supply
Child Labor	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
	408-1	Operations and suppliers at significant risk for incidents of child labor	Employment Standards Ensuring Steady Supply
Forced or Compulsory Labor	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
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employment Standards Ensuring Steady Supply
Security Practices	103-1	Explanation of the material topic and its Boundary	Not Applicable

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
	103-2	The management approach and its components	Not Applicable
	103-3	Evaluation of the management approach	Not Applicable
	410-1	Security personnel trained in human rights policies or procedures	Not Applicable
Rights of Indigenous Peoples	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
	411-1	Incidents of violations involving rights of indigenous peoples	Not Applicable
Human Rights Assessment	103-1	Explanation of the material topic and its Boundary	Continuous improvement and complement
	103-2	The management approach and its components	Continuous improvement and complement
	103-3	Evaluation of the management approach	Continuous improvement and complement
	412-1	Operations that have been subject to human rights reviews or impact assessments	Continuous improvement and complement
	412-2	Employee training on human rights policies or procedures	Continuous improvement and complement
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Continuous improvement and complement
Local Communities	103-1	Explanation of the material topic and its Boundary	Public Welfare
	103-2	The management approach and its components	Public Welfare
	103-3	Evaluation of the management approach	Public Welfare
	413-1	Operations with local community engagement, impact assessments, and development programs	Public Welfare

Issues	GRI Standards	Disclosures	Report content / remarks	
	413-2	Operations with significant actual and potential negative impacts on local communities	Not Applicable	
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 Labelling	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	

Appendix

GRI Standards Index

Issues	GRI Standards	Disclosures	Report content / remarks
	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
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

Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0) Index

	No.	Index	Report content / remarks
Report Forward	P1.1	Quality assurance	About this Report
	P1.2	Information description	About this Report
	P1.3	Reporting system	About this Report
	P2.1	Situation analysis and strategic considerations of fulfilling social responsibilities	Message from the manager
	P2.2	Annual social responsibility work progress	Message from the manager
	P3.1	Major events of social responsibility	Message from the manager
	P3.2	Progress and effectiveness of key issues of social responsibility	The ESG Report
	P4.1	Organizational structure and operating region	About Joyson Electronics
	P4.2	Major products, services and brands	About Joyson Electronics
	P4.3	Size and influence	About Joyson Electronics Employment Standards
P4.4	Significant changes in the size, structure, ownership or supply chain of the organization during the reporting period	Not Applicable	
Responsibility Management	G1.1	Corporate mission, vision and values	Vision, Mission and Core Values
	G1.2	Corporate social responsibility concept or slogan	Continuous improvement and complement
	G2.1	Identification and management of substantive social responsibility issues	Materiality Assessment for ESG Topics
	G2.2	Social responsibility strategic program and annual plan	Continuous improvement and complement
	G2.3	Promoting the integration of social responsibility into corporate development strategies and daily operations	The ESG Report
	G3.1	Senior executives support and promotion social responsibility work	ESG Governance Structure
	G3.2	Social responsibility leading organization and working mechanism	ESG Governance Structure
	G3.3	Social responsibility organization system and division of responsibilities	ESG Governance Structure
	G4.1	Formulating a social responsibility management system	The ESG Report
	G4.2	Constructing a social responsibility indicator system	The ESG Report
	G4.3	Carrying out social responsibility assessment or appraisal	The ESG Report
	G5.1	Organizing and carrying out social responsibility training	Continuous improvement and complement

	No.	Index	Report content / remarks
	G5.2	Enriching research on social responsibility	Continuous improvement and complement
	G5.3	Participate in the development of social responsibility standards, initiatives and guidelines domestic and abroad	Continuous improvement and complement
	G6.1	Identifying and responding to stakeholder demands	Communication with Stakeholders
	G6.2	Corporate-led social responsibility communication and participation in activities	Communication with Stakeholders
	G6.3	Participation or support in economy, environment, social conventions, principles or other initiatives initiated by outside parties	Continuous improvement and complement
	Market performance	M1.1	Standardizing corporate governance
M1.2		Nomination and selection process of the highest corporate governance and its committees	Continuous improvement and complement
M1.3		Anti-corruption	Business Ethics
M1.4		Compliance information disclosure	Disclosures
M1.5		Protecting the interests of small and medium investors	Disclosures
M1.6		Growth	Please refer to 2021 Annual Report
M1.7		Profitability	Please refer to 2021 Annual Report
M1.8		Safety	Quality First
M2.1		Product promotion /service accessibility	About Joyson Electronics Quality First
M2.2		Product/Service quality management system	Quality Control
M2.3		Percent of pass	Quality Control
M2.4		Adhering to innovation-driven	Product Innovation
M2.5	R&D spending	Product Innovation	
M2.6	Number of new patents	Protection of Intellectual Property Rights	
M2.7	Industrialization of scientific and technological achievements	Product Innovation	
M2.8	No false or misleading publicity	Not Applicable	
M2.9	Popularization of product knowledge or customer training	Not Applicable	
M2.10	Potential risk alert	Not Applicable	
M2.11	Fair dealing	Improving the Customer Experience	
M2.12	Advocating sustainable consumption	Protecting the Planet Green Products	

