

2025 SUSTAINABILITY REPORT



更智能 更安全 更环保

SMARTER | SAFER | GREENER

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About the Report

In order to objectively and truthfully present the management methods, measures, and performance of Ningbo Joyson Electronic Corp. and its subsidiaries (referred to as "Joyson Electronics," "the Group," "we") in the areas of environmental, social, and governance ("ESG") for the benefit of shareholders, investors, employees, customers, partners, government, and the public community, we have been publishing annual reports since 2021. The "2025 Sustainability Report of Joyson Electronics" ("the Report") is the fifth report we have issued.

The Board of Directors ("the Board") of Joyson Electronics is fully aware of its responsibility for the authenticity of the Report and assumes full responsibility for the environmental and social governance strategies and reporting. The Board has reviewed and approved this report.

Reporting and Reference Basis

This Report has been prepared in accordance with the *No. 1 Self-regulatory Guidelines of the Shanghai Stock Exchange for Listed Companies – Standardized Operation*, the *No. 14 Self-regulatory Guidelines of the Shanghai Stock Exchange for Listed Companies–Sustainability Report (for Trial Implementation)*, and the *Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange*. Meanwhile, it has been prepared with reference to the *Global Reporting Initiative Standards (GRI Standards 2021)* (referred to as "GRI Standards") issued by the Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (UN SDGs).

The ESG Report is prepared in accordance with the following reporting principles:

Materiality: In preparation of this Report, the Group has identified main stakeholders and determined material ESG issues based on stakeholder engagement and materiality assessment.

Quantitative: The key performance indicators ("KPIs") in the environmental and social aspects are disclosed on a quantitative basis, accompanied by a narrative to explain their purposes and impacts in the Report.

Balance: This Report provides an unbiased picture of the issuer's performance by reflecting objective facts and disclosing both positive and negative indicators.

Consistency: Unless otherwise specified, the statistical approaches for relevant disclosures in the Report are consistent with those in the 2024 Sustainability Report, and will remain unchanged in subsequent years.

Board of Directors Statement

As the highest decision-making body, the Board of Directors is responsible for decision-making and oversight regarding Joyson Electronics' ESG-related matters, including: reviewing and approving ESG material issues and their priority order, making overall judgments on ESG-related work decisions, approving the release of sustainability reports, etc. At the same time, concerning ESG-related goals, the Board regularly supervises and reviews the progress of ESG-related objectives through reports from the Strategy and ESG Committee, and assesses the relevance of ESG goals to the Group's business operations. For further details, please refer to the "Sustainable Development Governance" section of the Report.

Reporting Period

This Report is an annual report for the period from 1 January to 31 December 2025 (hereinafter "the Current Year" or "the Reporting Period"). Some contents or data may relate to previous or subsequent years.

Information Source and Its Reliability

In order to disclose Joyson Electronics' ESG management and performance in an objective and unbiased manner, the information and data disclosed in the Report are sourced from internal documents and information, financial reports, or other publicly available information of Joyson Electronics and have been reviewed and confirmed by relevant departments. Unless otherwise specified, the statistical methods used and the key performance indicators disclosed in the Report remain consistent with previous years to ensure comparability with historical data.

Reporting Scope

The scope of the social data in this Report is consistent with that of the annual report of Ningbo Joyson Electronics Corp., and the scope of the environmental data covers the major production subsidiaries of the Group.

Unless otherwise stated, the currencies involved in the Report are measured in CNY/RMB.

Abbreviation

Reference	Abbreviation
Ningbo Joyson Electronic Corp. and its subsidiaries	Joyson Electronics, the Group, we
Ningbo Joyson Electronic Corp.	the Company
Preh GmbH	Joyson Preh
Joyson Auto Safety Holdings S.A.	Joyson Safety Systems, Automotive Safety Business Unit (BU)
Ningbo JOYNEXT Technology Corporation	JOYNEXT
Joyson Preh and JOYNEXT	Automotive Electronics Business Unit (BU)
Ningbo Joyson Advanced Energy Institute Co. Ltd	Advanced Energy Institute
Guangdong Senssun Weighing Apparatus Group Ltd.	Senssun
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd.	JOYSONQUIN

Releasing Format

The Report has been published in three versions: Simplified Chinese, Traditional Chinese and English. In case of discrepancies between the English version and the Chinese versions, the Simplified Chinese version shall prevail. To support environmental protection, the Report is published in electronic form. Readers and stakeholders may access and download the Report on the website of Joyson Electronics (<https://www.joyson.com/>), the Shanghai Stock Exchange (<http://www.sse.com.cn/>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk/>).

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Message from the Chairman

Amid the accelerating global shift toward intelligent and low-carbon mobility, the automotive industry is undergoing a profound structural transformation. As a global leader of intelligent automotive technology solutions, Joyson Electronics continues to make meaningful progress in technological innovation, green manufacturing, and the creation of shared social value. Guided by our mission: "Joy and safety on, Joyson," we are committed to enhancing comfort and peace of mind for every journey. In 2025, driven by the spirit of "entrepreneurship anew, innovating forward," we expanded our business into the emerging AI agent ecosystem through organizational innovation and strategic growth. We provided integrated hardware and software solutions for critical components to global automotive manufacturers and emerging AI agent companies. This report presents our sustainability practices and forward-looking priorities for 2025. On behalf of the Board of Directors, I sincerely invite you to explore our journey, witness our progress, and join us in advancing a low-carbon, value-driven future for the automotive industry.

In navigating industry transformation and external uncertainties, we have embedded sustainability at the core of our corporate strategy, with the ambition to become an innovator and leader in automotive intelligent technologies, automotive safety, and emerging intelligent agents. In November 2025, Joyson Electronics was officially listed on the Main Board of the Hong Kong Stock Exchange, marking a significant milestone in our global development. During the same year, we were included in the "2024–2025 Forbes China Sustainable Development Industrial Enterprises Selection Series," awarded an EcoVadis Silver Medal, and for two consecutive years selected for the *S&P Global's Sustainability Yearbook (China Edition)* as an "Industry Mover." These achievements reflect the strength of our ESG performance and the growing recognition of our efforts both in China and internationally.

With operations spanning Asia, Europe, and North America—core global automotive markets—Joyson Electronics operates more than 25 R&D centers and over 60 manufacturing facilities worldwide. Leveraging our "local-for-local" strategy and lifecycle-integrated quality management system, we consistently deliver high-quality products and services to more than 100 automotive brands. At the same time, we continue to strengthen our independent R&D and innovation capabilities, seizing opportunities presented by clean technologies to drive the evolution of our products toward greater intelligence, safety, and environmental sustainability. Furthermore, we have fully embedded responsibility across our value chain. Through a closed-loop, lifecycle-based supply chain management system, we empower upstream and downstream partners to accelerate their green and low-carbon transition. This approach enhances supply chain resilience while supporting partners in aligning with global sustainability standards and fostering a collaborative and mutually beneficial ecosystem.

As we advance on our sustainability journey, Joyson Electronics remains firmly committed to building green, low-carbon operations. During the Reporting Period, we established group-level targets for energy management, water resource management, and waste management. We are also striving for carbon neutrality in core operations by 2040—demonstrating our systematic approach to reducing resource consumption and environmental impact. Several plants under Joyson Electronics have been recognized with honors such as "National Green Factory" and "Zero-Carbon Demonstration Factory," underscoring the effectiveness of the Company's environmental management practices. In addition, we are actively fulfilling our corporate responsibility in biodiversity conservation. Alongside this report, we have released our first *Nature-related Disclosure Report*, demonstrating our efforts to contribute to a more sustainable future.

Joyson Electronics is committed to cultivating a globally oriented and diverse talent ecosystem, while fostering an

inclusive, cross-cultural workplace where every individual can thrive on a foundation of fairness and equity. Through a wide range of cultural and sports initiatives, Joyson Electronics strengthens connections among employees worldwide and promotes a culture of Shared Achievements. We provide clear career development pathways and advancement opportunities, enabling employees to fully realize their potential in roles that best match their capabilities. At the same time, we offer comprehensive internal and external training programs to continuously empower talent development. We also remain closely attuned to societal needs, delivering meaningful contributions through practical actions. By promoting harmonious coexistence and shared progress between business and society, we demonstrate our commitment to social responsibility and contribute to building a more sustainable future.

We embrace change with openness and shape the future through collaboration. Amid rapid technological advancements and the profound transformation of the mobility ecosystem, Joyson Electronics stands ready to move forward with global partners—expanding the frontiers of innovation and shaping a shared vision for intelligent, sustainable, and inclusive mobility.

Chairman of Joyson Electronics

Jeff Wang

April 2026

About Joyson Electronics

Overview

Ningbo Joyson Electronic Corp. (abbreviated as "Joyson Electronics", 600699.SH/00699.HK) is a world-leading intelligent automotive technology solution provider, mainly dedicated to the R&D, manufacturing and services of intelligent cockpits, intelligent connectivity, intelligent driving, new energy management and automotive safety systems, etc. Headquartered in Ningbo, Zhejiang Province, China, we have more than 25 R&D centers and over 60 production bases worldwide, covering major automotive markets including Asia, Europe and North America. As of the end of the Reporting Period, we had more than 40,000 employees worldwide.

Leveraging on our platform-based and modularized technology system and global R&D, production and sales network, we are committed to advancing the intelligence and electrification transformation of the global automotive industry. The following chart illustrates our proved market leadership and global layout:

Size

- 37th auto parts supplier in the global market in 2025
- Revenue in 2025: approximately RMB61.2 billion, representing a year-on-year increase of approximately 9.5%

Marketing Position*

- **Passive automotive safety:**
 - 2nd in China (Market share: 26.1%)
 - 2nd in the world (Market share: 22.9%)
- **Intelligent cockpit domain control system:**
 - 2nd in China (Market share: 6.5%)
 - 4th in the world (Market share: 8.9%)

Customer Coverage

- Over 100 automotive brands worldwide covered
- Covering major OEMs and brands globally

Global Layout

- Covering 25 countries and regions
- Over 60 production bases
- Over 25 R&D centers

Profit

- Focusing on front-end business, gross profit margin increased from 15.1% in 2023 to 18.3% in 2025

Continuous Innovation

- First in the world to achieve commercialization and mass production of 5G-V2X technology
- Among the world's earliest to achieve mass production of 800V high-voltage platform products

*Market position information is from Frost & Sullivan research data, based on 2024 market performance of Joyson Electronics.

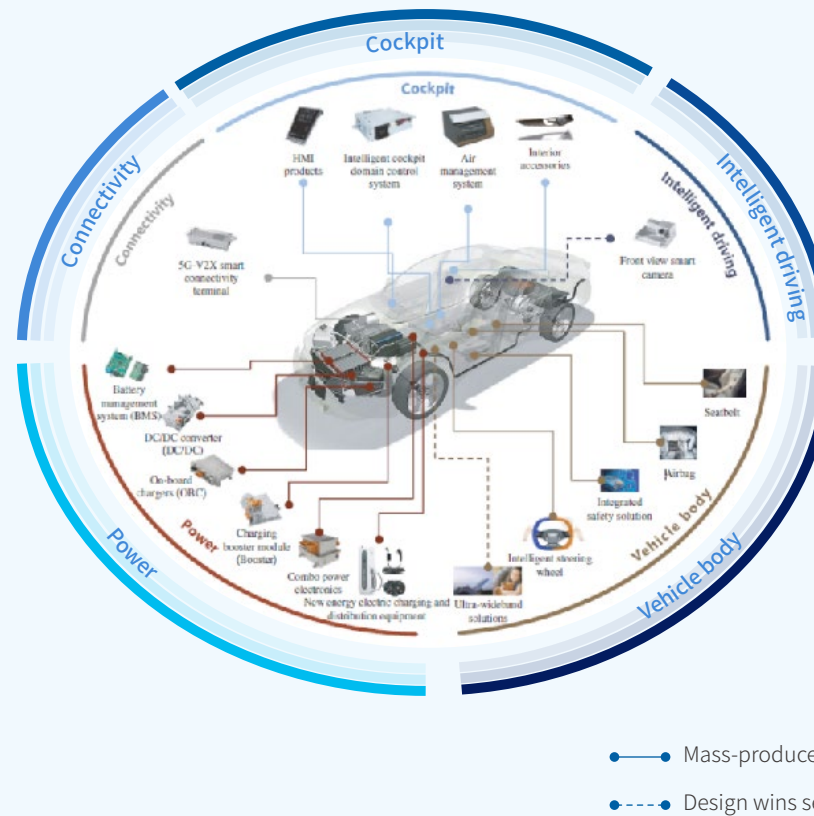
We believe our long-term investment in global platforms and intelligent automotive technologies lays a crucial foundation for us to adapt to the trends of intelligence and electrification with our industry partners. We have a strong customer base worldwide. The predecessors of some of our subsidiaries have maintained business relationships with certain customers for over a century. As of 2025, we had more than 100 automotive brands as customers worldwide, including the top ten OEMs in both China and the world. Leveraging our technological capabilities and cross-domain solutions in automotive electronics and automotive safety and our global customer network, we empower global OEM customers to create a smarter, safer and greener mobility experience.

Through organic development and strategic acquisitions, we have evolved from a company merely offering individual auto parts in China to a provider of intelligent automotive technology solutions to domestic and overseas customers, with cross-domain products and strong technological capabilities.

Products and Solutions Portfolio

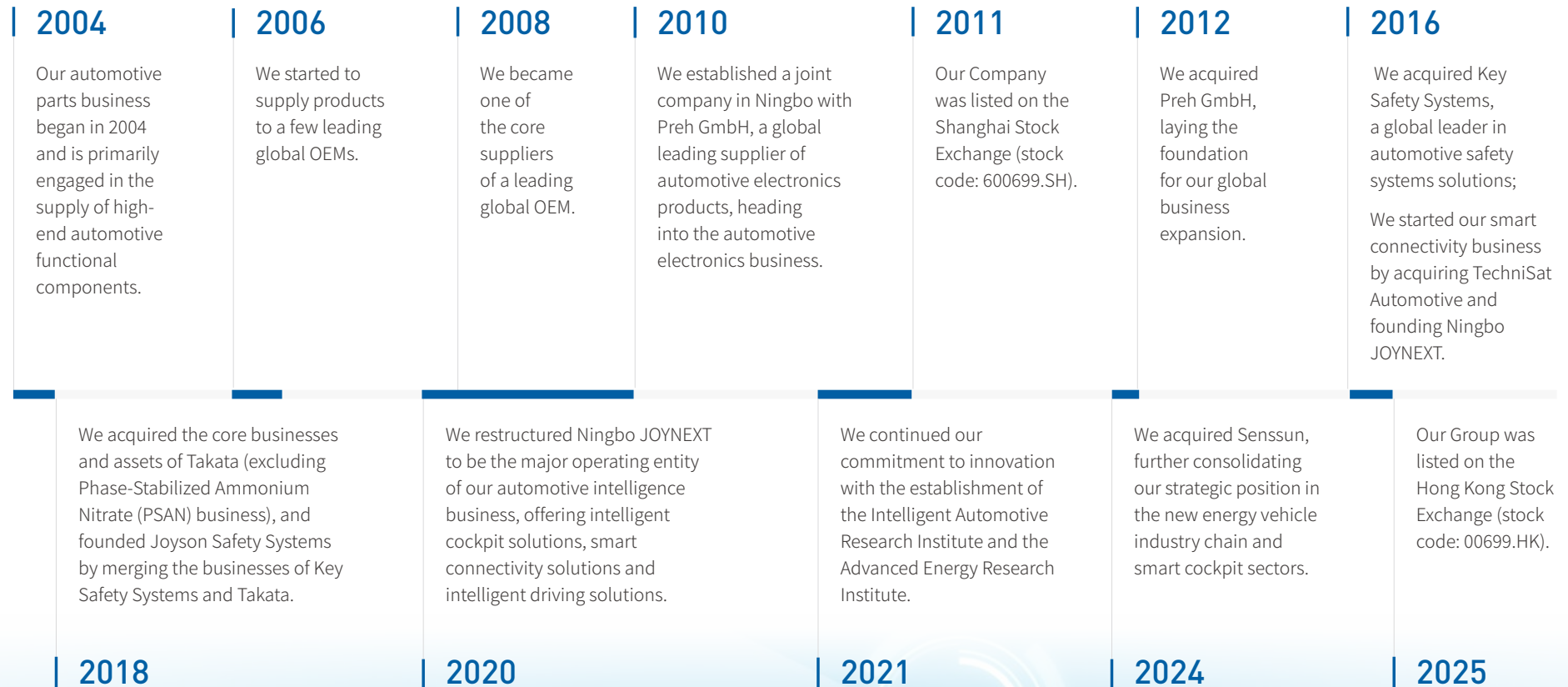
In 2025, the Company is primarily engaged in two major businesses: automotive electronics and automotive safety. Our automotive electronics business mainly includes automotive intelligence solutions (covering businesses such as intelligent cockpit domain control, intelligent connectivity and intelligent driving), HMI (Human-Machine Interface) products and E-mobility solutions. Our automotive safety business mainly includes products related to seatbelts, airbags, intelligent steering wheels and integrated safety solutions. In addition, through our holding listed subsidiary Senssun, the Company is engaged in the production of intelligent cockpit components and EV charging and power distribution system.

The following illustration sets forth our product portfolio:



Our products and solutions are diverse and complementary, covering key vehicle domains including cockpit, intelligent driving, connectivity, power and vehicle body. We integrate technological capabilities in areas such as automotive safety, domain controllers, E-mobility solutions and HMI while fostering synergies amongst them, thus developing comprehensive products and solutions.

Milestone



Honors and recognition in 2025

2025 China's Top 500 Private Enterprises
2025 Top 500 Private Enterprises
in R&D Investment
2025 Top 500 Private Enterprises
in Invention Patents

**All-China Federation of
Industry and Commerce**

2025 China's Top 100 Most International
Privately-Owned Enterprises

**Zhejiang University International Business
School (ZIBS)
Zhejiang Merchants Development Institute
(Zhejiang Merchants Think Tank)
Cambridge Centre for Chinese Management
Zhejiang University Center for Chinese
Multinationals**

Lingxuan Awards: Excellence Award in Mass
Production – Intelligent Cockpit Category
Lingxuan Awards: Gold Award in Forward-
looking – Intelligent Cockpit Category
Lingxuan Awards: Excellence Award in Forward-
looking – Intelligent Cockpit Category
Lingxuan Awards: Excellence Award in Forward-
looking – Combined Assisted Driving Category

Auto Business Review

2025 Advanced Intelligent Factories
in Zhejiang Province (First Batch)¹

**Economy and Information
Technology Department of Zhejiang**

Value Empowerment Award

**International Forum of
Automotive Traffic Safety**

2025 Top 100 Global Automobile Supply
Chains and 2025 Top 100 Chinese
Automobile Supply Chains
Global Automotive Supply Chain
Ecosystem Partner Award
Supply Chain Quality Leadership
Ecosystem Partner Award²

China Automotive News

Top 20 Listed Companies in Ningbo
Top 10 Ningbo-based Private Enterprises in
Global Operations
Ningbo Digital Manufacturing Enterprises
Ningbo Outstanding Enterprise for Safe
Development

**People's Government of Ningbo
Municipality**

2025 Fortune China 500

FORTUNEChina.com

Gaogong Golden Globe Award – Technology
Breakthrough of the Year Award
Gaogong Golden Globe Award – Annual
Benchmark Product Award

Gaogong Intelligent Vehicles

¹The award-winning entity is Joyson Preh China.

²The award-winning entity is Guangdong Senssun Weighing Apparatus Group Ltd.

New Force Advanced
Manufacturing Enterprise Award²

Cailian Press

Excellent Board of Directors²

Directors & Boards

Vehicle-to-Vehicle Solution of the Year³

AutoTech Breakthrough Award 2025

Outstanding Growth Enterprise²

JRJ.com

Top 100 Players of China's New
Automotive Supply Chain
Best Overseas Practice Award

The 7th Gasgoo Awards

Ranked 37th on the 2025 Top 100 Global
Auto Parts Suppliers list and 3rd among
Chinese companies on the list

Automotive News



² The award-winning entity is Guangdong Senssun Weighing Apparatus Group Ltd.

³ The award-winning entity is JOYNEXT.

ESG-related honors and recognition in 2025



Included in the "2024-2025 Forbes
China Sustainable Development
Industrial Enterprises Selection Series"

Forbes China



2025 Caijing Evergreen Enterprise -
Sustainable Development Progress
Enterprise

Caijing Magazine



ESG New Benchmarking
Enterprise Award

Stockstar



2025 ESG Practice
Pioneer Award

NetEase Finance



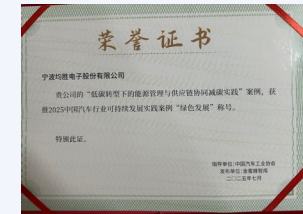
2026 Watchlist - ESG
Potential Enterprise
Bloomberg Businessweek
(Bloomberg Green)



Green Supply Chain Management Award
Yicai, Shanghai Jiao Tong University
Research Institute of Carbon Neutrality,
Shanghai Environment and Energy
Exchange



2025 Zhejiang Entrepreneurs ESG Classic 100
Zhejiang Merchants Development
Institute, Zhejiang Daily Press Group,
Zhejiang Academy of Social Sciences, etc.



Practical Cases of Sustainable
Development in Chinese
Automotive Industry 2025
China Association of Automobile
Manufacturers, GoldenBee Think Tank



ESG Competitiveness Model — New Nature Economy Award

GoldenBee Think Tank, CSR Europe,
Council for Better Corporate
Citizenship (Japan)



Silver Medal⁴

EcoVadis



Full Label⁵

RSCI (Responsible Supply Chain Initiative)



Sustainability Yearbook (China Edition)2025,2026 : Yearbook members, Industry Mover

S&P Global



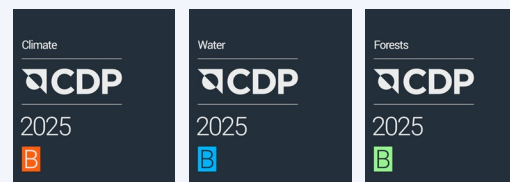
ESG Rating: A

Wind



ESG Disclosure Score: Leading Level

Bloomberg



Climate Change: B

Forests: B

Water Security: B

Supplier Engagement Assessment:A-

CDP (Carbon Disclosure Project)

⁴The award-winning entity is Joyson Preh.

⁵The award-winning entity is Joyson Preh Romania S.R.L.

Alignment with UN SDGs

Joyson Electronics upholds a forward-looking strategic vision and remains committed to long-term value creation, integrating corporate development with global sustainability priorities. We actively align with the United Nations' 2030 Sustainable Development Goals (SDGs) and strive to contribute meaningfully to global sustainable development. In 2025, we continued to deepen our sustainability practices. While advancing our operations toward greater efficiency, lower environmental impact, and stronger accountability, we leveraged technological innovation as a key driver and ecological collaboration as an enabling mechanism to support the industry's transition toward a greener, more resilient, and prosperous future.

Chapter	UN SDGs aligned	Joyson Electronics long-term targets	Achievements in 2025
Strengthening Governance to Drive Efficient Growth		- Improving leadership diversity - Operating with integrity and business ethics - Continuously improving stakeholder satisfaction	- The Board of Directors consists of experts and professionals from diverse fields, including engineering, finance, accounting, and biology, with independent directors accounting for 40% of its members. In 2025, an independent non-executive female director with extensive experience in risk management was appointed. - A comprehensive business ethics training system has been established, achieving nearly 100% employee coverage in compliance and ethics training. No material violations concerning taxation, fraud, unfair competition, monopolies, or information security breaches occurred during the Reporting Period. - Guided by a commitment to openness and transparency, we have established diversified communication platforms to respond to stakeholder concerns and actively engage with a wide range of perspectives.
Driving Product Excellence for the Future	 	- Continuously improving the retention rate of skilled professionals - Improving innovation capabilities	- During the Reporting Period, our total R&D investment amounted to approximately RMB4.418 billion, representing 7.22% of revenue. - By the end of the Reporting Period, the global R&D workforce totaled 5,895 employees, accounting for 13.35% of the total workforce, with 26.62% holding a master's degree or above. - As of the end of the Reporting Period, we had held approximately 3,500 patents globally and had 26 certified high-tech enterprises in China.

Chapter	UN SDGs aligned	Joyson Electronics long-term targets	Achievements in 2025
Building a Responsible and Collaborative Value Chain	 	- Strengthening supply chain resilience - Continuously promoting cooperation between industry, academia and research institutes	- Became a member of the Responsible Business Alliance (RBA), continuously advancing the comprehensive enhancement of labor rights, environmental protection, and business ethics across the supply chain. - During the Reporting Period, Joyson Safety Systems upgraded its "Global Supplier Management Platform (Ariba)" by launching a new supplier onboarding module that integrates due diligence results, ensuring full coverage of all newly onboarded direct procurement suppliers. - During the Reporting Period, Joyson Electronics participated in several major industry events, including the Auto Shanghai 2025, Munich Motor Show 2025 (IAA Mobility), and the 5th Future Automotive AI Computing Conference 2025, further strengthening collaboration within the industry ecosystem.
Advancing Green Manufacturing for a Sustainable Future	    	- Progressively reducing carbon emissions - Progressively increasing the proportion of renewable energy resources - Continuously increasing the use of recyclable materials - Continuously investing in environmental protection to ensure environmental compliance	- As of the end of the Reporting Period, Scope 1 and Scope 2 (market-based) GHG emissions decreased by 7.17% year-on-year, while emissions intensity declined by 6.60% compared with the previous year. - During the Reporting Period, Joyson Electronics consumed 248,089.73 MWh of renewable energy source, accounting for 33.91% of the total energy consumption for the year, representing a year-on-year increase of 27.11% compared with 2024. The use of clean electricity contributed to an annual reduction of 102,135.34 tons of carbon dioxide equivalent (tCO₂e) in GHG emissions. - As of the end of the Reporting Period, 18 factories have obtained ISO 50001 Energy Management System certification. - During the Reporting Period, a total of 23 production bases had achieved 100% clean electricity operation, and 10 production bases had reached carbon neutrality at the operational level. - As of the end of the Reporting Period, 14 factories were equipped with photovoltaic power generation capabilities. During the Reporting Period, the self-generated and self-consumed electricity from self-owned distributed photovoltaic systems reached 25,180.19 MWh. - During the Reporting Period, Joyson Safety Systems Asia completed approximately 10 million reusable container cycles and 420,000 pallet cycles, equivalent to reducing the consumption of about 9,000 metric tons of corrugated paper and 5,000 metric tons of wood. - During the Reporting Period, our environmental investment totaled RMB62.05 million, with no major environmental violations reported. - Establish three major objectives for the Group in energy management, water resource utilization, and waste management, with a commitment to striving for carbon neutrality in core operations by 2040.
Empowering People to Create Sustainable Value	    	- Solving employees' difficulties and making them work decently - Continuously improving employee satisfaction - Continuously increasing the proportion and length of employee training - Continuously improving workplace safety	- Non-salary benefits cover 100% of employees, fostering a supportive and inclusive work environment. - As of the end of the Reporting Period, an amount of RMB2.9 million was raised through the Joyson Cares Fund, and a total of approximately 500 employees were supported, with approximately RMB2.62 million distributed. In 2025, the Joyson Cares Fund supported 17 employees, distributing RMB70,000 in financial assistance. - In 2025, Joyson Safety Systems Asia achieved a 93.5% participation rate in the employee engagement survey, with an overall score of 4.23. - The occupational health and safety management system covers 100% of employees. - During the Reporting Period, the Lost Time Injury Rate (LTIR) per 200,000 working hours, including both employees and contractors, was 0.24, representing a 9% decrease compared with 2024. - No material workplace safety incidents occurred within the Group during the Reporting Period. - The Group invested RMB27,039,200 in workplace safety in China during the Reporting Period, strengthening the safety management infrastructure. - Establish the Lost Time Injury Rate (LTIR) target for the Group, and continuously deepen safety governance efforts.

Sustainable Development Governance

Joyson Electronics is committed to long-term value creation, with sustainability serving as a guiding principle for high-quality development. We strive to create shared value by protecting the ecological environment and fulfilling our social responsibilities. To support this commitment, we have established a structured ESG governance framework, maintained regular engagement with stakeholders, assessed the financial implications of ESG-related topics, and evaluated the external impacts of our business operations. Guided by a long-term perspective, Joyson Electronics continues to strengthen its ESG management capabilities and enhance implementation effectiveness, building a resilient and value-driven model for sustainable development.

January 2025

Joyson Electronics formally joined the United Nations Global Compact (UNGC), committing to uphold the *Ten Principles of the UN Global Compact*, transparently disclose sustainability progress, and support the achievement of the UN SDGs.

March 2025

Joyson Electronics joined the China ESG Alliance to gain high-value insights from leading ESG experts and ecosystem partners, and to advance responsible climate technology solutions that contribute to global sustainable development.

March 2025

Joyson Electronics officially registered as a TNFD Adopter, becoming the first automotive parts company in China to join the TNFD (Taskforce on Nature-related Financial Disclosures) Supporters network.

August 2025

Joyson Electronics formally joined the Responsible Minerals Initiative (RMI), committing to responsible sourcing and use of minerals, advancing ethical procurement across the supply chain, and reinforcing our commitment to sustainable development.

July 2025

Joyson Electronics signed the Business for Nature's Call to Action, further strengthening our governance of nature- and climate-related initiatives.

June 2025

Together with 12 other enterprises, Joyson Electronics co-launched the Supply Chain ESG Stewardship Initiative, aligned with the UN 2030 SDGs. With Environmental (E), Social (S), and Governance (G) as core pillars, this initiative aims to foster a more sustainable, resilient, and competitive global supply chain ecosystem and promote a model of green, mutually beneficial collaboration.

September 2025

Joyson Electronics became a member of the ISSB 'LEAD 50', actively promoting the innovative implementation and leading practices of international sustainability disclosure standards.

January 2026

Joyson Electronics participated in drafting the national standard Guidelines for Accounting of Corporate Sustainable Value, advancing the adoption of financial quantification for sustainability performance in China.

February 2026

Building on its ongoing efforts in sustainable supply chain management, Joyson Electronics joined the Responsible Business Alliance (RBA), further strengthening the management of environmental performance, human rights, labor practices, and business ethics across our direct operations and upstream value chain.

Meanwhile, we continued to enhance our ESG capabilities through targeted ESG training programs and diverse engagement initiatives, equipping employees with sustainability-related knowledge and skills, and strengthening the talent foundation for high-quality green development. In addition, we conducted targeted audits on sustainability-related topics to drive continuous improvement and optimize management practices, further advancing the development of our ESG management system.

Case study Strengthening compliance with EU ESG regulations through targeted training

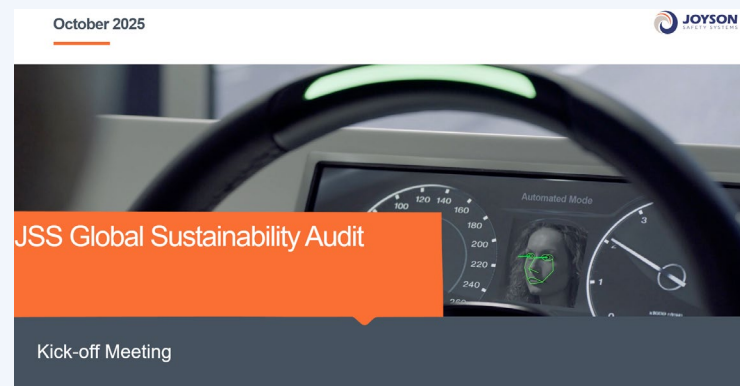
In August 2025, Joyson Electronics conducted a targeted training and knowledge-sharing session on EU ESG regulations. The training was delivered in a hybrid format, combining online and in-person participation, with approximately 200 employees in attendance. The content was closely aligned with the Company's global expansion strategy and provided an in-depth interpretation of regulatory requirements under the European Green Deal framework that are highly relevant to business operations. Key topics included carbon management, supply chain due diligence, and environmental information disclosure. The initiative strengthened the Company's ability to ensure regulatory compliance in the EU market and supported the sustainable development of our global operations.



Targeted training on EU ESG regulations

Case study Targeted sustainability audit conducted by Joyson Safety Systems

As part of its efforts to strengthen ESG governance, Joyson Safety Systems conducted a targeted sustainability audit in 2025. The audit focused on assessing the establishment of the sustainability governance framework, the comprehensiveness of ESG-related policies, the effectiveness of implementation mechanisms, and the accuracy of data and disclosures. Through a systematic evaluation of key management practices across environmental, social, and governance dimensions, the audit supported the effective implementation and continuous improvement of sustainability initiatives.



Kick-off meeting for the Joyson Safety Systems sustainability audit

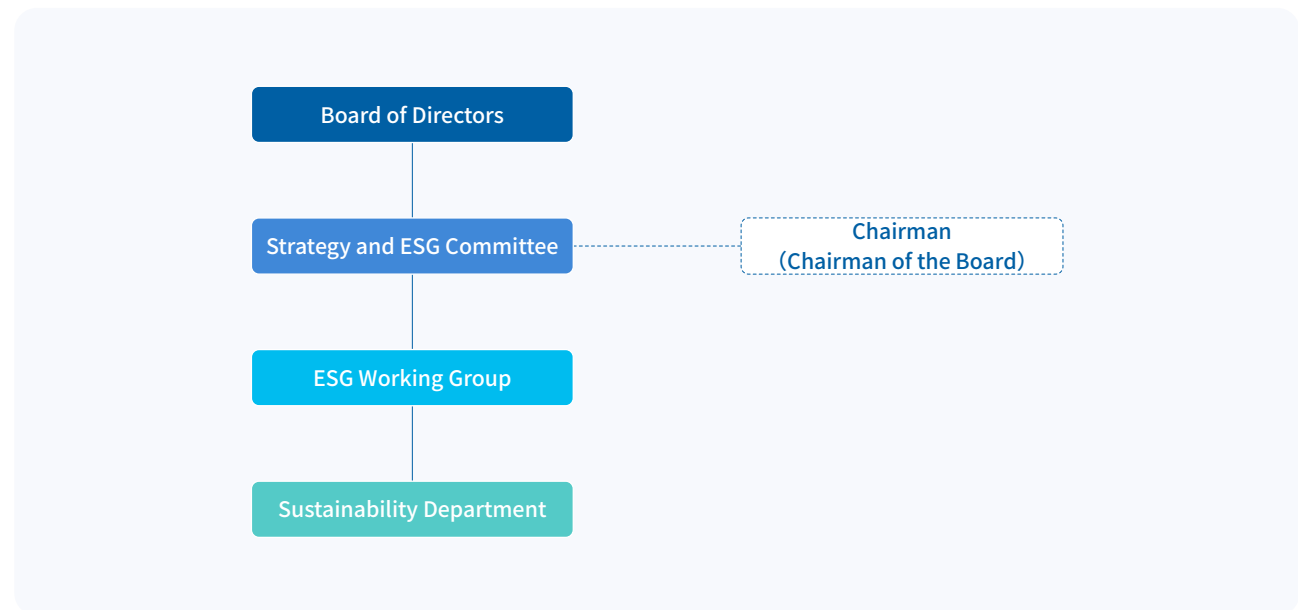
ESG governance structure

Sustainable business practices are a key driver of long-term value creation for both the Company and society. Joyson Electronics integrates sustainability principles into our day-to-day operations and management, while actively fulfilling our corporate responsibilities. ESG topics, along with their associated impacts, risks, and opportunities (IROs), have been incorporated into the Company's routine decision-making and management processes. At the group level, we have established a four-tier sustainability governance framework comprising the Board of Directors, the Strategy and ESG Committee, the ESG Working Group, and the *Dedicated Department for Sustainable Development*, ensuring the orderly advancement and effective implementation of our ESG strategy and objectives.

The Board of Directors serves as the highest decision-making body, responsible for the decision-making and oversight of ESG-related matters. The Strategy and ESG Committee, nominated and elected by the Board of Directors and chaired by the Company's Chairman, comprises seven directors, including two independent directors. This Committee is responsible for formulating ESG policies and action plans aligned with the Group's strategy and sustainability objectives, and for providing recommendations to the Board of Directors. We have also adopted the Strategy and ESG Committee Working Principles, which clearly define the Committee's composition, roles, and responsibilities, and establish formal procedures for decision-making, meeting governance, and conflict-of-interest management, thereby strengthening the institutionalization and standardization of our sustainability governance.

At the management level, the ESG Working Group, composed of senior representatives from functional departments and business units of the listed company, serves as the highest management body and is responsible for coordinating and executing operational ESG initiatives. The ESG Working Group reports regularly to the Strategy and ESG Committee. In addition, each business unit has established its own ESG management team to systematically integrate the Group's ESG strategy and objectives into business processes and decision-making. These teams translate strategic priorities into measurable and actionable performance indicators to ensure effective implementation and continuous improvement. Currently, we have integrated some ESG performance indicators into the senior executive remuneration system as a key measure to advance sustainable development. By improving our incentive mechanisms, we support the alignment of our long-term value creation with our social responsibilities.