Appendix

Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0) Index

	No.	Index	Report content / remarks
M2	M2.13	Customer information protection	Business Ethics
	M2.14	Active after-sales service system	Improving the Customer Experience
	M2.15	Responding to consumer complaints actively	Improving the Customer Experience
	M2.16	Complaint resolution rate	Improving the Customer Experience
	M2.17	Stop loss and compensation	Quality Control Improving the Customer Experience
	M2.18	Customer satisfaction	Improving the Customer Experience
	M3.1	Credit management	Compliance Governance
	M3.2	Economic contract performance rate	100%
	M3.3	Fair competition	Business Ethics
	M3.4	Strategic sharing mechanism and platform	Product Innovation
	M3.5	Respecting and protecting intellectual property	Protection of Intellectual Property Rights
	M3.6	Facilitating industry development	Product Innovation
	M3.7	Fair trade	Continuous improvement and complement
	M3.8	Social responsibility policies, initiatives and requirements for suppliers	Ensuring Steady Supply
	M3.9	The number of potential suppliers which is rejected due to social responsibility non-compliance	Ensuring Steady Supply
	M3.10	Supplier social responsibility daily management mechanism	Ensuring Steady Supply
M3.11	Process and method of supplier social responsibility review	Ensuring Steady Supply	
M3.12	Number of suppliers reviewed during the reporting period	Ensuring Steady Supply	
M3.13	The number of suppliers whose cooperation was suspended due to non-compliance with social responsibility	Ensuring Steady Supply	
M3.14	Supplier social responsibility performance appraisal and communication	Ensuring Steady Supply	
M3.15	Supplier social responsibility training	Continuous improvement and complement	
M3.16	Supplier social responsibility training performance	Continuous improvement and complement	
Social performance	S1.1	Construction of a law-abiding compliance system	Compliance Governance
	S1.2	Compliance training	Compliance Governance
	S1.3	Total tax	About Joyson Electronics
	S1.4	Support and participation of the comprehensive deepening of reforms	Not Applicable

	No.	Index	Report content / remarks
S1	S1.5	Promoting employment	Employment Standards
	S1.6	Number of employees in the reporting period	Employment Standards
	S2.1	Staff composition	Employment Standards
	S2.2	Equal employment	Employment Standards
	S2.3	Rate of signed labor contracts	Employment Standards
	S2.4	Democratic management	Employment Standards
	S2.5	Percentage of female managers	Employment Standards
	S2.6	Employee privacy management	Employment Standards
	S2.7	Against forced labor, harassment and abuse	Employment Standards
	S2.8	Diversity and equality of opportunity	Employment Standards
	S2.9	Number of annual vacations with pay per capita every year	Continuous improvement and complement
	S2.10	Compensation and benefit system	Caring for our People
	S2.11	Occupational health management	Health and Safety
	S2.12	Working environment and condition guarantee	Caring for our People Health and Safety
	S2.13	Employee mental health assistance	Continuous improvement and complement
	S2.14	Employee training system	Training and Development
	S2.15	Annual training performance	Training and Development
	S2.16	Career development channel	Training and Development
	S2.17	Work-life balance	Training and Development
	S2.18	Difficult employee assistance	Training and Development
S2.19	Employee satisfaction	Caring for our People Continuous improvement and complement	
S2.20	Turnover rate	Continuous improvement and complement	
S3	S3.1	Safety management system	Health and Safety
	S3.2	Safety emergency management mechanism	Health and Safety
	S3.3	Safety education and training	Health and Safety
	S3.4	Safety training performance	Health and Safety
	S3.5	Production safety input	Health and Safety
	S3.6	Number of accidents in production safety	Health and Safety
	S3.7	Number of employee casualties	Health and Safety
S4	S4.1	Community communication and participation mechanism	Public Welfare
	S4.2	Employee localization policy	Employment Standards
	S4.3	Localized employment ratio	Employment Standards