Joyson Electronics ESG Governance Structure



Joyson Electronics' ESG Governance Structure

The Board of
Directors

- Responsible for the oversight and governance of ESG matters, and the review and approval of material ESG issues
- Responsible for overall decision making on ESG work, and regularly receiving reports on the work of the Strategy and ESG Committee
- Responsible for researching the Company's policies related to sustainable development and ESG, and making recommendations
- Responsible for reviewing and approving the release of ESG-related reports

The Strategy
and ESG
Committee

- Responsible for researching the Company's activities related to sustainable development, and making recommendations
- Responsible for researching the Company's ESG policies and making proposals to the Board of Directors
- Responsible for communicating the Board of Directors' resolutions regarding ESG policy proposals to the ESG Working Group

The ESG
Working Group

- Responsible for proposing frameworks, policies and action plans related to ESG matters that align with the Company's strategy
- Responsible for assessing and managing ESG risks and other ESG matters in the Company's daily operations, including climate change as well as nature-related dependencies, impacts, risks and opportunities
- Responsible for proposing ESG targets including those related to climate and nature, and supervising and reviewing the progress of such targets
- Responsible for collecting, organizing, and compiling the Group's ESG performance information for public disclosure
- Responsible for regularly reporting to the Strategy and ESG Committee
- Other ESG-related matters

Sustainability
Department

- Responsible for the coordination, overall planning and management of ESG work across functional departments and business units
- Responsible for establishing and improving the ESG collaboration mechanism across departments and business units
- Responsible for developing annual ESG work plans, implementing decisions on ESG management work, and supervising and promoting the implementation and effectiveness of ESG management measures across business units
- Responsible for researching ESG-related policies and trends, conducting benchmarking analysis, and tracking ESG development trends, disclosure standards, regulatory policies as well as legal and regulatory requirements

To ensure that the Board of Directors can effectively discharge its responsibilities for nature- and climate-related governance and make informed decisions, one director holds a Bachelor's degree in Biological Sciences and provides professional insights on nature-related topics at the board level. We also maintain regular communication and consultation with internal and external experts and stakeholders, and engage external advisors to provide targeted guidance to the Board of Directors. In 2026, we offer climate- and nature-related training to the Board of Directors to further strengthen its understanding and oversight of sustainability-related impacts, risks, and opportunities.



Long-term strategy for sustainable development

Guided by the corporate mission of "Joy and safety on, Joyson" and committed to the vision of "Light up every trip in the world with our intelligent automotive technology," in 2025, we established our long-term sustainability strategy "S.A.F.E," with four key pillars: "Sustainable Ecosystems" (Low-Carbon & Nature), "Advanced & Assured Tech" (Technology & Safety), "Fair Collaboration" (Co-creation & Win-Win), and "Ethical Excellence" (Compliance & Ethics). We integrated sustainability principles across our entire value chain and operational processes. By working closely with a wide range of stakeholders, we strengthened collaborative partnerships to co-create long-term value and leveraged high-quality development to contribute to global sustainable development.



Stakeholder engagement and double materiality assessment

Step 1: Identification of business activities and stakeholders

To enhance the relevance and forward-looking nature of the sustainability management, Joyson Electronics conducts regular materiality assessments for ESG topics. The results serve as an important basis for the development and continuous refinement of the Group's sustainability strategy and related disclosures. We have also incorporated the double materiality assessment process into our overall risk management framework. During the Reporting Period, we aligned our methodology with the *Guidelines for Self-Regulation of Listed Companies Sustainability Report (Trial)* issued by the Shanghai Stock Exchange (hereinafter referred to as "SSE's *Guidelines for Sustainability Report*") and the *IG1 Materiality Assessment* issued by the European Financial Reporting Advisory Group (EFRAG). Building on previous years' practice of engaging internal stakeholders, we further sought input from external stakeholders in 2025. From both impact materiality and financial materiality perspectives, ESG topics and related IROs were re-identified and re-assessed. The Company's double materiality assessment is conducted in accordance with the following steps and has been reviewed and verified by an independent third-party organization to ensure the integrity of both the analysis process and the conclusions.

We conducted a systematic review of core business activities across Joyson Electronics' direct operations and global value chain. In addition, we considered macroeconomic conditions, industrial policies, regulatory trends, and industry developments to identify external factors that may impact the Company's operations and long-term value creation. On this basis, we identified and mapped both internal and external stakeholders across the Group's direct operations and value chain, establishing a comprehensive stakeholder inventory.

Joyson Electronics maintains open, transparent, and regular engagement with stakeholders to build trust and confidence. We have established diversified communication channels and engagement mechanisms to effectively understand the needs and expectations of key stakeholder groups—including government authorities, investors, customers, employees, business partners, industry associations, and local communities—and to foster long-term, mutually beneficial partnerships.



Stakeholders	 Government	 Investors	 Customers	 Employees	 Partners	 Industry	 Community
Expectations and Needs	- Compliant operations and business ethics - Technology innovation - Information and data security - Climate change mitigation - Energy management - Water resource management - Sustainable products	- Compliant operations and business ethics - Sustainable supply chain - Technology innovation - Climate change mitigation - Energy management - Water resource management - Sustainable products	- Product safety and quality - Customer relationship management - Technology innovation - Sustainable products	- Employee rights and benefits - Employee training and development - Diversity and equal opportunity - Occupational health and safety	- Sustainable supply chain - Sustainable products	- Compliant operations and business ethics - Technology innovation - Sustainable products	- Community relations - Social contribution - Climate change mitigation - Energy management - Water resource management - Biodiversity conservation - Emissions and waste - Circular economy
Communication Methods	- Daily communication and reporting - Acceptance of supervision and assessment - Participation in government-organized activities/projects	- Public information disclosure - Regular investor interviews, meetings, roadshows and meetings with shareholders and investors	- Daily service communication - Acceptance of on-site ESG audit - Participation in customer-hosted meetings	- Diversified communication channels such as employee representative conferences and employee forums - Employee training activities - Multiple employee reporting and feedback channels	- Supplier screening and evaluation - Special exchange activities for suppliers	- Joining industry associations, alliances or platforms - Participating in the formulation of industry/group standards - Conducting experience exchanges and strategic cooperation	- Participation in community welfare activities - Conducting Joyson Open Day activities, etc.
Response Actions	- 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.	- 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.	- Strengthen compliance operation management - Strengthen product quality management - Conducting customer satisfaction surveys - Insisting on innovation and increasing investment in R&D	- 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	- Improve procurement management - Sunshine Procurement - Developing innovative cooperation models, etc.	- Improving Compliance Governance and rejecting vicious competition - Strengthening cooperation and exchanges - Insisting on technological innovation, etc.	- Actively participating in community welfare - 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
Communication Frequency	Carry out as needed on a daily basis	Carry out quarterly and as needed	Carry out as needed on a daily basis	Carry out as needed on a daily basis	Carry out as needed on a daily basis	Carry out as needed on a daily basis	Carry out as needed on a daily basis

Step 2: Identification of ESG topics and IROs

Building upon the 21 sustainability topics outlined in the SSE's *Guidelines for Sustainability Report*, we conducted a comprehensive review and update of our ESG topics and their associated impacts, risks, and opportunities (IROs). This process incorporated domestic and international sustainability reporting standards, mainstream ESG rating frameworks, and industry trends. As a result, we identified a total of 19 ESG topics and 81 IROs. Topics such as Technology Ethics, Rural Revitalization, and Fair Treatment of SMEs were not included in our 2025 ESG agenda, as they are currently assessed to have limited relevance to the Company's business operations. However, we will continue to assess the relevance of ESG topics to our business and update and refine our ESG framework accordingly.

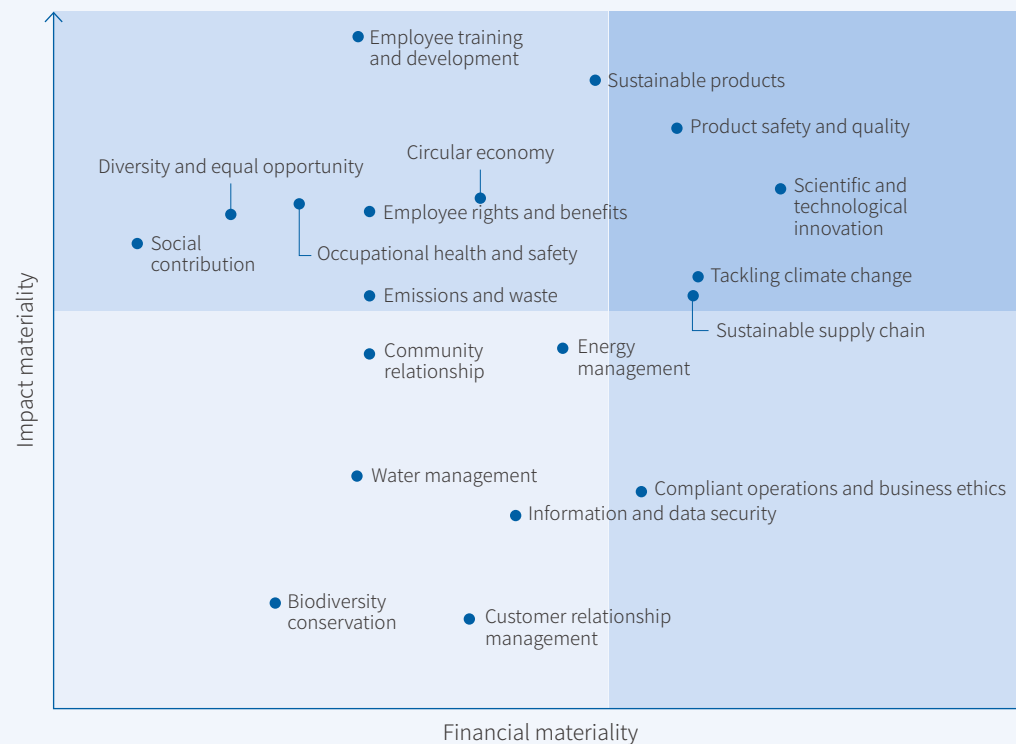
Step 3: Double materiality questionnaire survey

Based on the identified ESG topics and their associated IROs, we invited relevant internal departments and business units, as well as external stakeholders—including customers, suppliers, and investors—to participate in a questionnaire survey to assess each IRO. For impacts (I) under each topic, assessments were conducted across four dimensions: Scale, Scope, Irreversibility, and Likelihood. For risks and opportunities (RO), assessments were conducted based on two dimensions: Materiality and Likelihood. Based on the results of both internal and external surveys, we prioritized the IROs and determined the impact materiality and financial materiality of each ESG topic.

Step 4: Development and validation of the Double Materiality Matrix

Following the assessment, the results were reviewed and validated with input from both internal and external experts. The Group's senior management then established materiality thresholds, taking into account the Company's strategy, industry trends, and key risk management priorities, thereby finalizing the double materiality matrix. The results indicate that five topics are financially material, while 12 topics are considered to have impact materiality. Based on these findings, the Group will further refine its management approaches to address the identified impacts, risks, and opportunities, thereby supporting long-term value creation and enhancing corporate sustainability and resilience.

Joyson Electronics Double Materiality Matrix



Financial materiality analysis

We have conducted a thorough analysis of the risks and opportunities related to financially material topics and manage their financial impacts through enhanced governance mechanisms and continuous monitoring of relevant indicators. Governance, strategy, and the management of impacts, risks, and opportunities—as well as related indicators and targets—for financially material ESG topics, including those subject to double materiality, are prominently disclosed in the relevant sections of this report.

Financially material ESG topics	Risks and opportunities	Financial impacts	Time horizon ⁶	Initiatives	Relevant sections
Product safety and quality	Risk: Product safety or quality defects may result in customer complaints, product recalls, or traffic accidents, leading to compensation claims, litigation, increased costs, and reputational damage, which may adversely affect market share and revenue.	Increased costs Decreased revenue	Short-term Medium-term Long-term	Joyson Electronics has established a digitally driven, advanced product quality risk management system to enable early identification and targeted mitigation of potential quality risks.	Product quality and safety
Technology innovation	Opportunity: Continuous iteration and upgrading of industry-leading products and technologies, along with the provision of a more diversified product portfolio, enable the Company to meet and exceed customer expectations, thereby creating opportunities for increased market share and revenue.	Decreased costs Increased revenue	Short-term Medium-term Long-term	We have embedded risk management across the full lifecycle of product development and beyond, systematically identifying and assessing risks and opportunities throughout the innovation process. This enables us to maintain our technological leadership while establishing a robust intellectual property (IP) protection framework, effectively managing R&D risks, expanding market opportunities, and continuously enhancing competitiveness.	R&D and innovation development
	Risk: Failure to keep pace with technological advancements in the industry or to meet evolving customer needs may reduce competitiveness and lead to decreased revenue. We may face risks related to intellectual property infringement, including the infringement of our own intellectual property rights, which could adversely affect our reputation, lead to a decline in market share, and result in reduced revenue.	Decreased revenue	Short-term Medium-term Long-term		

⁶ Time horizon definitions: Short term (0–1 year), medium term (2–5 years), and long term (6 years and above).

Financially material ESG topics	Risks and opportunities	Financial impacts	Time horizon	Initiatives	Relevant sections
Climate change mitigation	For detailed information, please refer to the "List of Climate Risks and Opportunities" in the section "Climate change mitigation."				
Sustainable supply chain	Opportunity: Effective implementation of sustainable procurement policies, together with enhanced supply chain transparency and traceability, helps safeguard reputation, strengthen value chain collaboration, and mitigate potential operational losses arising from ESG-related risks.	Increased revenue Decreased costs	Short-term Medium-term Long-term	Joyson Electronics has established a comprehensive supplier risk management system covering the entire process. The Company conducts regular performance audits and assessments, requires suppliers to rectify identified topics within specified timeframes, and actively adopts third-party assessment tools to achieve more comprehensive and objective monitoring and management of upstream supplier risks.	Supply chain management
	Risk: Failure to identify and effectively manage sustainability-related risks in the upstream value chain may result in financial losses due to customer attrition, loss of market access, or supply chain disruptions.	Decreased revenue Increased costs	Short-term Medium-term Long-term		
Compliant operations and risk management	Opportunity: Timely identification and prevention of compliance risks in business operations support the maintenance of brand reputation, enhance market trust, and create additional business opportunities.	Increased revenue	Long-term	Joyson Electronics has established the <i>Internal Audit System</i> and updates the C-SOX Guideline annually to adapt to regulatory and business changes, ensuring the continued effectiveness of internal controls. Additionally, the Company conducts semi-annual internal control evaluation audits covering key business processes to promptly identify and address risks.	Compliant operations and business ethics
	Risk: Failure to identify or effectively mitigate compliance risks may result in reputational damage and regulatory penalties, leading to business losses, decreased revenue, and increased operating costs.	Decreased revenue Increased costs	Short-term		

Impact materiality analysis

For topics with impact materiality, the Group implements targeted response measures to manage both positive and negative impacts on the environment and society, contributing to sustainable socio-economic development through responsible business practices.

Topics with impact materiality	Scope of impact on value chain	Positive/negative	Actual/potential	Impact description	Response measures	Relevant sections
Product safety and quality	Downstream	Positive/negative	Positive/negative	Joyson Electronics' high-quality products contribute to technological advancement in the industry while enhancing the safety of end users—including drivers and passengers—as well as vulnerable road users such as pedestrians and cyclists. However, product defects may lead to traffic accidents and other adverse outcomes.	Joyson Electronics has established a comprehensive quality management system covering five key stages: design and development, incoming material management, manufacturing, testing and inspection, and after-sales service, creating an effective closed-loop management mechanism.	Product quality and safety
Technology innovation	Entire	Positive	Positive	Joyson Electronics collaborates extensively with OEMs, suppliers, academic institutions, and industry peers in joint R&D, contributing to technological progress and supporting the advancement of the automotive sector.	Joyson Electronics continues to strengthen its technological capabilities, reinforce competitive advantages, and explore cutting-edge technologies through forward-looking strategies, leveraging innovation to enable safer and more comfortable mobility solutions.	R&D and innovation development
Climate change mitigation	Entire	Positive/negative	Positive/negative	Failure to implement adequate climate adaptation measures in regions exposed to extreme weather events may pose risks to employee health and safety, particularly for outdoor workers. Moreover, despite ongoing efforts to increase renewable energy source use, GHG emissions from fossil fuel use and purchased electricity in the manufacturing process contribute to climate change and may have adverse environmental impacts.	We mitigate physical risks by developing emergency response plans and conducting regular emergency drills to enhance our preparedness. Through energy-saving upgrades and optimization of the energy mix, we improve energy efficiency, reduce GHG emissions from energy consumption, and incorporate life cycle assessment methodologies in product design and R&D to optimize structures and processes and reduce carbon emissions.	Climate change mitigation
Sustainable supply chain	Entire	Negative	Negative	Certain upstream segments of Joyson Electronics' value chain involve conflict minerals and other critical raw materials, the extraction or processing of which may occur in high-risk regions or at smelters associated with human rights violations, thereby potentially exposing the Company to related risks. Additionally, certain upstream energy-intensive industries may engage in activities such as excessive water use and improper waste disposal, which could lead to local water scarcity, ecological degradation, and pollution, thereby adversely impacting both the environment and society.	Joyson Electronics has integrated ESG management requirements throughout supplier onboarding, ongoing management, corrective actions, and exit procedures. We have also established relevant risk management policies and conduct ESG due diligence across our supply chain. We require and assist our direct suppliers in conducting due diligence and reporting on risk materials, including conflict minerals (tin, tantalum, tungsten, and gold, commonly referred to as 3TG), ensuring the avoidance of sourcing from conflict-affected areas.	Supply chain management

Topics with impact materiality	Scope of impact on value chain	Positive/negative	Actual/potential	Impact description	Response measures	Relevant sections
Sustainable products	Downstream	Positive	Actual/potential	By advancing innovation in automotive components, Joyson Electronics directly enhances the safety of various road users, including drivers, passengers, and pedestrians. At the same time, the Company integrates sustainability principles throughout the entire product lifecycle, improving product sustainability and enabling more efficient use of natural resources, thereby generating positive impacts on society and the environment.	Joyson Electronics is also driving the green transformation of its products by selecting sustainable materials, optimizing product structures and manufacturing processes, and promoting low-power devices. These efforts continuously reduce the environmental footprint of its products and accelerate the transition toward a resource-efficient and environmentally friendly development model.	R&D and innovation development
Circular economy	Upstream Direct operations	Positive	Potential	To reduce reliance on natural resources and lower carbon footprints, Joyson Electronics actively explores the use of recyclable materials in its products. The Company also adopts innovative approaches to convert production waste into new products, promoting resource recycling across the value chain and generating positive impacts on both society and the environment.	Guided by the principle of efficient resource utilization, the Company systematically assesses the recyclability of wastes. For example, well-preserved packaging materials such as cardboard boxes and cartons are internally recycled and reused. Materials including foam packaging and metal offcuts are entrusted to specialized institutions for recovery and purification, thereby supporting resource regeneration and circular use.	R&D and innovation development Emissions and waste management
Employee rights and benefits	Direct operations	Positive/negative	Actual/potential	Joyson Electronics adheres to the United Nations' <i>Universal Declaration of Human Rights</i> and international human rights standards. The Company respects human rights, strictly prohibits child labor and forced labor, and is committed to safeguarding employee rights, with the aim of creating positive impacts for both employees and society. Conversely, inadequate management practices that lead to violations of employee rights may result in unfair treatment and harm to employees.	To address these risks, Joyson Electronics has established a <i>Human Rights Policy</i> that strictly prohibits child labor and forced labor, while ensuring employees' rights to freedom of association and collective bargaining. Moreover, the Company maintains a zero-tolerance approach toward workplace harassment and discrimination, and provides multiple accessible reporting and grievance channels to ensure effective protection of employee rights.	Building an inclusive workplace
Occupational health and safety	Direct operations	Positive/negative	Actual/potential	Joyson Electronics is committed to providing a safe and healthy working environment. Failure to effectively identify and manage occupational health hazards and safety risks in production and operational processes, or to implement measures such as occupational health surveillance, labor protection, training and education, and emergency management, may result in adverse impacts on employees' health and safety, lead to workplace incidents, and consequently affect employee rights and interests, the Company's normal operations, and its corporate reputation.	To mitigate such risks, Joyson Electronics has established a comprehensive occupational health management system covering all employees, supported by routine risk monitoring and other preventive measures. Additionally, the Company strictly manages chemical safety and outsourced operations, while continuously promoting safety awareness across the organization to reinforce its safety management framework.	Occupational health and safety
Emissions and waste	Entire	Negative	Actual	Joyson Electronics' end-use products in the value chain, which involve the combustion of fossil fuels, emit air pollutants that adversely affect air quality and community health. During its own operations, the Company also faces risks of wastewater leakage, which could lead to environmental contamination. In addition, certain waste materials, when disposed of through landfilling or incineration, may continue to negatively impact air and water quality.	Joyson Electronics continues to expand the coverage of its ISO 14001 Environmental Management System certifications. In line with its operational realities, the Company has also established detailed control targets and management mechanisms for various types of emissions and wastes.	Emissions and waste management

Topics with impact materiality	Scope of impact on value chain	Positive/negative	Actual/potential	Impact description	Response measures	Relevant sections
Employee training and development	Direct operations	Positive	Actual	Joyson Electronics has established a diverse and flexible training system tailored to employees' individual needs, providing substantial support for career development, skill enhancement, and knowledge building. This enables employees to achieve multi-dimensional personal growth while contributing to local community prosperity through education and development.	The Company has built a systematic training framework covering new employee onboarding, professional skills, general competencies, and leadership development. By leveraging internal trainers and mentorship programs to transfer institutional knowledge, and by implementing policies that support academic advancement, Joyson Electronics promotes lifelong learning and empowers employee growth.	Talent attraction and retention
Diversity and equal opportunity	Direct operations	Positive/negative	Actual/potential	Joyson Electronics adheres to the principle of equal opportunity. By providing non-discriminatory employment opportunities and taking firm action against violence and harassment, the Company strengthens organizational inclusivity and promotes social equity. Conversely, shortcomings in areas such as equal employment and diversity and inclusion may result in discrimination and unfair treatment, thereby negatively impacting employee well-being.	Joyson Electronics follows a merit-based approach to recruitment and promotion and has established a <i>Board and Employee Diversity Policy</i> to ensure fairness in hiring and career advancement. The Company also actively recruits individuals with disabilities and strives to create a female-friendly workplace, ensuring that all talent is recognized and nurtured.	Building an inclusive workplace
Social contribution	Direct operations	Positive	Actual	Joyson Electronics conducts community engagement activities across its global operations, actively strengthening relationships with local communities and continuously fostering community development.	Through a wide range of philanthropic initiatives, the Company actively gives back to society. These include environmental actions such as clean-up and tree-planting initiatives to support a greener ecosystem, promoting educational equity through the "Joyson Talent Cultivation Fund," and supporting community development through agricultural procurement and other community-based initiatives.	Social value contribution

We proactively conduct impact assessments to quantify the Company's impacts on the external environment and society, thereby enhancing our understanding and management of such impacts. The following section presents the quantitative results of the Company's efforts in addressing climate change and promoting sustainable products.



Material topics for external stakeholders

Climate change mitigation: Social Cost of Carbon (SCC) from GHG emissions

Relevance to external stakeholders

In the context of addressing climate change, the social cost associated with GHG emissions has become a key indicator of corporate environmental responsibility. The Company's production and operation processes inevitably involve the use of fossil fuels, such as natural gas, as well as electricity consumption, resulting in Scope 1 and Scope 2 GHG emissions and thereby contributing to climate change. To actively support the low-carbon transition and reduce the social cost of carbon emissions, we continue to implement a range of measures, including investing in photovoltaic power generation facilities, increasing the proportion of green electricity procurement. Through these initiatives, we proactively reduce GHG emissions across our manufacturing processes. These actions help mitigate the external environmental impacts arising from the Company's production and operations, and support the global energy transition, thereby contributing to global climate change mitigation.

Output indicator

Avoided CO₂ emissions: In 2025, Joyson Electronics achieved annual GHG emissions reductions of **102,135.34** tons of CO₂ equivalent through the use of clean electricity.

Impact assessment

Social cost avoided through reduced CO₂ emissions

Impact indicator

The SCC is used as the quantitative indicator to assess external impacts

Description of assessed impact

We use the SCC as an indicator to quantify the external impacts associated with CO₂ emission reductions. According to the SCC of USD **56**/tCO₂e for 2025 (in 2020 USD)⁷, and discounted at a rate of **3%**, the social cost per ton of CO₂ emissions in 2025 is approximately USD **64.92**/tCO₂e. In 2025, Joyson Electronics achieved GHG emissions reductions of **102,135.34** tCO₂e through the use of clean electricity. Based on this, the total social cost avoided in 2025 is estimated to be approximately USD **6.6306** million, equivalent to about RMB **47.3362** million (calculated at an exchange rate of USD 1 = RMB 7.1391).

⁷Data are sourced from the *Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide*, published in February 2021 by the Interagency Working Group on Social Cost of Greenhouse Gases of the United States Government, and specifically the appendix titled "Annual SC-CO₂, SC-CH₄, and SC-N₂O Values, 2020–2050."



Material topics for external stakeholders

Sustainable product: Automotive safety solutions for occupant protection

Relevance to external stakeholders

Joyson Electronics focuses on the design, development, and manufacturing of automotive safety solutions, with a core mission to protect vehicle occupants during collisions or emergency braking, minimizing injuries to the greatest extent possible. Our key product portfolio includes seat belts, airbags, and intelligent steering wheel systems, which provide protection by restraining occupant movement and absorbing impact energy. Since the mid-1990s, we have continuously enhanced our system integration capabilities by combining advanced algorithms with various vehicle systems and components, building a comprehensive automotive safety solution ecosystem. These solutions not only provide protection during accidents but also proactively improve driving safety through real-time alerts and driver assistance functions, helping prevent collisions before they occur.

Output indicator

Application count of automotive safety solutions in vehicles: In 2025, Joyson Electronics' automotive safety solutions were applied approximately **309,778,533** times across vehicle products.

Impact assessment

Accessibility of products and services with positive impacts

Impact indicator

The quantitative indicator used to measure external impact is the number of applications of automotive safety solutions in vehicles.

Description of assessed impact

In the event of a severe vehicle collision, Joyson Electronics' airbag systems play a critical role in protecting occupants. We seamlessly integrate advanced life-saving technologies into vehicle interiors, with our airbag systems designed to be compatible with a wide range of vehicle architectures. These systems are precisely engineered to deploy within milliseconds and are designed to deliver reliable performance even after years of vehicle use. Our seat belt product portfolio includes emergency locking retractors, pyrotechnic and electric pre-tensioners, anchor pre-tensioners, and energy-absorbing buckles. We prioritize both restraint performance and ergonomic design of our seat belts, conducting extensive internal research and development to ensure the safety functionality of each component. Our seat belt products further incorporate intelligent features, including electric pre-tensioning, active reminder systems, adaptive load limiters, belt tension monitoring, and enhanced comfort functions, all aimed at maximizing occupant safety. Moreover, steering wheels are integral to safety, as they house the driver airbag. Advanced features such as steering wheel heating, hands-off detection, light-emitting elements, and vital signs monitoring can be integrated into the steering wheels, further enhancing driver safety. Beyond traditional passive safety products, we continue to develop innovative technologies and deliver integrated safety solutions that provide early warnings and active support to both drivers and passengers, aiming to prevent accidents wherever possible. Our integrated safety solutions encompass Driver Monitoring Systems (DMS), Occupant Monitoring Systems (OMS), pedestrian protection solutions, and battery protection systems. In 2025, Joyson Electronics' automotive safety solutions were applied approximately **309,778,533** times across vehicle products. According to Frost & Sullivan, based on revenue in 2024, the Company ranked as the second-largest provider of automotive passive safety products both in China and globally, with market shares of **26.1%** and **22.9%**, respectively. As of the end of the Reporting Period, Joyson Electronics' automotive safety products and solutions had been deployed across hundreds of vehicle models, serving more than **70** global automotive brands.



Strengthening Governance to Drive Efficient Growth

In an increasingly complex and rapidly evolving business environment, a robust governance system is fundamental to the Company's sustainable development. We continue to optimize the governance framework by integrating compliance and business ethics into daily operations. Through a systematic approach to risk management, the Group strengthens organizational resilience and supports long-term value creation. We also prioritize continuous improvement in data protection and cybersecurity. By reinforcing these systems, we aim to foster a transparent, reliable, and accountable business environment. Strong governance and security practices underpin our commitment to high-quality and sustainable growth.

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Efficient corporate governance

Excellence in corporate governance is a key pillar for enhancing enterprise value and building long-term competitive advantage. Joyson Electronics has established an efficient governance framework and continues to promote institutionalized and systematic governance practices. The Group adheres to principles of transparency in information disclosure and tax compliance, providing a solid foundation for sustainable development.

Governance framework

Joyson Electronics strictly complies with applicable laws and regulations in the jurisdictions where it operates, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*. The Company also adheres to relevant capital market regulations, including the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies*, and the *Rules Governing the Listing of Securities on the Hong Kong Stock Exchange*, among others. In line with these requirements, the Company has established a governance framework comprising the Shareholders' Meetings, the Board of Directors and its specialized committees, as well as senior management. By clearly defining the roles and responsibilities in decision-making, supervision, and execution, Joyson Electronics has established a well-organized, efficient, and mutually accountable governance framework. This ensures effective coordination and checks and balances across governance bodies, thereby supporting the sustainable development of the Group.

Shareholders' Meetings

To protect the legitimate rights and interests of shareholders and promote sound corporate governance, the Company conducts its operations in strict compliance with applicable laws and regulations, as well as its corporate governance documents, including the *Rules of Procedure for Shareholders' Meetings*. Shareholders' Meetings are classified as annual and extraordinary meetings. The annual Shareholders' Meeting is held once a year, within six months following the end of the preceding fiscal year. Extraordinary Shareholders' Meetings are convened on an as-needed basis in accordance with applicable legal and regulatory requirements.

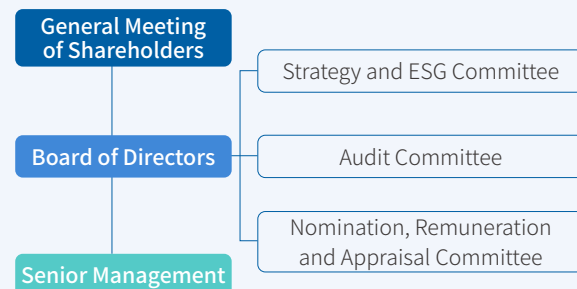
Board of Directors and its special committees

As the Company's highest governance body, the Board of Directors is responsible for key strategic decision-making and exercises comprehensive oversight over the Company's operations, strategic direction, and overall performance. The Board has established specialized committees, including the Strategy and ESG Committee, the Audit Committee, and the Nomination and Remuneration Committee. These committees report to the Board and perform their duties in accordance with the *Articles of Association* and the authority delegated by the Board. Independent non-executive directors constitute the majority of members of both the Audit Committee and the Nomination and Remuneration Committee. The chair of the Audit Committee is a professionally qualified accountant.

Senior management

Senior management is responsible for overseeing the Company's daily operations, implementing resolutions adopted by the Board, reporting to the Board, and organizing and executing the Company's annual business plans and investment proposals.

Governance Structure of Joyson Electronics



Joyson Electronics considers diversity in board composition to be an important factor in enhancing the quality of decision-making and is committed to building a Board that reflects both inclusiveness and professional expertise. The Nomination and Remuneration Committee formally incorporates multiple dimensions of diversity—such as gender, age, cultural and educational background, ethnicity, and professional expertise—into the nomination and selection process for directors. The Board of Directors of Joyson Electronics comprises professionals from engineering, finance, and accounting, bringing extensive industry experience and specialized knowledge, which provide valuable perspectives and insights for the Group's strategic decisions. In 2025, the Company appointed an independent non-executive female director with extensive risk management experience, further strengthening the Board's capabilities in risk oversight and enhancing gender diversity. As of the end of the Reporting Period, the Board of Directors of Joyson Electronics consisted of 10 members, including 4 independent directors and 2 female directors.

Information disclosure

Transparent information disclosure, together with diversified communication channels, enables Joyson Electronics to maintain effective engagement with investors and strengthen market confidence. We strictly comply with applicable laws, regulations, and regulatory requirements, including the *Administrative Measures on Information Disclosure by Listed Companies*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, and the *Rules Governing the Listing of Securities on the Hong Kong Stock Exchange*. In addition, we have established the *Management System for Information Disclosure* to ensure the proper fulfillment of our disclosure obligations as a listed company and to safeguard the legitimate rights and interests of investors and other stakeholders. During the Reporting Period, the Company engaged an external professional law firm to deliver specialized training on Hong Kong listing compliance. The training covered key information disclosure requirements applicable to Hong Kong-listed companies and effectively enhanced the compliance awareness, governance capabilities, and duty performance of directors, supervisors, and senior management. This initiative further ensured that the Company's information disclosure practices remain lawful, accurate, and reliable.

In terms of information disclosure and investor communication practices, we publish announcements on material events through both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. We also disseminate key business developments via our official website, WeChat official account, and external media platforms. Meanwhile, we actively foster an open, equitable, and efficient two-way communication framework through multiple channels, including earnings briefings, investor meetings, general meetings of shareholders, investor hotlines, dedicated email communication, and participation in SSE e-Interactive platform. These practices support the Company's responsibilities as a listed entity and protect investors' rights to information and participation. During the Reporting Period, Joyson Electronics, in collaboration with the Shanghai Stock Exchange and securities firms, organized a thematic roadshow titled "Investors Visit Listed Companies," enhancing market understanding of the Company's operations and development. In addition, the Company partnered with Tonghuashun to host a "Listed Company Shareholder Festival," providing exclusive engagement opportunities for shareholders. Our subsidiary, Guangdong Senssun Weighing Apparatus Group Ltd., was awarded Tonghuashun's "Best Investor Relations Award" for 2025 in recognition of its outstanding performance in investor engagement.

Legal and transparent tax compliance

Joyson Electronics adheres to a law-based approach to operations and fulfills its tax obligations in accordance with applicable laws and regulations, supporting responsible and compliant business practices. We ensure compliance with tax laws and regulations in China and all other jurisdictions where we operate, including the *Implementation Regulations for the Corporate Income Tax Law of the People's Republic of China* and the *Announcement on Relevant Policies for Deepening the Value-Added Tax Reform*. In doing so, we fully demonstrate our corporate responsibility. For the Company's transfer pricing policies and conclusions, please refer to the "Business" section (page 298) of the Company's [Global Offering](#). During the Reporting Period, Joyson Electronics did not identify any material violations or non-compliance related to tax matters.

Compliant operations and business ethics

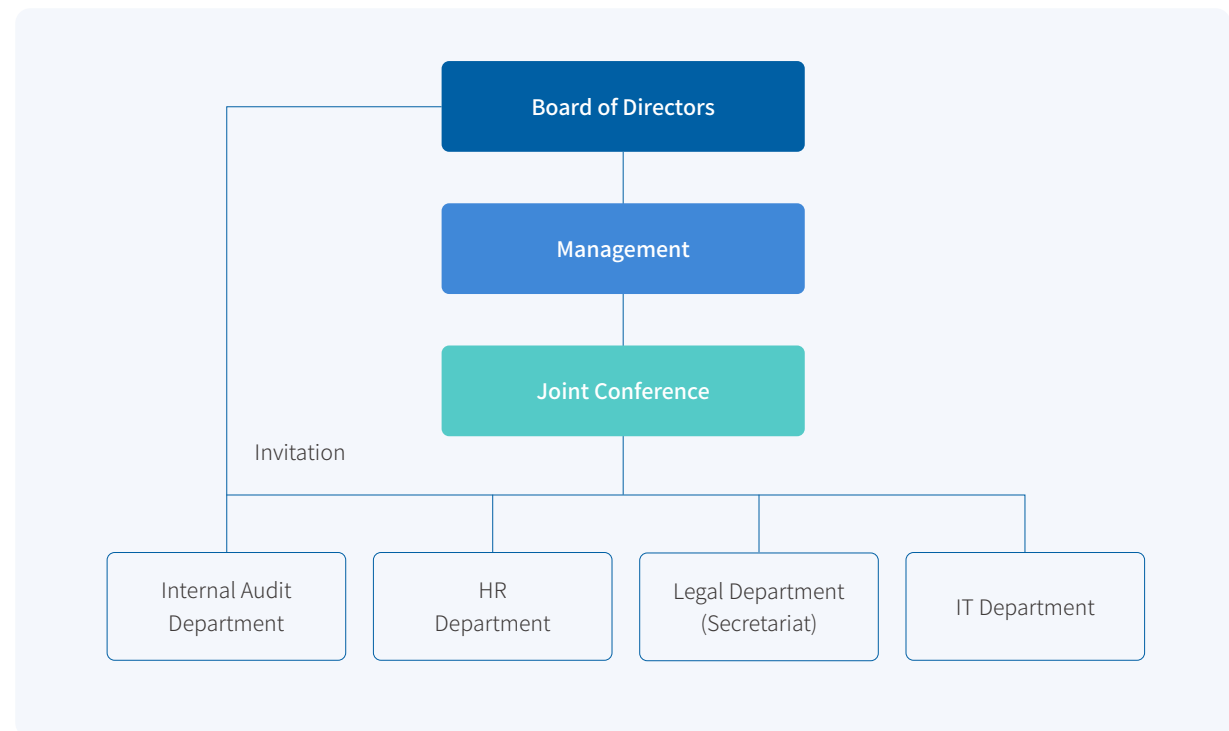
Compliance with applicable laws and adherence to ethical standards form the foundation of a company's operations and support long-term credibility and sustainable development. Joyson Electronics follows the principle of "Integrity First" and continues to strengthen a compliance management system that covers the entire business value chain. The Company prohibits any form of fraud, monopolistic behavior, or unfair competition that violates business ethics, and promotes ethical standards across its operations and stakeholder engagements to support a fair, transparent, and open business environment. Additionally, we conduct internal audits to assess the compliance of business processes, supporting ongoing improvements and sustainable operations.

Governance

Joyson Electronics maintains compliant operations and applies business ethics standards in accordance with applicable laws and regulations in China and other jurisdictions where it operates, including the *Law of the People's Republic of China Against Unfair Competition* and the *Anti-Monopoly Law of the People's Republic of China*. We have established a fraud prevention governance framework in which senior management assumes overall responsibility, the Audit Committee provides oversight and guidance, and the Internal Audit Department serves as the designated body responsible for organization and implementation. Within this framework, the Internal Audit Department reports to the Audit Committee, which is directly accountable to the Board of Directors.