Appendix

Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0) Index

	No.	Index	Report content / remarks	
	S4.4	Localized procurement policy	Ensuring Steady Supply	
	S4.5	Support for the development of community women, indigenous people, farmers, herders and fishermen	Not Applicable	
	S4.6	Public welfare policy or main public welfare areas	Public Welfare	
	S4.7	Establishment of corporate charity fund/foundation	Public Welfare	
	S4.8	Total donation	Public Welfare	
	S4.9	Creation of brand public welfare projects	Public Welfare	
	S4.10	Policies and measures to support volunteer activities	Public Welfare	
	S4.11	Performance of employee volunteer activities	Public Welfare	
	S4.12	Contributing to targeted poverty alleviation	Public Welfare	
	S4.13	Increasing special funds for poverty alleviation	Public Welfare	
	S4.14	Population out of poverty	Continuous improvement and complement	
	Environmental performance	E1.1	Environmental management system	Protecting the Planet
		E1.2	Environmental early warning emergency response mechanism	Addressing Climate Change
		E1.3	Research and application in environmental protection technology	Energy Saving, Emissions Reduction and Clean Production
E1.4		Environmental index statistical accounting system method	Energy and Resource Emissions and Waste Addressing Climate Change	
E1.5		Environmental training and education	Energy Saving, Emissions Reduction and Clean Production	
E1.6		Building a green supply chain	Ensuring Steady Supply	
E1.7		Support for the development of green and low-carbon industries	Ensuring Steady Supply	
E1.8		Total investment in environmental protection	Protecting the Planet	
E1.9		Tackling climate change	Addressing Climate Change	
E1.10		Carbon strength	Not Applicable	
E2.1		Green design	Green Products	
E2.2		Purchasing and using environmentally friendly raw materials	Green Products	
E2.3		Energy-saving policy measures	Energy and Resource Energy Saving, Emissions Reduction and Clean Production	
E2.4		Improvement of energy efficiency	Energy and Resource Energy Saving, Emissions Reduction and Clean Production	
E2.5	Total annual energy consumption and reduction	Energy and Resource		
E2.6	Comprehensive energy consumption per unit output value	Energy and Resource		
E2.7	Policies and measures for the use of clean energy	Addressing Climate Change		

	No.	Index	Report content / remarks
	E2.8	Clean energy usage	Energy and Resource Use
	E2.9	Policies and measures in water resources conservation	Energy and Resource
	E2.10	Annual fresh water consumption	Energy and Resource
	E2.11	Industrial added value of fresh water consumption per unit	Energy and Resource
	E2.12	Policies, measures or technologies to reduce exhaust emissions	Emissions and Waste
	E2.13	Exhaust emissions and reductions	Continuous improvement and complement
	E2.14	Systems, measures or technologies to reduce wastewater discharge	Emissions and Waste
	E2.15	Wastewater discharge and reduction	Emissions and Waste
	E2.16	Systems, measures or technologies to reduce waste discharge	Emissions and Waste
	E2.17	Waste emissions and reductions	Emissions and Waste
	E2.18	Policies and measures of circular economy development	Energy Saving, Emissions Reduction and Clean Production
	E2.19	Performance of circular economy development	Energy Saving, Emissions Reduction and Clean Production
	E2.20	Green packaging	Energy and Resource Use Energy Saving, Emissions Reduction and Clean Production
	E2.21	The total amount of packaging materials used in the finished product (calculated in tons) and (if applicable) the amount per unit	Energy and Resource
	E2.22	Green transportation	Continuous improvement and complement
	E2.23	Impact on the environment during product/manpower transportation	Continuous improvement and complement
	E2.24	Plans and actions to reduce greenhouse gas emission	Addressing Climate Change
	E2.25	Greenhouse gas emission and reduction	Addressing Climate Change
	E3.1	Green office measures	Energy Saving, Emissions Reduction and Clean Production
	E3.2	Green office performance	Energy Saving, Emissions Reduction and Clean Production
E3.3	Ecological restoration and management	Not Applicable	
E3.4	The conservation of biological diversity	Biodiversity Conservation	
E3.5	Net deforestation zero	Not Applicable	
E3.6	Environmental protection and public welfare activities	Not Applicable	