To support the effective implementation of compliance and business ethics initiatives, the Company has established a Joint Conference on Ethics Compliance and Information Security (hereinafter referred to as the "Joint Conference"). The Joint Conference is directly led by the Company's senior management and reports to the Board of Directors. The implementation of specific policies is carried out by the Internal Audit Department, relevant functional departments, and compliance officers or designated compliance contacts within each business unit. The Joint Conference convenes on a quarterly basis to review and resolve matters arising during the quarter.

Structure of Joyson Electronics' Joint Conference on Ethics Compliance and Information Security



Main Responsibilities of the Joint Conference on Ethics Compliance and Information Security



Implement Board resolutions on ethical compliance and information security work.



Formulate policies and documents related to the Company's ethical compliance and information security work, and investigate and make recommendations on the handling of major violations.



Supervise the development and implementation of the annual ethical compliance and information security work plan of each business unit, and provide support and guidance for the development and implementation of the relevant policies of ethical compliance and information security of the business units.



Irregularly send the reminder emails regarding business ethics to all employees and certain members of the Board of Directors of Joyson Electronics.

The Group has formulated and implemented key policies, including the *Anti-Fraud Management Policy* and the *Policy on Conflict of Interest and Declaration of Specific Interests*, which establish clear standards of conduct and define prohibited behaviors to support compliance with business ethics requirements. Under the *Anti-Fraud Management Policy*, identified fraud cases require the issuance of a written report to evaluate and improve internal controls. Disciplinary measures are applied to responsible individuals, outcomes are communicated, and suspected criminal cases are referred to judicial authorities in accordance with applicable laws. The *Policy on Conflict of Interest and Declaration of Specific Interests* provides detailed guidance on identifying and managing potential conflicts of interest, including scenarios related to financial interests, external appointments, personal relationships, gifts, remuneration and entertainment benefits, inventions, and publication of research outcomes. This supports employees in identifying and mitigating conflict risks.

Joyson Safety Systems' *Code of Conduct* also clearly stipulates that employees may only offer or accept gifts and hospitality that are consistent with normal business etiquette, of reasonable value, and do not create undue influence, and only within the scope permitted by company policy and with the necessary approvals. In addition, any political or charitable contributions that could potentially create undue influence are strictly prohibited.

Furthermore, to support fair market competition, Joyson Electronics has established policies and implemented proactive measures to prevent monopolistic practices and unfair competition. For instance, Joyson Safety Systems has established and implemented the *Global Anti-Monopoly and Anti-Unfair Competition Policy*, along with the related procedures. The Legal Department and Compliance Department are responsible for monitoring regulatory developments and managing cases and litigations related to anti-monopoly and unfair competition matters.



Strategy

Business ethics

The Group adopts a zero-tolerance approach toward all forms of fraud. This includes actions by internal or external parties that involve deception or other illegal or non-compliant means to obtain improper personal benefits at the expense of the Company's legitimate economic interests, as well as actions intended to secure improper economic gains for the Company that may also result in personal benefits.

In employee management, the Group has clearly defined the boundaries of non-compliant behaviors in the *Staff Handbook* and established expectations for professional conduct to support stable, healthy, and sustainable development. We have also formulated the *Implementation Guidelines (Trial) for Human Resources Policies on Ethical Compliance and Conflict of Interest*, which address business ethics management across the entire employee lifecycle. This includes: conducting thorough reviews during recruitment to identify restrictive agreements, such as incentive arrangements with previous employers, and performing background checks on candidates' business ethics and potential conflicts of interest; requiring completion of the *Conflict of Interest Disclosure Form* and execution of *Non-Competition Agreements* during onboarding; standardizing offboarding procedures, including exit approval processes, conducting exit audits for sensitive positions, and verifying the enforceability of non-competition agreements. These measures support the protection of the Company's interests and ensure compliance in talent management.

At the same time, we maintain strict control over supplier onboarding, requiring compliance with our business ethics and compliance policies as a prerequisite for establishing business relationships. We have established the *Supplier Non-Integrity Management Measures*, which stipulate that suppliers involved in conflicts of interest, commercial bribery, or other unethical conduct will, upon verification, be included in the *List of Untrustworthy Suppliers* and subject to termination of cooperation. During supplier onboarding, we require suppliers to sign the *Integrity Operation and Self-Discipline Agreement* and the *Integrity Cooperation Commitment Letter*, committing not to engage in conduct that violates principles of good faith, including commercial bribery, conflicts of interest, and other improper business practices. Additionally, we issue the *Letter to Joyson Electronics' Suppliers and Partners* annually, encouraging suppliers to uphold high standards of business ethics. The letter outlines the Company's anti-fraud framework and requires the timely reporting of unethical, non-compliant, or illegal conduct, including unfair competition and fraudulent activities, to support a transparent and integrity-based partnership environment.

Compliant operations

To address potential risks of intra-group competition, the Group adheres to business ethics principles and applies a structured anti-monopoly framework. Segregation measures are implemented in high-risk areas, including joint procurement, use of IT systems, and technological collaboration, with designated personnel responsible for oversight and management. Meanwhile, for transactional risks, the Legal Department collaborates with external law firms to conduct risk monitoring, analysis, assessment, regulatory filings, and case handling.

The Group maintains a zero-tolerance approach to serious illegal activities, including money laundering, and places emphasis on their prevention and control. For example, Joyson Safety Systems explicitly prohibits money laundering in its *Code of Conduct* and requires employees to identify suspicious financial transactions and unusual activities and report them to the Compliance Officer. In cases where violations are substantiated, the matter is referred to relevant regulatory authorities for investigation and legal proceedings, supporting the protection of the Group's assets and financial stability.

Awareness raising

The Group has established and continues to enhance a comprehensive framework for promoting compliance culture. During the Reporting Period, the Company organized a three-day training program on compliance and business ethics for relevant management departments. The program covered a wide range of topics, including information disclosure requirements, corporate governance, directors' responsibilities, internal controls, taxation, and digital transformation, with approximately 20 employees in attendance. In addition, all Directors have completed specialized training on anti-corruption and anti-commercial bribery to strengthen compliance awareness and further enhance the Board's oversight responsibilities. For the broader workforce, Joyson Electronics has incorporated major compliance policies—including, but not limited to, finance, human resources, and procurement—into its annual training plan. This supports employees in understanding policy requirements and applicable regulatory expectations.

We also conduct regular thematic training sessions on compliant operations and business ethics and continue to expand participation. During the Reporting Period, Joyson Electronics China delivered no fewer than seven compliance training sessions, focusing on key topics such as anti-corruption, integrity, protection of trade secrets, conflict of interest, and fraud prevention. These sessions achieved 100% coverage of employees with access to the Group's communication systems, including part-time employees and contract workers. Additionally, the *Letter to All Employees* from the Joint Conference on Ethical Compliance and Information Security of Joyson Electronics was distributed across business units. The letter reinforces a zero-tolerance approach toward misconduct, including bribery, solicitation of bribes, collusion, fraud, breaches of conflict-of-interest obligations, and unauthorized disclosure of trade secrets. It further emphasizes the importance of strict disciplinary measures, thereby strengthening employees' compliance awareness and ethical standards.

Compliance training content during the Reporting Period (selected)

Topic	Main content	Target audience
 Anti-corruption/integrity	Company requirements on anti-corruption and integrity, consequences of violations, and representative case studies	New employees
	Conflict-of-interest scenarios and declaration procedures	New employees
 Conflicts of interest	Conflict-of-interest scenarios	All employees
	Conflict-of-interest declaration procedures	All employees

Each business unit has also established its own business ethics training framework. Joyson Safety Systems has developed the *Global Compliance Training Policy* and regularly delivers training sessions on anti-bribery, anti-corruption, and fair competition. During the Reporting Period, Joyson Safety Systems delivered the global compliance training covering the *Code of Business Ethics*, reaching over 90% of employees. The training is also mandatory and is directly linked to employees' performance evaluations. JOYNEXT has implemented training programs focusing on three key areas: enterprise fraud prevention, business email compromise (BEC) and anti-phishing, and trade secret protection. Completion of these training programs is mandatory for all new employees and is integrated into the employee probation and confirmation process. For existing employees, JOYNEXT also conducts periodic training sessions to continually reinforce their awareness of business ethics.

Whistleblowing and protection mechanism

We are committed to fostering an open and transparent supervision environment, actively encouraging all employees, partners, and other internal and external stakeholders to monitor the implementation of business ethics practices. We have established multiple channels for reporting and raising complaints related to business ethics violations, and we uphold strict confidentiality and anti-retaliation principles. Information concerning whistleblowers is rigorously protected, and any form of retaliation against them is strictly prohibited to prevent unfair treatment. Employees and partners who become aware of unethical conduct—including solicitation or offering of bribes, corruption, misappropriation of assets, discrimination, or harassment—may report concerns through email, dedicated hotlines, or the Group's website contact channels.

Additionally, we have set up a dedicated reporting mailbox, which is available for anonymous report and centrally managed by the Internal Audit Department or Compliance Department. Joyson Safety Systems and Joyson Preh have also established a whistleblower platform operated by an independent third-party provider. Upon receipt of a report, the Group initiates an investigation process. Where necessary, a dedicated investigation team may be established or external experts engaged. Based on investigation outcomes, the Group evaluates and enhances internal control processes within relevant business units, supporting effective risk mitigation and the protection of the interests of the Group and its stakeholders. During the Reporting Period, all reported cases were promptly investigated and properly addressed according to the established procedures.

In addition, to strengthen employees' awareness of supervision and engagement, the Company has carried out promotion of the reporting channels among all employees, disseminating information on reporting policies, procedures and protection mechanisms, which has further consolidated the cultural foundation of integrity and compliance.

Complaint and Report Channels

Joyson Electronics

Tel: 0574-8751 5507

Email: IA@joyson.com

Joyson Safety Systems

Website: <https://jss-speakup.com>

Joynext

Email: compliance@joynext.com

Joyson Preh

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

JOYSONQUIN

Email: JQIA@Joysonquin.com



Management of impacts, risks and opportunities

Aligned with the goal of high-quality development, Joyson Electronics strictly adheres to business ethics standards and has established the *Internal Audit System* to provide end-to-end guidance for the audit process—from planning and execution to reporting and closure. This ensures thorough risk identification and supports the effective delivery of internal audits. We update the *Joyson Electronics' C-SOX Guideline* on an annual basis and distribute it to all business units to reflect evolving regulatory requirements, changing business conditions, and internal management needs. This supports the ongoing effectiveness and sustainability of the internal control system. During the Reporting Period, in compliance with regulatory requirements, Joyson Electronics conducted semi-annual internal control evaluation audits (C-SOX), covering 85% of total assets (representing 93% of operating revenue). The audits covered key control points across major business processes at the operational level, with full coverage of all core businesses achieved within a three-year cycle. Control points designed to identify risks related to ethical misconduct and fraud include: Delegation of Authority (DoA), segregation of duties, transaction approval processes, payment verification and approval, bank access reviews, supplier onboarding, procurement sourcing and price negotiation, purchase order approvals, supplier evaluations, asset and inventory disposal approvals, accounting estimates and accrual/adjustment journal entry approvals, asset and inventory counts, contract reviews, and general IT controls (e.g., superuser access reviews). Through regular audits, we are able to promptly identify and address potential risks, thereby maintaining our commitment to integrity and safeguarding our market reputation.

As of the date of this report, the Board of Directors has completed the review and disclosure of the 2025 Internal Control Evaluation Report. In addition, we have engaged an external accounting firm to perform internal control audits and issued the *Joyson Electronics Internal Control Audit Report*, providing an authoritative and professional assessment of the effectiveness of our internal control system. As of the report release date, KPMG Huazhen LLP (Special General Partnership) has audited the effectiveness of internal controls related to the Company's financial reporting and issued an unqualified opinion.

The Group has also actively advanced specialized audits in key areas. These audits encompass procurement, R&D, factory operations, sustainability, and compliance with the Code of Business Ethics. For example, during the Reporting Period, Joyson Safety Systems developed and completed multiple audit projects under its 2025 audit plan. These projects spanned procurement processes, factory operations, client quotations, and other critical functions, ensuring process compliance and the effective management of associated risks.

Metrics and targets

To support compliant operations across the Group, we continuously enhance our compliance and internal control systems. Through targeted training, comprehensive risk assessments, and regular audits, we effectively prevent, identify, and address potential fraud and unethical conduct, providing a robust foundation for the Company's sustainable and stable development. During the Reporting Period, nearly 100% of employees, including management, across the Group received training on business ethics compliance. Additionally, no incidents of unfair competition (including those resulting in litigation or significant administrative penalties) or violations of anti-monopoly regulations occurred. Furthermore, no corruption-related lawsuits against the Group or its employees were concluded during the Reporting Period.

Business ethics-related metrics	2025
Percentage of directors receiving anti-commercial bribery and anti-corruption training (%)	100
Monetary value of incidents of unfair competition resulting in litigation or significant administrative penalties	0
Number of material incidents of discrimination or harassment	0
Number of material incidents of conflicts of interest	0
Number of material incidents of money laundering or insider trading	0

Risk management

Comprehensive risk management supports resilient operations in a dynamic market environment. Joyson Electronics aligns with the regulatory requirements of the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange, and the Hong Kong Stock Exchange. We have established a robust three-lines-of-defense governance framework, ensuring coordination among functional management departments, legal affairs, internal audit, and supervisory units. Through clearly defined roles and responsibilities and standardized, transparent management processes, we actively identify and address risks, ensuring the Company's stable growth.

Risk management framework

The Board of Directors of Joyson Electronics serves as the Company's highest decision-making and oversight body for risk management and bears ultimate accountability for the effectiveness of the risk management framework. Under the Board, the Audit Committee is responsible for supervising and evaluating the Company's risk management system, ensuring that business-related risks are promptly identified and effectively addressed. At the functional level, the Internal Audit Department works closely with other relevant units to assist business departments in developing and implementing risk mitigation measures in a timely manner, strengthening the overall risk management framework.

Joyson Electronics' Risk Management Structure

First Line of Defense

01

As the core of the first line of defense, the functional management departments of each business unit identify, report and manage the risks in business operation.

Second Line of Defense

02

As the core of the second line of defense, the Legal Department and other relevant departments assist business units to identify risk exposures, and facilitate and monitor the implementation of risk management measures by management personnel to strengthen risk control.

Third Line of Defense

03

As the core of the third line of defense, the Internal Audit Department and other relevant departments organize internal control evaluation, and undertake and supervise the tasks of the first and second lines.

Risk identification and response

We have established a comprehensive dynamic risk monitoring and early warning system to support stable and orderly operations. Furthermore, the Board of Directors and management determine the Company's risk appetite and have established a comprehensive risk management process encompassing risk identification, risk assessment, risk response, communication, and reporting. We conduct regular industry risk assessments and identification, and publish an annual *List of Major Industry Risks*. This list serves as a key reference for risk assessments across business units and supports the continuous enhancement of the Group's risk response capabilities. In 2025, the updated List of Major Industry Risks incorporated multiple ESG-related risks, including natural disasters and unforeseen incidents, product quality risks, disruptions in the supply chain (including both supply and delivery), talent-related risks, as well as the rising costs of ESG and environmental compliance. On the other hand, we also place strong emphasis on emerging risks and promptly incorporate them into our risk list, such as data compliance risks (including AI, privacy, data sovereignty, and cross-border data transfer) and risks related to war or geopolitical conflicts.

List of Major Industry Risks for 2025



Macro Environment

War or geopolitical risks; escalation of tariff and trade barriers; natural disasters and accidents; macroeconomic fluctuations and market uncertainties; intensified market competition and new entrants; rising prices of bulk materials, logistics, energy, and labor etc.



Strategy

Strategic transformation risk, product portfolio management, strategic investment and M&A risk, etc.



Operation

Cybersecurity issues; supply chain disruption(supply and delivery); dependence on suppliers, outsourcing and other partners; sales forecasting; customer concentration; price reduction pressure from customers; project development and management; product quality risk; talent risk; inherent risks of multinational operations; R&D and technology, etc.



Financial & Accounting

Exchange rate risk; liquidity risk; impairment of significant asset; interest rate risk; tax risk, etc.



Legal & Compliance

Legal cases and claims; rising ESG and environmental compliance cost; intellectual property; data compliance (AI, privacy, data sovereignty, and cross-border data transfers; export control and sanction risk, etc.

Emerging Risks Identified

Risk Name	Data compliance (AI, privacy, data sovereignty, and cross-border data transfers)	Risk of war or geopolitical conflict
 Risk Description	Companies may face financial losses, legal sanctions, and business disruptions due to non-compliance with the latest data privacy and AI regulations or personal data breaches. Applicable laws include the EU GDPR, EU AI Act, U.S. state privacy and biometric/AI-related statutes, China's Data Security Law, and Personal Information Protection Law. Key compliance areas include data sovereignty and cross-border transfers for vehicle/cockpit/cloud data, as well as biometric data compliance for systems like DMS and OMS.	Uncertainty from wars, regional conflicts, and geopolitical tensions may disrupt logistics and supply, leading to rerouted shipping, extended transit times, and additional insurance surcharges; port strikes and shipping suspensions; and constraints on critical raw materials and semiconductors.
 Business Impact	- Subject to heavy regulatory fines, business rectification or even operational restrictions - Damaged user trust, triggering customer complaints, public opinion crises, compensation claims and customer churn - Disrupted overseas operations, supply chain collaboration and project delivery interruptions	- Insufficient supply of raw materials directly causing production plan interruptions - Loss of customer orders, hindered overseas sales channels for products, forced adjustments to existing industrial chain layout, and accelerated industrial restructuring process - Loss of emerging overseas business opportunities and long-term strategic development opportunities
 Mitigation Measures	Abide by applicable laws and regulations of relevant countries or regions, including the <i>Data Security Law of the People's Republic of China</i>, <i>Cybersecurity Law of the People's Republic of China</i>, <i>Personal Information Protection Law of the People's Republic of China</i>, <i>Regulations on Data Entry and Exit</i>, <i>Information Security Technology - Baseline for Classified Protection of Information System Security</i>, and the European Union's <i>General Data Protection Regulation (GDPR)</i>. We have built a three-dimensional protection system from multiple dimensions including system construction, full-link control, and technological empowerment to comprehensively strengthen data security governance.	Continuously improve the global procurement and supply chain system, specifically including advancing supplier risk management and tiered evaluation, promoting multi-source supply of key materials and cultivation of alternative supply chains, and conducting necessary localized layout for some key materials to enhance supply resilience and delivery stability. In addition, the Company is closely monitoring changes in geopolitics and tariff policies, actively responding to compliance and trade risks, and building an all-round supply chain risk prevention and control system.

Based on the annual *List of Major Industry Risks*, each business unit conducts risk assessments across multiple dimensions—including macro-environmental, strategic, operational, financial and accounting, as well as regulatory compliance—evaluating both the potential impact and likelihood of each identified risk. The Company consolidates risk reports submitted by business units to develop a comprehensive list of major risks relevant to its strategy and operations.

For each identified major risk, such as macroeconomic fluctuations, market uncertainties, intensified market competition, and new entrants, we develop corresponding mitigation strategies according to the type, significance, and likelihood of occurrence. We also establish clear communication channels for risk management to ensure that risk-related information is shared in a timely, accurate, and comprehensive manner. The results of risk assessments and the implementation of mitigation plans are reported to the Board of Directors at least annually to safeguard the Company's stable operation.

Risk Identification Examples

Risk Name	Risk Level	Risk Exposure Description	Mitigation Measures
Natural disasters and accidents	High	Natural disasters and extreme weather (earthquakes, floods, tornadoes, droughts), fires, and explosions can disrupt operations and supply chains, causing revenue losses and adversely affecting procurement.	- Regularly inspect and maintain drainage facilities, and upgrade the adaptability of equipment and facilities to extreme weather. - Establish a tiered emergency response mechanism, clarifying the trigger procedures and disposal plans for flood control work at different risk levels. - Increase safety stock and reserve emergency supplies. - Establish a dynamic monitoring mechanism for fire risks, optimize emergency response plans, and regularly conduct emergency drills for work safety accidents.
Macroeconomic fluctuations and market uncertainties	High	Given the automotive sector's high sensitivity to global/regional cycles, downturns may reduce or destabilize OEM demand; cyclicalities in vehicle sales and slower or uneven penetration of new energy and intelligent technologies could materially impact financial condition, operating performance, and cash flow.	- Closely track macroeconomic and industry trends, strengthen market research and judgment, and timely adjust business layout and development strategies. - Deepen cooperation with core customers, expand diversified customer groups, and actively respond to industry competition and demand changes. - Improve the sales forecast system, establish a mechanism for tracking and correcting forecast deviations, and maintain the ability to flexibly adjust production and supply chain plans to respond to demand fluctuations and competitive pressures.

Information and data security

Information and data security form the cornerstone of enterprise risk management, operational resilience, and stakeholder trust. We continuously advance our information security management and privacy protection framework through a multi-layered approach. The Company conducts regular information security audits, cybersecurity drills, and ongoing company-wide security awareness training to strengthen our ability to protect critical assets and customer privacy. These measures support a secure digital operating environment and contribute to the Company's long-term sustainability.

Information and data security governance

To ensure effective implementation of information and data security governance, the Group has established an Information Security Classification Protection Leadership Team, led by members of the Board of Directors, as well as the Joint Conference on Ethical Compliance and Information Security. This committee oversees and coordinates all information security-related activities, including policy development and guidance, oversight of implementation, and investigation of material violations with recommendations for corrective actions. Each business unit has also established its own information security management framework. For instance, JOYNEXT has implemented a three-tier governance structure comprising the Information Security Service Organization (ISS), Information Security Officer (ISO), and Information Security Administrator (ISA). This structure facilitates the effective deployment and execution of information security strategies across operational levels.

The Group strictly complies with applicable laws and regulations in relevant jurisdictions, including the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulations on Cross-Border Data Flows*, the *Information Security Technology — Baseline for Classified Protection of Cybersecurity*, as well as the European Union's *General Data Protection Regulation* (GDPR). We have also established and continue to enhance a comprehensive internal information security management system. The established policies include the *Employee Information Security Policy*, the *Data Retention Policy*, the *Outsourcing Policy*, the *Physical Security Policy*, and the *Personal Information Compliance Management Regulations*, among others. These policies collectively address key aspects of information security in daily operations, covering areas such as data management for employees and visitors, network security management, physical protection of information systems, IT outsourcing vendor management, and incident response procedures. Our subsidiary, JOYNEXT, has also issued the *Information Security Process Guidelines* as an overarching framework document, defining principles and procedures to be followed across all information security management processes. Additionally, JOYNEXT has issued the *Guidelines for European Cross-Border Data Flow Projects* to further standardize and regulate the management of cross-border data transfers.

During the Reporting Period, we continued to enhance our internal management framework by introducing two additional policies: the *Account and Access Management Policy* and the *Joyson Electronics Log Management Policy*. The *Account and Access Management Policy* defines principles for account lifecycle management, including creation, modification, suspension, and deletion, as well as access rights assignment and periodic review. The *Joyson Electronics Log Management Policy* focuses on strengthening the monitoring, auditing, and management of system logs, supporting a secure and resilient information security environment. No violations related to information or data security were identified at the Company or business unit level during the Reporting Period.

Information and data security management system

A robust management system is essential for ensuring information and data security. We continue to deepen the development of our information and data security management system. During the Reporting Period, the Company was awarded a Level II Certificate for Network Security Protection. In addition, several affiliated entities within the Group have obtained TISAX (Trusted Information Security Assessment Exchange) certification or ISO 27001 Information Security Management System certification.

As of the end of the Reporting Period

a total of **32**

entities under Joyson Electronics have attained TISAX certification, covering the key automotive-related business operations of the Company.



Joyson Electronics Business Units' ISO 27001 Information Security Management System Certification and TISAX Trusted Information Security Assessment Certification

In addition, to maintain the effectiveness of this system, we conducted information security audits during the Reporting Period. These audits assessed system stability and identified vulnerabilities in key areas, including data center physical security, IT change management, system log monitoring, and backup and recovery testing, ensuring the secure and reliable operation of the information security system. JOYSONQUIN also conducted both internal and external audits, further strengthening information security defenses. During the Reporting Period, the Ningbo Plant of JOYNEXT developed a business continuity plan incorporating information security considerations. The plan comprehensively assesses emergency response, reporting, and preventive measures under emergency conditions, ensuring the implementation of business continuity system requirements.

Data security and leakage prevention

Joyson Electronics has established a comprehensive, multi-dimensional data security framework that integrates policy development, end-to-end control mechanisms, and technological empowerment, thereby strengthening overall data security governance. In the course of daily operations, the Company collects and processes personal data of employees, visitors, and business partners. To ensure data security, we have implemented the *Data Classification Policy* and related regulations, under which data is categorized into five levels: personal, public, internal, confidential, and top secret. Specific requirements are defined for data storage, transmission, and disposal at each classification level, supporting systematic data protection and reducing the risk of data leakage. Meanwhile, JOYSONQUIN adheres strictly to the principle of data minimization when collecting consumer information, ensuring that only necessary data is collected and that such data is securely encrypted during storage.

With respect to trade secret protection, we have established the *Guidelines for the Protection of Trade Secrets*, under which corporate trade secrets—including technical information, non-patented technological achievements, and operational data—are classified into three levels: Top Secret, Confidential, and Secret, with corresponding controls applied at each level. Each business unit has also established its own trade secret protection policies and procedures. For example, JOYNEXT has issued the *Guidelines for Trade Secret and Information Protection Procedures*, and JOYSONQUIN has formulated the *Trade Secret Classification List*. Both adopt tiered control mechanisms based on confidentiality levels, supporting the effective protection of sensitive information.

We have extended our data security requirements throughout the supply chain. When onboarding suppliers, Joyson Safety Systems Asia enters into confidentiality agreements and has established the *Third-Party and Supplier Data Protection Requirements*. These requirements explicitly outline partners' obligations for data handling and are supported by audit and remediation mechanisms to ensure that partners comply with the Company's data protection and information security management requirements. During the Reporting Period, to further strengthen information security controls over suppliers, Joyson Safety Systems launched an information security risk assessment module within the Certa business partner due diligence tool. This module conducts qualification reviews for new information service suppliers, including comprehensive checks of physical security, encryption, user access management, data management, asset management, incident management, and business continuity plans. Suppliers are only onboarded to provide information-related services after all relevant requirements have been fully met.

During the Reporting Period, the Group continued to enhance the security capabilities through technological upgrades; the Company implemented a time-limited access control mechanism and introduced a tiered approval system for the management of critical system access, thereby reducing the risks associated with inadvertent credential exposure. Additionally, JOYSONQUIN deployed endpoint data loss prevention solutions to enhance controls for preventing data leakage. During the Reporting Period, no information security incidents with a material impact on business operations occurred.

Information security incident response

To effectively respond to emergent information security incidents, the Group has established the Security Operation Center (SOC). Based on this platform, we conduct comprehensive aggregation, systematic integration, and in-depth analysis of security incidents and threat intelligence. We also proactively monitor cybersecurity risks, respond promptly to security events, and implement corresponding mitigation measures. By continuously validating the SOC's capabilities in monitoring and responding to different categories of security threats, we enhance the adaptability of our security operations platform and strengthen its effectiveness. Joyson Safety Systems Asia has established the *IT Incident Response Process*, clearly outlining reporting procedures and response timelines to support timely incident handling and prevent escalation.

In addition, to safeguard both internal and external applications, the Group conducts organization-wide penetration testing on all critical systems every six months. Identified vulnerabilities are remediated and reinforced, continuously strengthening the Group's network security defenses and incident response capabilities. During the Reporting Period, the Company and its business units completed vulnerability scans, and all identified vulnerabilities were promptly remediated. Each business unit has also developed tailored penetration testing plans aligned with its specific operational characteristics, ensuring effective security testing and providing robust support for the secure and stable business operations. For example, during the Reporting Period, Joyson Safety Systems conducted comprehensive penetration testing, including vulnerability scans of external-facing applications, internal mission-critical systems, and internal endpoints at defined intervals (every two weeks, quarterly, and monthly, respectively), supporting the continuous enhancement of its information security risk management capabilities. JOYNEXT engaged external professional security firms to conduct black-box penetration testing, identifying and remediating potential vulnerabilities. JOYSONQUIN also completed comprehensive penetration testing as part of the "Cyber Shield" initiatives at both the Zhejiang Provincial and Ningbo Municipal levels. During live defense exercises, it successfully mitigated simulated attacks, demonstrating strong incident response capabilities.



Enhancement of information security awareness

To further strengthen employees' responsibility for and awareness of information security, we improve their information security skills and incident response capabilities through a variety of training methods. During the Reporting Period, the Company conducted multiple training sessions on trade secret protection and data security for both new employees and the broader workforce, comprehensively strengthening their awareness of confidentiality obligations, data protection practices, and information security risk prevention. Training content also covered topics such as AI safety regulations and governance, as well as phishing and online fraud detection, providing timely guidance on emerging and relevant risks. Each business unit, such as Joyson Safety Systems Asia, conducts information security training sessions twice per quarter, and distributes monthly information security newsletters to foster continuous learning and awareness. JOYNEXT has delivered a series of thematic training sessions, including *Cybersecurity Barriers*, *Phishing Email Defense: Safeguarding Digital Security*, and *Data Security Insights*, enhancing employees' awareness and protective practices. To address suspicious or phishing emails received by employees, we require them to immediately report such incidents by selecting the "Report Phishing Email/Security Incident" option. The security team promptly reviews the submitted reports and takes appropriate actions, including blocking, tracing, and risk mitigation, for confirmed phishing emails or security incidents, thereby preventing further spread.

Trade secret protection and data security training organized during the Reporting Period (selected)

Main content	Target audience
Requirements and prohibited actions regarding trade secret protection	New employees
Trade secret protection and information security	All employees
Data security awareness and prevention of information security incidents	All employees
Building information security defenses and enhancing risk awareness	All employees
Cyber fraud detection and prevention	All employees
Global perspectives on AI security regulations and governance	All employees



In addition, to further enhance our emergency response capabilities for information security incidents, we organized a series of cybersecurity defense and response drills during the Reporting Period. Simulated phishing emails, including those related to personal income tax refunds and employee tax rebate notifications, were sent to all employees to assess their awareness and response capabilities. Employees who did not correctly identify these simulated threats were promptly enrolled in targeted follow-up training to enhance their ability to recognize and mitigate risks. Additionally, we conduct regular in-person, role-specific training sessions for employees in critical positions.



Driving Product Excellence for the Future

Product quality forms the foundation of a company's ability to compete in the market, while research and development (R&D) and innovation serve as the core drivers of sustainable growth and long-term value creation. Joyson Electronics adheres to lean manufacturing principles and rigorous standards, delivering high-quality, reliable products to customers. At the same time, the Company continuously strengthens its independent R&D and technological innovation capabilities, advancing its products toward greater intelligence, enhanced safety, and improved environmental performance. Through these efforts, Joyson Electronics fulfills its corporate commitment: "Joy and safety on, Joyson."

Product quality and safety 46

R&D innovation development 55

Product quality and safety

Joyson Electronics integrates lifecycle-wide quality control and forward-looking risk management into every stage of the value chain, from R&D to final delivery. Through a clearly defined governance structure, stringent compliance processes, and systematic supervision mechanisms, the Company translates its commitment to product quality and safety into measurable actions and outcomes, positioning itself as a trusted and resilient partner within the global industrial value chain.

Governance

Joyson Electronics strictly complies with applicable laws, regulations, and industry standards in the countries and regions where we operate, including the *Product Quality Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Certification and Accreditation*, and the *Implementation Rules for Compulsory Product Certification*. We have established and rigorously implemented a comprehensive set of internal procedures, including the *Incoming Inspection Procedure*, *Product Analysis Procedure*, *Change Management Procedure*, and *Nonconforming Product Control Procedure*. In addition, we require all subsidiaries to establish quality management systems tailored to their specific business characteristics. We also implement standardized management of applicable regulatory and standards registers, supported by regular updates and conversion mechanisms to ensure these systems remain effective, current, and well-controlled. Furthermore, all subsidiaries and production sites within the Group have established comprehensive quality management frameworks that clearly define the roles and responsibilities of quality management departments at all levels. This creates a well-structured accountability mechanism with clear responsibilities and effective execution, ensuring consistent product and service excellence through systematic and standardized management practices.

Strategy

To achieve systematic control over product quality and safety throughout the entire lifecycle, the Group has established a comprehensive quality management system covering five key stages: design and development, incoming material management, manufacturing, testing and detecting, and after-sales service. This forms an effective closed-loop management mechanism. Through refined control across all stages, we ensure that every step—from raw materials to final delivery—is subject to rigorous quality monitoring. This approach safeguards product excellence and reinforces customer trust and market confidence.

Whole-Process Quality Management and Control System

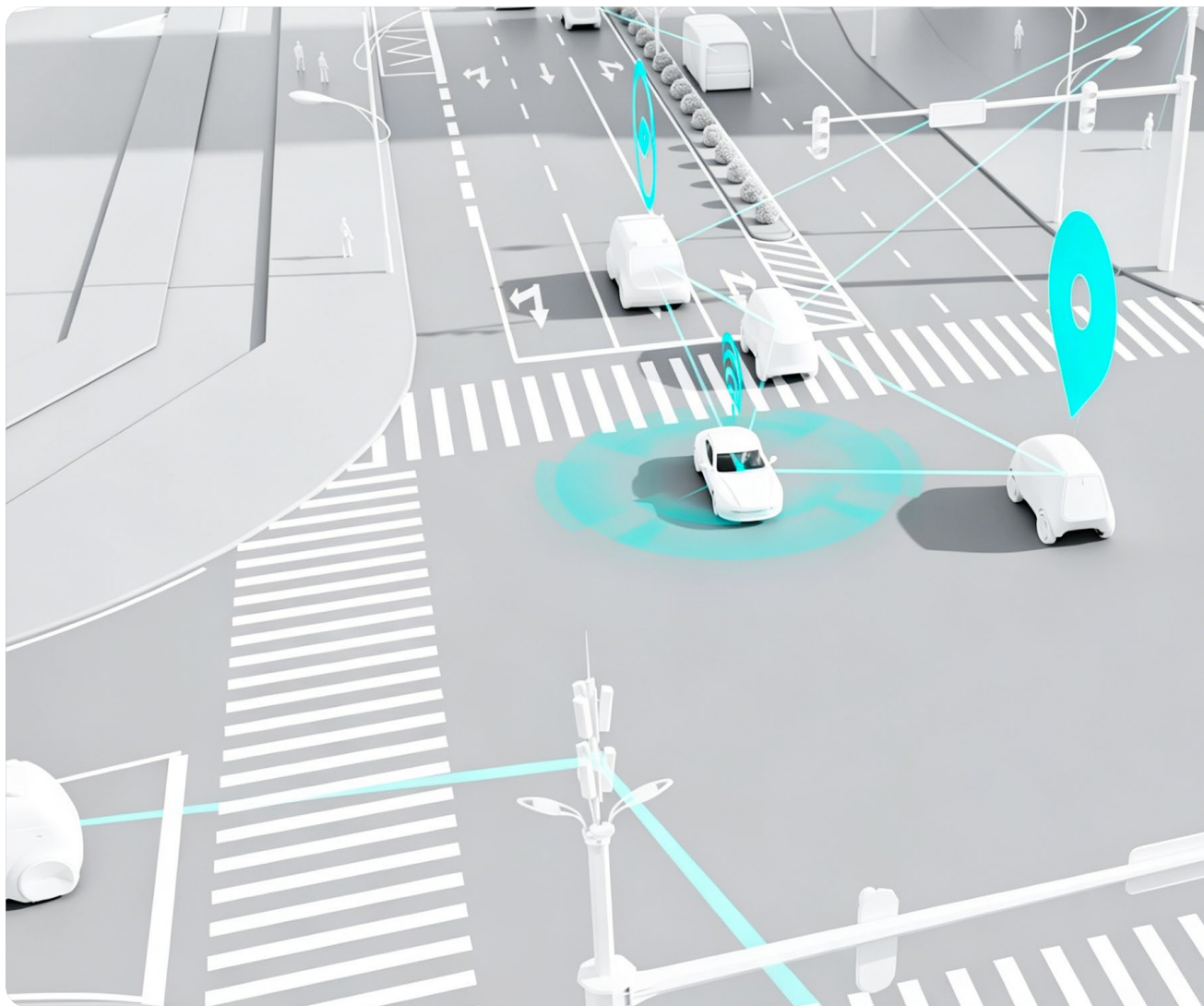


Development and design

Joyson Electronics adheres to the product development philosophy of "Design Quality Assurance (DQA)," with Advanced Product Quality Planning (APQP) as the core framework. Relevant safety standards and quality supervision requirements are systematically embedded into project planning, design and development, as well as verification and validation stages. This approach strengthens quality control at the design phase and ensures that product safety and performance are effectively built in from the outset.

For example, JOYNEXT has established a *Quality Plan*, which systematically plans and implements full-lifecycle quality management. By implementing a rigorous quality gate management mechanism, it ensures systematic control over deliverables and milestone reviews across all APQP stages. Additionally, based on customer-specific requirements, JOYNEXT formulates and implements a comprehensive Design Verification Plan and Report Test Matrix (DVP). Through full-lifecycle monitoring and phased reviews, this ensures that products meet quality requirements and customer expectations at every stage, from design and development to mass production.