Appendix

Glossary of Terms

Paraphrase		Paraphrase content
Company, the Company	Refer to	Ningbo Joyson Electronic Corp.
Joyson Electronic or we	Refer to	Ningbo Joyson Electronic Corp. and its subsidiaries
CSR&ESG Report or the Report	Refer to	Joyson Electronics' Corporate Social Responsibility & Environmental, Social and Governance Report
Automotive Electronics Preh	Refers to	Automotive Electronics BU Subsidiary Preh
Automotive Electronics Joynext	Refer to	Automotive Electronics BU Subsidiary Joynext
SSE	Refers to	Shanghai Stock Exchange
The four new trends in automotive industry	Refers to	Intelligentization, networking, electrification and sharing of the automotive industry
Automotive Safety BU	Refers to	Joyson Safety Systems
BMS	Refers to	Battery Management System
OBC	Refers to	On Board Charger
DMS	Refers to	Driver Monitor System
KSS	Refers to	KSS Holdings, Inc.
TS	Refers to	TechniSat Digital GmbH
RTO	Refers to	Regenerative Thermal Oxidizer
RCO	Refers to	Regenerative Catalytic Oxidation
PCB	Refers to	Printed Circuit Board
VOCs	Refers to	Volatile Organic Compounds
TCFD	Refers to	Task Force on Climate-related Financial Disclosures
APQP	Refers to	Advanced Product Quality Planning
MQB	Refers to	Modular Querbaukasten
VDA	Refers to	Verband der Automobilindustrie
QAA	Refers to	Quality Assurance Agreement
ELV	Refers to	End-of-Life Vehicle
REACH	Refers to	Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals
IMDS	Refers to	International Material Data System
CAMDS	Refers to	China Automotive Material Data System

Appendix

Industry Associations

Name of Association	Participating Subjects (positions)
IMT-2020	Ningbo Joynext Technology Co., Ltd. (member)
CCSA	Ningbo Joynext Technology Co., Ltd. (member)
CAICV	Ningbo Joynext Technology Co., Ltd. (director)
Zhejiang 5G Industry Alliance	Ningbo Joynext Technology Co., Ltd. (director)
SAC/TC114/SC34	Ningbo Joynext Technology Co., Ltd. (member)
C-SAE	Ningbo Joynext Technology Co., Ltd. (member)
Sparklink	Ningbo Joynext Technology Co., Ltd. (member)
CCC	Ningbo Joynext Technology Co., Ltd. (member)
GENIVI	Ningbo Joynext Technology Co., Ltd. (member)
Autosar	Ningbo Joynext Technology Co., Ltd. (member)
Ningbo Electronics Industry Association	Ningbo Joynext Technology Co., Ltd. (the fifth vice president)
ONIA – Open NPU Innovation Alliance	Ningbo Joynext Technology Co., Ltd. (member)
China Association of Automobile Manufacturers	Ningbo Joynext Technology Co., Ltd. (member)
Autosemo	Ningbo Joynext Technology Co., Ltd. (member)
Intelligent Car Connectivity Industry Ecosystem Alliance (ICCE)	Ningbo Joynext Technology Co., Ltd. (member)
China Cybersecurity Industry Alliance	Ningbo Joynext Technology Co., Ltd. (member)

Appendix

Awards

In recent years, our main accolades in terms of comprehensive strength of the enterprise are as follows:

Name of the Awards/Honors	Award Winning Units	Award Time	Awarding Organization
'High quality development 'leading enterprise Joyson Electronics	Ningbo Joyson Electronic Corp.	2019	Organizing Committee of Zhejiang Provincial Merchant Conference
Zhejiang Eagle Cultivation Enterprise	Ningbo Joyson Electronic Corp.	2019	Zhejiang Eagle Cultivation Enterprise
No. 125 in the '2020 Top 500 Private Enterprises in China ', No. 67 in the '2020 Top 500 Private Enterprises in Manufacturing in China '	Ningbo Joyson Electronic Corp.	2020	China Top 500 Private Enterprises Summit
No. 22 in the 'Top 100 Software' in China	Ningbo Joyson Electronic Corp.	2021	China Information Technology Industry Federation
No.243 in the 2021 Fortune China Top 500 list	Ningbo Joyson Electronic Corp.	2021	2021 Fortune China Top 500 list
The 4 th Industry Development Merit Award of Ningbo Electronics Industry Association	Ningbo Joynext Technology Co., Ltd.	2019	Ningbo Electronics Industry Association
Ningbo Top 100 Competitive Enterprises	Ningbo Joynext Technology Co., Ltd.	2021	Ningbo Enterprise Federation, Ningbo Entrepreneurs Association
Top 100 High-Quality Development Enterprises	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	Ningbo municipal government

In recent years, our major accolades in the area of human resources in 2021 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

In recent years, our key accolades for innovation, products and services in 2021 are as follows:

Name of the Awards/Honors	Award Winning Units	Award Time	Awarding Organization
2020 Ningbo High-tech Zone Innovation Demonstration Enterprise	Ningbo Joynext Technology Co., Ltd.	2020	Ningbo National Gaoxin District Administrative Committee
ASPICE Certification	Ningbo Joynext Technology Co., Ltd.	2020	Youmu Information Technology (Shanghai) Co., Ltd.
GTM2020 Global Technology and Mobility Industry Innovation Award-Intelligent and Connected Innovation Enterprise	Ningbo Joynext Technology Co., Ltd.	2020	EqualOcean
FAW-Volkswagen Annual Excellent Supplier Conference - Anti-epidemic Pioneer Award	Ningbo Joynext Technology Co., Ltd.	2021	FAW-Volkswagen

Appendix

Awards

Name of the Awards/Honors	Award Winning Units	Award Time	Awarding Organization
Director of China Industry Innovation Alliance for the Intelligent and Connected Vehicles	Ningbo Joynext Technology Co., Ltd.	2021	China Industry Innovation Alliance for the Intelligent and Connected Vehicles
World Smart Car Congress Smart Transportation Innovation Award	Ningbo Joynext Technology Co., Ltd.	2021	National Development and Reform Commission International Cooperation Center, Guangzhou People's Government
FAW-Volkswagen 2021 'Excellent Supplier of After-sales Quality'	Ningbo Joynext Technology Co., Ltd.	2022	FAW-Volkswagen
2020 Excellent Supplier	Shanghai Lingang Joyson Safety Systems Co., Ltd.	2021	GAC FIAT CHRYSLER Automobiles Co., Ltd.
PACE Awards (Driver monitoring system)	Ningbo Joyson Safety Systems Co., Ltd	2018	Automotive News
First Prize of CLEPA Innovation Award (Safety - Distal Airbag)	Ningbo Joyson Safety Systems Co., Ltd	2019	CLEPA
Outstanding Contribution Award (3D Switch)	Ningbo Joyson Safety Systems Co., Ltd	2020	Automotive News
CHINA AUTO PARTS INDUSTRY AWRADS (Annual Contribution Award for Body Parts and Intelligent Network Connected Parts)	Ningbo Joyson Safety Systems Co., Ltd	2020	Automotive Business Review
CHINA AUTO PARTS INDUSTRY AWRADS (Forward-looking category - Gold Medal - SIU steering wheel integrated intelligent module; Mass production - Excellence award in Safety Category - New Three-zone Off-hand Detection Steering Wheel)	Ningbo Joyson Safety Systems Co., Ltd	2021	Automotive Business Review
2020 Contribution Award for Anti-pandemic and Protection	Ningbo Joyson Safety Systems Co., Ltd	2021	Guangqi Honda Automobile Co.,Ltd.
2020 Outstanding Quality Award	Ningbo Joyson Safety Systems Co., Ltd	2021	New Energy Branch of GAC Passenger Car Co., Ltd.
Contribution Award for Anti-epidemic and Resumption of Production	Ningbo Joyson Safety Systems Co., Ltd	2021	GAC MITSUBISHI MOTORS CO., LTD.
2021 Supply Correspondence Contribution Award	Ningbo Joyson Safety Systems Co., Ltd	2021	Tianjin FAW Toyota Motor Co.,Ltd.
2020 Best Supply Award	Ningbo Joyson Safety Systems Co., Ltd	2021	Chongqing Li Auto Automobile Co., Ltd.
2020 Technology Innovation and Leadership Award	Ningbo Joyson Safety Systems Co., Ltd	2021	SAIC General Motors Corporation Limited
2020 Outstanding Quality Award for Suppliers	Ningbo Joyson Safety Systems Co., Ltd	2021	General Motors (China) Investment Co., Ltd.
2020 Quality Award	Takata (Tianjin) Automotive Component Co., Ltd.	2021	SAIC General Motors DongYue Corporation Limited
Technology Innovation and Leadership Award	Ningbo Joyson Safety Systems Co., Ltd	2021	Great Wall Motor Company Limited
2021 Outstanding Supplier	Ningbo Joyson Safety Systems Co., Ltd	2021	Taizhou Branch of Great Wall Motor Co., Ltd.
CHINA AUTO PARTS INDUSTRY AWRADS	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	China Automotive Supply Chain Summit
Best Synergy Award	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	Energy Very Endure (EVE)
Gold Award for Outstanding Technical Performance	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	Shanghai Volkswagen (SVW)
Innovation Award	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	AGCO/FENDT
China's Benchmark Smart Factory	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2020	e-works
Core Chip Cohesion Award	Ningbo Preh Joyson Automotive Electronics Co., Ltd.	2021	FAW-Volkswagen