Joyson Safety Systems has established a dedicated role of "R&D Quality Expert," responsible for improving R&D quality. It also delivers systematic training for R&D teams on quality tools, including the Eight Disciplines Problem Solving (8D) methodology and Failure Mode and Effects Analysis (FMEA). These initiatives effectively enhance employees' capabilities in identifying, analyzing, and resolving quality issues, and establish a strong talent foundation for continuous improvement of product design quality.



Incoming material management

In incoming material management, Joyson Electronics establishes clear accountability and ensures the consistent implementation of stringent supplier admission criteria, full-lifecycle quality supervision, and continuous process optimization. Through these efforts, the Company has built a collaborative, efficient, and closed-loop supply chain quality management system. At the supplier admission stage, all subsidiaries require ISO 9001 Quality Management System certification or IATF 16949 Automotive Quality Management System certification as baseline requirements. In addition, based on the VDA 6.3 process audit methodology developed by the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA), subsidiaries conduct comprehensive and multi-dimensional assessments of potential suppliers' quality capabilities. On this basis, the Group enters into Quality Assurance Agreements (QAAs) with suppliers, clearly defining the quality standards, process requirements, and responsibilities to be followed throughout product development, production, and after-sales stages, thereby ensuring the stable and timely delivery of high-quality products. Furthermore, for all newly onboarded suppliers, each business unit develops and implements dedicated training programs covering quality management systems, process specifications, technical standards, and cooperation requirements. These programs help suppliers quickly understand and integrate into the Company's quality management system, clarify their quality responsibilities, and establish a solid foundation for stable and compliant cooperation.

During ongoing cooperation, Joyson Safety Systems sets annual supplier qualification rate targets and establishes a closed-loop supervision and incentive mechanism through internal assessments and dynamic management, thereby systematically ensuring the stability of incoming material quality. JOYNEXT, through its *Supplier Management Process Guidelines*, standardizes daily supplier management practices, including performance evaluation, issue resolution, and escalation mechanisms. This enables refined and standardized control over supplier collaboration processes and ensures the safety and reliability of end products. Meanwhile, for tier-1 and tier-2 suppliers, their subsidiaries strictly formulate and implement annual process audit plans based on VDA 6.3 requirements to systematically assess their production and processing quality control capabilities. For tier-3 raw material suppliers, Joyson Safety Systems strengthens source-level quality control through enhanced incoming inspection and material certification verification, ensuring the reliability of raw materials.

If a supplier's quality performance declines, failing to meet external quality management system certification standards, or satisfy the Group's requirements, we implement differentiated performance management and escalation mechanisms. Targeted capability enhancement measures are also deployed to support correction or improvement, helping suppliers identify and resolve the root causes of quality issues in a timely manner. During the Reporting Period, Joyson Safety Systems completed capability improvement programs for eight underperforming suppliers, and awarded the "Quality Improvement Award" to those demonstrating significant improvement. We also conduct a range of supplier quality empowerment training programs to enhance overall quality awareness and preventive capabilities across the supply chain. During the Reporting Period, we developed a development support program for key suppliers and provided training to a total of 376 targeted suppliers, achieving 100% coverage.

Case study Joyson Safety Systems conducts specialized supplier quality training

To strengthen collaboration in supply chain quality management and improve the standardization and timeliness of supplier quality information feedback, Joyson Safety Systems conducted a dedicated online training program titled "JSS Global Feasibility Analysis" for all suppliers from May 6–8, 2025. The training focused on the standard procedures for Feasibility Analysis (FA) data reporting, quality information collection specifications, and system operation essentials. A total of 359 participants from 117 suppliers actively participated in the program. The training enabled suppliers to accurately and promptly record and transmit quality data generated during product application, providing a reliable foundation for subsequent quality issue analysis and closed-loop improvement.

Driven by digital transformation, Joyson Electronics continues to enhance the efficiency of its supply chain quality management. During the Reporting Period, Joyson Safety Systems upgraded its existing supplier management system based on the Jodoo platform by adding a dedicated incoming inspection management module, enabling integrated management of suppliers and inspection data. Meanwhile, JOYNEXT has fully implemented end-to-end digital management of Incoming Quality Control (IQC) through the quality management module within its Warehouse Management System (WMS). The system covers key processes such as incoming inspection task assignment, sampling plan execution, and re-inspection of in-stock materials. It enables real-time collection and dynamic monitoring of inspection results, as well as rapid response to quality issues and closed-loop resolution, continuously advancing product quality management toward greater refinement and data-driven operations.

Manufacturing

In the manufacturing process, Joyson Electronics is committed to building a digitally driven intelligent manufacturing system. By continuously enhancing the automation and informatization of production management systems, we comprehensively strengthen quality control capabilities throughout the manufacturing process. We actively promote the deep integration of core digital management platforms, including System Applications and Products (SAP) and Manufacturing Execution System (MES), across our production bases, enabling full traceability of material flows, process parameters, and production operations. On this basis, during the Reporting Period, subsidiaries across the Group continuously optimized their digital quality management capabilities, improving product quality stability and delivering safe, reliable, and environmentally responsible products to customers.



Joyson Safety Systems develops and implements dedicated digital solutions for end-to-end process quality management, covering data collection, data visualization, event tracking, and knowledge accumulation. Through integrated data analysis and real-time monitoring, this approach drives a systematic transition in quality management from "post-process inspection" to "in-process prevention."



Joyson Preh continuously upgrades the MES system by introducing a real-time defect tracking module, effectively shortening response times to production anomalies and enhancing the foresight and agility of quality control.



JOYNEXT actively implements Statistical Process Control (SPC), enabling real-time monitoring and statistical analysis of key process parameters. This allows for effective identification and timely adjustment of production variations, ensuring a stable and controlled manufacturing process. Meanwhile, JOYNEXT strictly enforces standardized Electrostatic Discharge Protection (ESD) management and engages third-party professional institutions to conduct regular audits, systematically preventing potential damage caused by electrostatic discharge to safeguard product reliability.

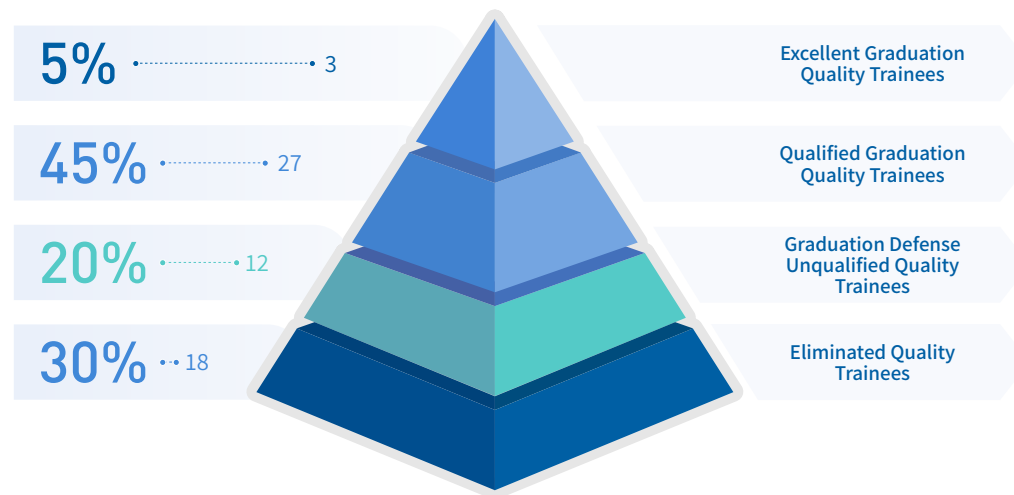
In addition, the Group fosters a quality culture characterized by full employee participation and continuous improvement, while continuously advancing multi-level quality communication and improvement mechanisms. For example, Joyson Preh has established an "Improvement Proposal Platform," encouraging employees to submit suggestions for quality optimization at any time. In addition, responsible departments hold monthly First Pass Yield (FPY) review meetings to assess potential production line issues and promote cross-functional communication and collaborative improvement. JOYSONQUIN has formulated the Rapid Response Meeting Management Measures, conducting daily workshop-level and plant-level rapid response meetings to enable prompt identification and closed-loop resolution of quality issues. Additionally, JOYSONQUIN actively carries out Quality Control Circle (QCC) activities, organizing the presentation and evaluation of annual quality projects to drive frontline innovation and strengthen engagement in quality improvement initiatives.

In terms of workforce capability development, the Group consistently implements company-wide quality training. All employees have received quality onboarding training, achieving a 100% coverage rate for employee quality training. Furthermore, each subsidiary organizes regular global quality training sessions annually to continuously strengthen employees' quality awareness and professional skills, providing a solid talent foundation for achieving excellence in product quality.

Case study Annual training program of Joyson Safety Systems' Quality Academy

In 2025, the Joyson Safety Systems' Quality Academy optimized its annual quality management training program through a systematic curriculum upgrade based on prior-year experience. The program shifted its focus from foundational quality tool instruction to strengthening hands-on capabilities and the application of advanced quality management methodologies, with the aim of developing a cohort of practice-oriented quality professionals. The program was open to all employees, with participants selected through a combination of nomination and voluntary enrollment. A blended learning approach—combining online theoretical instruction with offline practical workshops—was adopted. Outstanding participants were recognized based on final assessment results.

To strengthen capabilities in the widely applied Eight Disciplines (8D) problem-solving methodology, the Academy deployed quality experts to production sites across China to deliver targeted, workshop-based training programs. Through real-case analysis, group-based exercises, and on-site coaching, participants developed a systematic understanding of the application logic and practical implementation of the 8D methodology. This significantly enhanced each plant's capabilities in root cause analysis and closed-loop resolution of quality issues.



Training assessment results of Joyson Safety Systems' Quality Academy

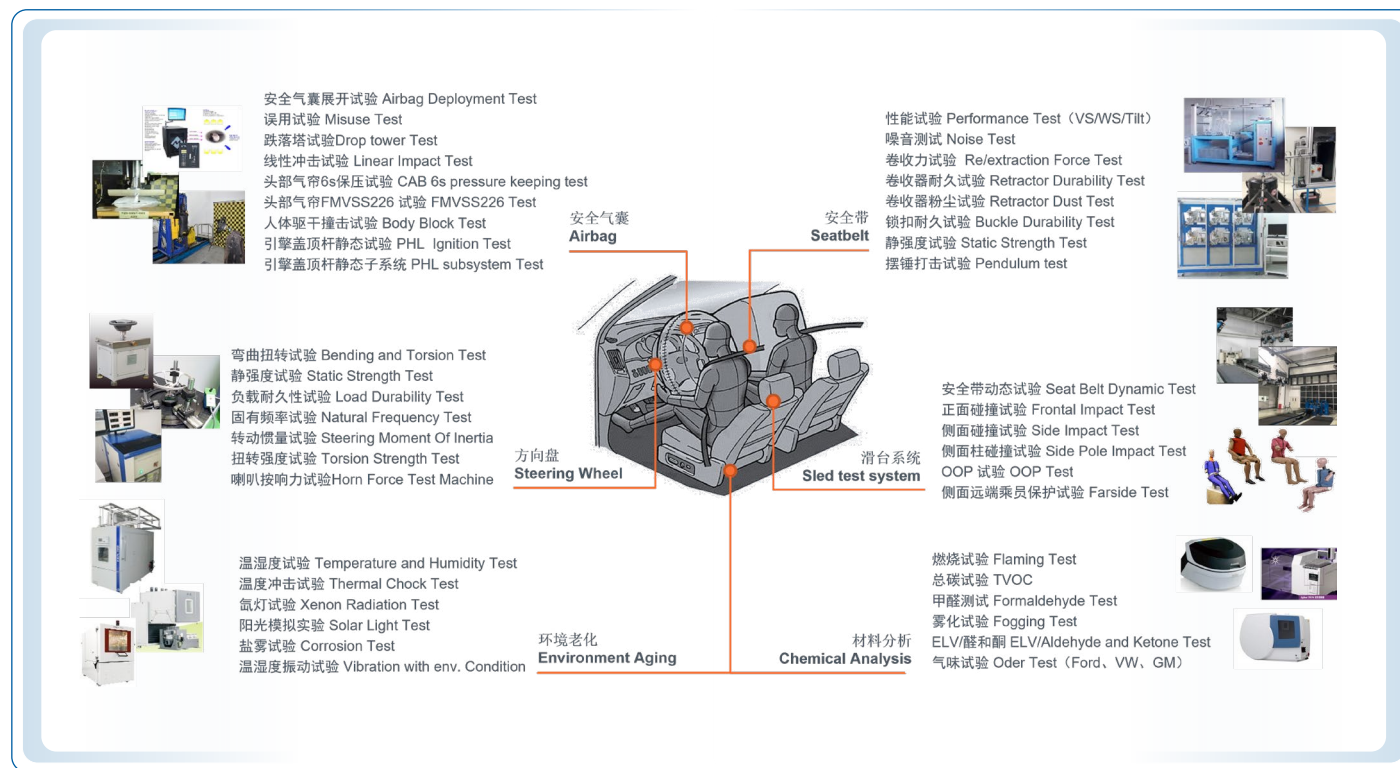


Joyson Safety Systems' Quality Academy

Testing and detecting

Joyson Electronics continues to develop a systematic validation framework covering multiple domains and aligned with international standards. Each subsidiary establishes product quality testing standards and procedures based on its specific business characteristics, ensuring that all products meet stringent safety and performance requirements across global markets. For example, JOYNEXT has established the *Inspection and Testing Control Procedure*, implementing full-lifecycle closed-loop control over key quality indicators through first-piece and last-piece inspection, in-process inspection, final inspection, and pre-shipment inspection. Joyson Preh and Joyson Safety Systems have both established product safety laboratories accredited in accordance with ISO 17025 by China National Accreditation Service for Conformity Assessment (CNAS). This ensures, at the system level, the accuracy, reliability, and international credibility of testing results.

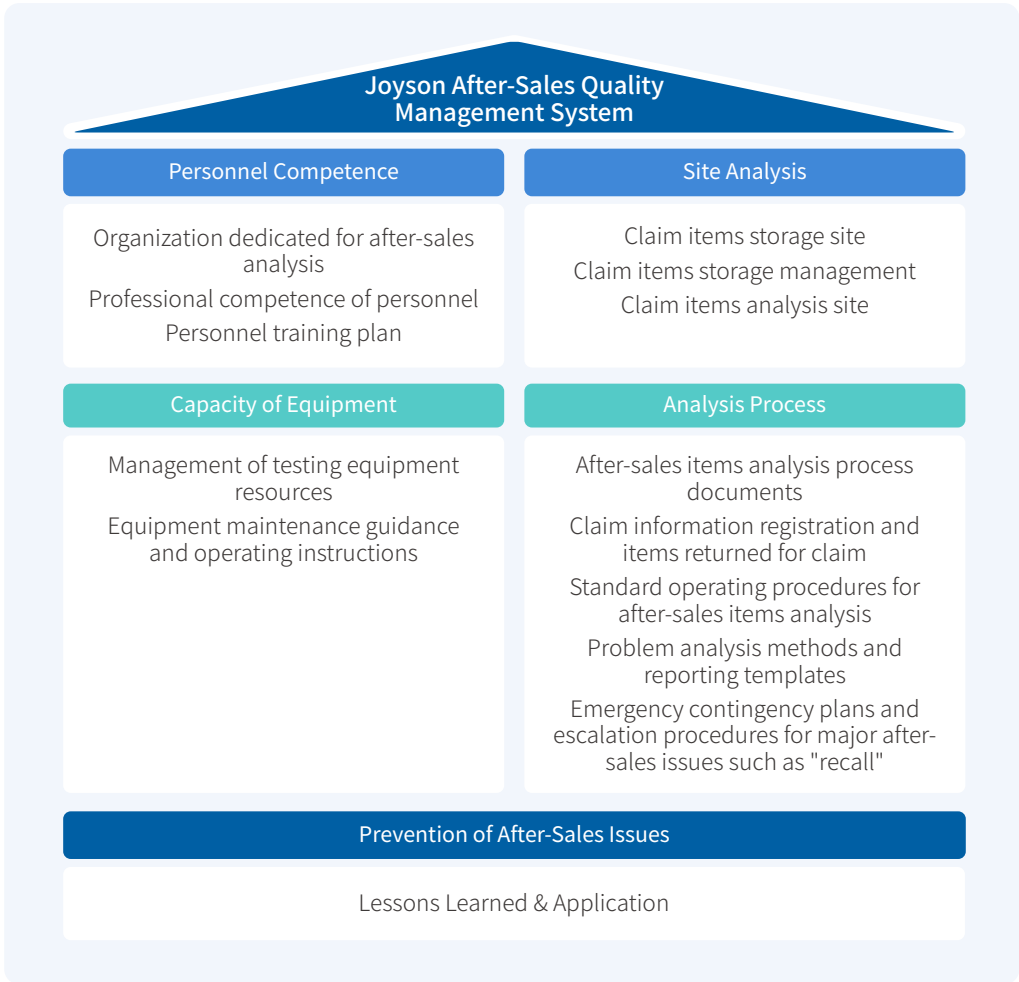
In the field of automotive safety products, Joyson Safety Systems possesses comprehensive testing and inspection capabilities across six major domains, including seat belts, airbags, steering wheels, sled systems, environmental aging, and material analysis, supporting over 30 critical testing and inspection items. Joyson Preh's testing and inspection capabilities are primarily focused on automotive electronics, covering nearly 30 types of testing, including environmental testing, electrical testing, electromagnetic compatibility (EMC) immunity testing, and system functional testing. These capabilities ensure that products maintain performance and safety under various conditions, meet customer and market requirements, and continuously improve product quality and reliability.



Product testing capabilities and scope of Joyson Safety Systems

After-sales assurance

Joyson Electronics regards customer satisfaction as a core objective of its quality management. By establishing a systematic and rapid-response after-sales service framework, the Company continuously provides reliable product assurance and professional service support. The Company has developed and strictly implemented institutional procedures, including *the After-sales Management Procedure, After-sales Failure Analysis Process, and Rapid Response and Tracking Procedure*, enabling standardized closed-loop management of after-sales quality issues. All products strictly comply with China's "three guarantees" policy (repair, replacement, and return). In addition, extended warranty periods are provided for key components based on product characteristics, aligning as closely as possible with vehicle warranty requirements to maximize the protection of customer rights and interests.



During the Reporting Period, Joyson Safety Systems further optimized its after-sales management system. Leveraging the *After-sales Management Process*, it implemented systematic monitoring of after-sales issues and emergency response mechanisms. Supported by the Joyson Quality Tracking System (JQTS), Joyson Safety Systems was able to respond to and resolve after-sales quality issues efficiently. At the same time, based on customer satisfaction survey feedback, it identified potential quality risks and implemented targeted quality improvement initiatives, including Reverse Failure Mode & Effect Analysis (RFMEA), to comprehensively ensure product quality and service excellence. Joyson Safety Systems has also established the "Expert 100" team, bringing together technical specialists across various fields to address after-sales quality issues and further enhance product quality.

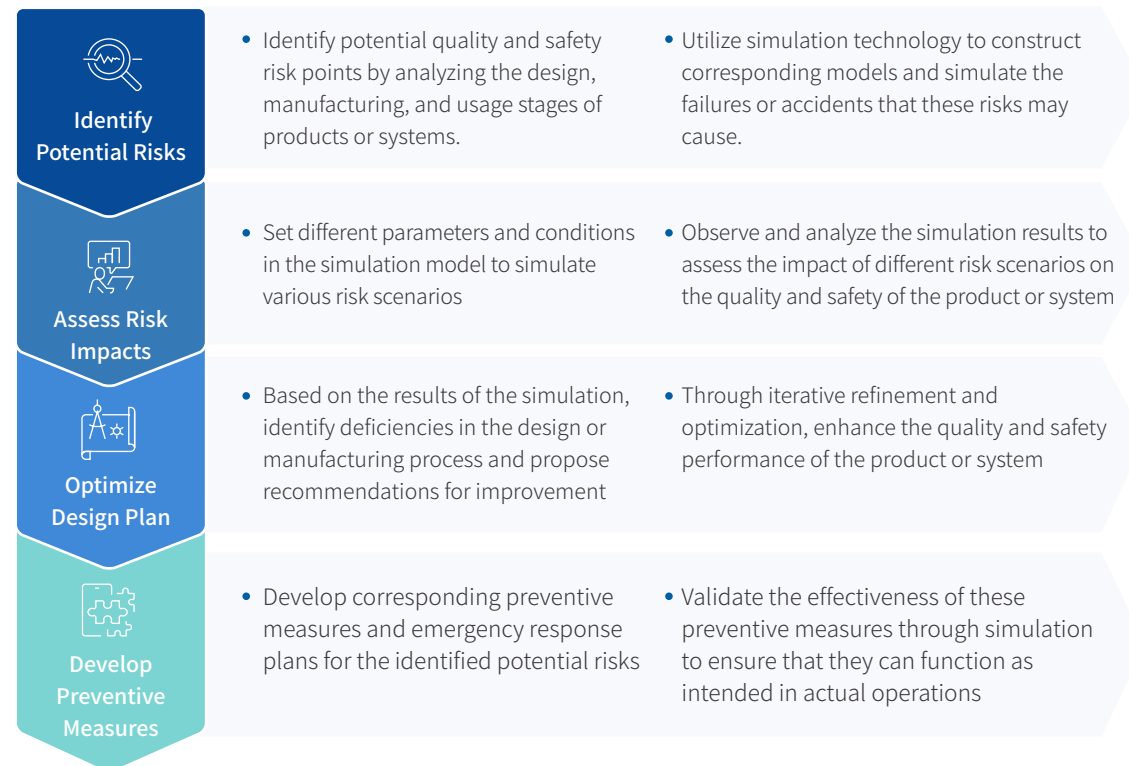
In the development of the after-sales assurance system, the voice of the customer serves as a critical driver of quality improvement. JOYSONQUIN has established and rigorously implemented the *External Quality Complaint Management Measures*, systematically standardizing responsibilities and timelines across the entire complaint handling process including intake, analysis, resolution, and feedback. It has also established a normalized mechanism for tracking and analyzing quality complaints, with complaint data consolidated into dedicated management logs on a monthly and annual basis. In addition, monthly quality review meetings are held to conduct focused analysis of complaint trends, enabling effective alignment between complaint management and continuous quality improvement.

In addition, we have made clear the definition of "defective product". In case of the occurrence of defective products, we will immediately stop selling them and proactively initiate a recall procedure. All our subsidiaries have established recall policies related to defective products, including the *Defective Vehicle Product Recall Management Regulations and the Customer Returned Products Disposal Management Measures*, and strictly implement the recall procedures to dispose of defective products.

Management of impacts, risks and opportunities

In product quality and safety management, Joyson Electronics places strong emphasis on proactive risk prevention and systematic control. The Company is actively building an advanced, digital-driven product quality risk management framework to enable forward-looking identification and precise mitigation of potential quality risks. For example, Joyson Preh has established a digital-lessons learned database and continuously updates its design standard system based on Failure Mode and Effects Analysis (FMEA). This provides effective reference tools for R&D teams, helping them identify and avoid potential design defects. In addition, Joyson Preh has introduced simulation technologies, leveraging computer modeling to analyze failure modes under different risk scenarios. This enables early-stage quantitative assessment and preventive control of quality and safety risks.

Joyson Preh's Simulation Process in the Product Design Stage



Meanwhile, with the development of emerging technologies in the automotive industry, we continuously monitor the associated new quality and safety risks. From multiple dimensions—such as functionality, durability, and reliability—we conduct preventive testing on products that may pose potential quality and safety risks, so as to identify, address, and prevent possible quality and safety issues during use at an early stage.

Case study

Precautionary testing for emerging quality/safety concerns

Intelligent driving is becoming a key growth area in the transformation of the automotive industry. Accordingly, vehicle cybersecurity has become a critical safeguard for building user trust and supporting sustainable industry development. JOYNEXT addresses cybersecurity from the product design stage. Based on a system architecture approach, it systematically maps end-to-end software and hardware assets while conducting concurrent threat analysis and risk identification. Guided by risk assessment outcomes, it defines key security objectives and embeds security requirements throughout the entire product design and development lifecycle. Finally, through three layers of assurance—penetration testing, fuzz testing, and compliance validation—it ensures that products meet both security and regulatory requirements. Meanwhile, the Company has established a full-lifecycle software supply chain security monitoring system, conducting routine scanning of open-source components. Upon identification of high-risk Common Vulnerabilities and Exposures (CVEs), it promptly coordinates with OEMs to initiate emergency response mechanisms, thereby strengthening supply chain security across the industry ecosystem.

Metrics and targets

Joyson Electronics integrates product quality and safety into every aspect of its operations. Through well-defined target setting and continuous performance tracking, the Company ensures robust product quality and safety performance. All business units have established and continuously monitor scientific and measurable key performance indicators (KPIs) and targets. These efforts drive the continuous evolution of the quality management system toward a more preventive and lean approach, creating sustainable long-term value for customers, society, and stakeholders.

Supplier categories certified for quality-related standards	Ratio (%)
Tier-1 direct-material suppliers certified by the Group or third-party quality systems	100%
Tier-2 direct-material suppliers certified by the Group or third-party quality systems	100%
Raw material suppliers (tier-3 direct-material suppliers) subject to regular quality audits	100%

Note: The scope of suppliers covered in this table excludes trading companies. The indicators "Tier-2 suppliers certified by the Group or third-party quality systems" and "raw material suppliers (tier-3) subject to regular quality audits" apply only to Joyson Safety Systems.

As of the end of the Reporting Period, the major production sites of Joyson Preh, JOYNEXT, and JOYSONQUIN had **100%** obtained ISO 9001 Quality Management System certification or IATF 16949 Automotive Quality Management System certification.

The proportion of Joyson Safety Systems' operating locations certified under these systems had also approached 100%

During the Reporting Period, Joyson Electronics recorded no major product safety incidents and no administrative penalties, and recalled products accounted for approximately 0.11%¹ of the total annual product sales volume.



Note: 1. The proportion of recalled products to the total annual product sales volume is calculated based on recalled vehicles; the calculation methodology will be continuously refined going forward.

R&D innovation development

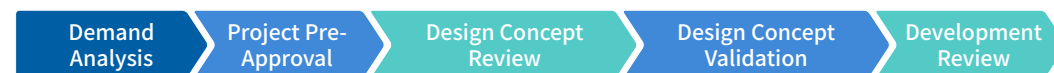
Joyson Electronics has always regarded R&D innovation as the core engine driving corporate growth. Guided by market demand and future trends, we continuously optimize our R&D governance structure and management mechanisms, strengthen our technological innovation capabilities, and work with global customers to build a smarter, safer, and more environmentally friendly future mobility ecosystem.

Governance

All business units of Joyson Electronics have established dedicated R&D-related departments. By refining management processes, clarifying R&D authorities and responsibilities, and strengthening resource coordination, the Company promotes the efficient implementation of technological innovation and product iteration. In 2025, we further enhanced the foresight and systematic nature of its technology R&D through organizational optimization, strengthening technology planning and improving R&D efficiency. Joyson Preh has established a Foresight Technology R&D Department, which integrates forward-looking technology research, customer engagement, and technology roadmap planning. The department systematically conducts technology trend analysis, new technology exploration and validation, innovation project incubation, and intellectual property development, thereby advancing forward-looking technology deployment and the commercialization of R&D outcomes. JOYNEXT also established a R&D quality and process assurance department, focusing on building systematic and standardized R&D processes, improving engineer training mechanisms, and enhancing both R&D efficiency and the reliability of outcomes. This provides a solid foundation for delivering competitive green and intelligent solutions.

In addition, all business units have optimized and updated R&D-related institutional documents to standardize product development processes and clarify key control points. For example, Joyson Safety Systems has developed the *Joyson Global Project Management Standard*, which defines management requirements across all stages from requirements analysis, project pre-approval to validation and review. This promotes standardization and process compliance in R&D, and continuously enhances both R&D quality and efficiency.

R&D Process of Joyson Safety Systems



Strategy

Joyson Electronics has systematically established an efficient and collaborative R&D system, while continuously strengthening the development of innovative talent and the accumulation of technological capabilities, laying a solid foundation for long-term development.

R&D system

Guided by customer and market demand, we drive our subsidiaries to continuously refine R&D management systems and optimize process mechanisms around clearly defined strategic directions and R&D objectives. This approach systematically enhances collaborative innovation capabilities and R&D execution efficiency. As of the end of the Reporting Period, the Group's core R&D testing and validation centers had obtained certifications from the China National Accreditation Service for Conformity Assessment and other relevant authorities. In addition, our related electronic product development processes complied with Automotive Software Process Improvement and Capability Determination (A-SPIICE) standards and had achieved Automotive Safety Integrity Level D (ASIL-D) certification—the highest level under ASIL—demonstrating internationally recognized standardization capabilities and technical credibility in R&D innovation.

Throughout this process, subsidiaries have also adopted advanced management concepts and tools to continuously improve R&D capabilities. For example, JOYNEXT leverages digital tools to enable full-lifecycle R&D management and has introduced quality gate and technical gate review mechanisms. These practices continuously improve delivery efficiency and quality, while strengthening a multi-project parallel compliance management system to ensure structured and effective R&D execution. Joyson Electronics is also actively developing R&D and innovation centers, building a full-chain innovation process that spans foresight research, technology breakthroughs, and product development.

Case study

Joyson Preh approved as Ningbo Automotive Electronics Intelligent System Technology Innovation Center

In September 2025, during the Ningbo Technology Innovation Center System Development Forum organized by the Ningbo Municipal Bureau of Science and Technology, Joyson Preh was officially approved as the Ningbo Automotive Electronics Intelligent System Technology Innovation Center, in recognition of its technological expertise and innovation capabilities in the automotive electronics field. Led by Joyson Preh, the innovation center brings together eight key universities, enterprises, and research institutes across the automotive electronics value chain, including Northwestern Polytechnical University Ningbo Research Institute, NingboTech University, and China Automotive Technology and Research Center (CATARC) (Ningbo). The center spans the full innovation and industrial value chain from basic research, technology R&D, product pilot production, result industrialization, to standardization. Focusing on three key areas—intelligent human-machine interaction systems for new energy vehicle cockpits, smart battery management, and high-efficiency charging systems—it provides a solid foundation for collaborative breakthroughs in critical technologies and further supports the high-quality development of Ningbo's automotive electronics industry.

R&D team

The Group has built a professional and diverse R&D team covering major automotive markets worldwide. Team members possess cross-disciplinary expertise and extensive industry experience, forming an international R&D network spanning Asia, Europe, and the Americas. To fully stimulate innovation, we have established value-creation-oriented incentive mechanisms, including the *Invention Incentive Agreement*, *Remuneration Compensation Agreement*, and *Intellectual Property Encouragement Agreement*. Through mechanisms such as profit-sharing, the Company effectively unlocks R&D potential. For example, JOYSONQUIN systematically implements innovation-driven incentive mechanisms by standardizing innovation evaluation criteria and establishing a dual incentive system combining "tangible rewards" and "value recognition," thereby fully motivating employees and enhancing team innovation vitality. In 2025, JOYNEXT introduced a performance-linked reward mechanism and engaged external expert resources to continuously stimulate innovation and address talent gaps in critical areas.

In terms of capability development, Joyson Electronics provides comprehensive training resources and hardware support for R&D personnel. Through both internal and external collaboration, the Company delivers multi-level specialized training covering product solutions, core technical capabilities, and functional safety. During the Reporting Period, JOYSONQUIN organized 12 specialized R&D training sessions, inviting industry experts to share insights on frontier topics such as intelligent driving. JOYNEXT also promoted knowledge sharing and capability enhancement through workshops, technical forums, and similar activities.

Case study JOYSONQUIN hosted "2025 Benchmark & Innovation Day"

In February 2025, JOYSONQUIN successfully held the "2025 Benchmark & Innovation Day," focusing on technological innovation and industry frontiers, and providing an internal platform for learning, knowledge sharing, and innovation exchange. During the event, JOYSONQUIN showcased a range of notable innovation projects, spanning from cutting-edge smart cockpit design to intelligent advancements in vehicle cleaning systems. Participants engaged in in-depth exchanges with technical experts, jointly exploring emerging technology trends and future possibilities.



2025 Benchmark & Innovation Day

| R&D achievements

In 2025, Joyson Electronics continued to advance its technological R&D efforts, achieving significant results across key domains including intelligent driving, smart cockpits, automotive safety, and new energy management. The Company continues to strengthen its technological capabilities, reinforce competitive advantages, and explore cutting-edge technologies through forward-looking strategies, leveraging innovation to enable safer and more comfortable mobility solutions.

Intelligent driving

JOYNEXT intelligent driving solutions

Central computing unit

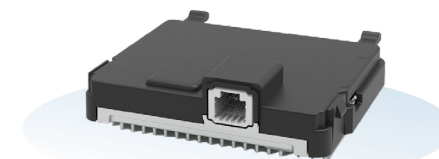
As centralized computing architectures rapidly become the digital foundation of intelligent vehicles, JOYNEXT has proactively advanced R&D in cross-domain integration technologies. Its nCCU series central computing platform solutions support deep integration between smart cockpit and advanced driver assistance system domains. Featuring flexible computing resource allocation, multimodal interaction, and high-performance computing capabilities, the platform can meet the customized requirements of different vehicle models and enable a more efficient centralized vehicle architecture. This series was granted the "2025 Gaogong Golden Globe – Technology Breakthrough of the Year Award."



nCCU hardware appearance illustration

Intelligent driver assistance data storage system

As the "black box" of intelligent vehicles, intelligent driver assistance data storage systems have become a critical technology for ensuring mobility safety. JOYNEXT's nData series solutions serve as a behind-the-scenes safeguard for intelligent driving safety. They not only comply with global regulatory requirements, but also feature core capabilities such as power-loss data retention and rapid accident data parsing. With a platform-based design, the system efficiently adapts to multiple vehicle models, continuously supporting safer human-machine co-driving in future mobility scenarios. This series received the "2025 Lingxuan Award – Forward-looking Category – Excellence Award."



nData hardware appearance illustration

Smart planar antenna solution

Vehicle connectivity technologies enhance environmental perception capabilities and are critical to achieving advanced intelligent driving. JOYNEXT's nVision smart planar antenna solution, featuring high reliability, flexibility, and integration, provides essential support for intelligent connected vehicles and is designed to enable a safer and more efficient future mobility experience. This solution received the "Vehicle-to-Vehicle Solution of the Year" award at the 6th AutoTech Breakthrough Awards.

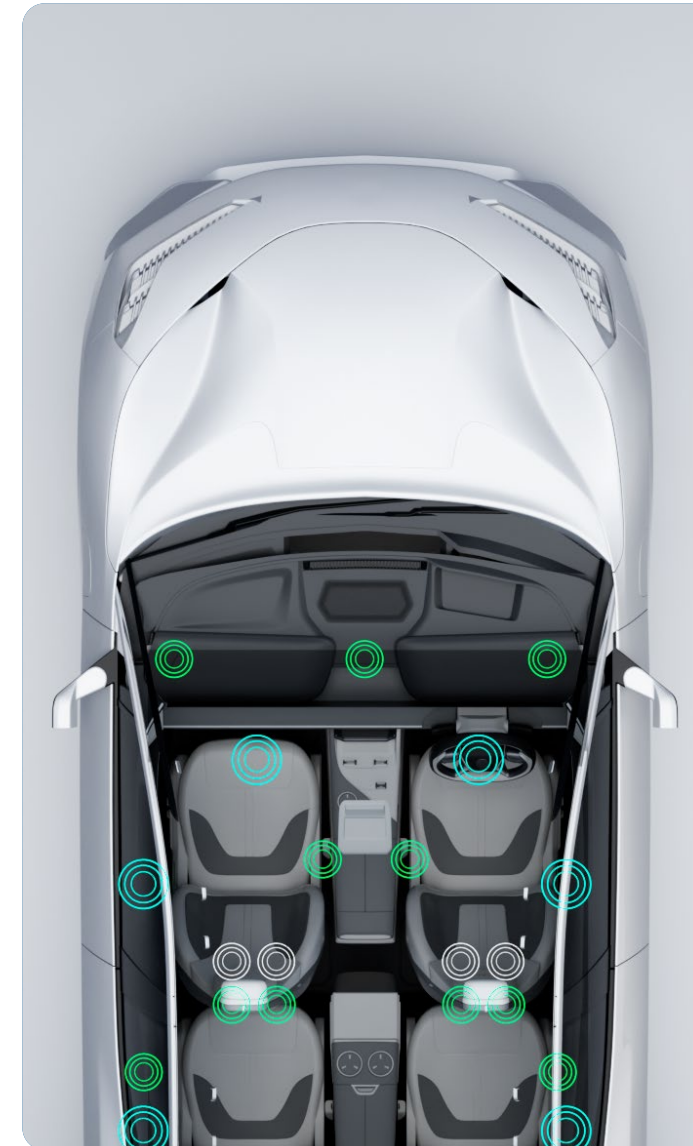
Smart cockpit

Case study Immersive smart cockpit solution - JoySpace+

In April 2025, Joyson Electronics launched JoySpace+, its new immersive smart cockpit solution, integrating multimodal interaction across visual, auditory, tactile, and voice dimensions with intelligent interior systems, intelligent driving systems, and automotive safety technologies to create an immersive, intelligent, and highly personalized in-vehicle experience. Within the JoySpace+ cockpit, the Company has introduced pioneering interaction technologies such as an aircraft-inspired multifunction control knob and customizable control interfaces. It is also equipped with forward-looking safety technologies, including a foldable steering wheel and electronic pre-warning seat belts, alongside advanced features such as light-field display technology for cinema-grade visuals, intelligent ambient lighting, smart air vents, eco-friendly interior materials, and ultra-wideband (UWB) digital keys. Together, these innovations create a fully integrated intelligent space spanning interaction, scenarios, safety, and emotional experience, driving the evolution of vehicle cockpits from functional mobility tools into personalized and emotionally engaging "third living spaces."



Immersive smart cockpit solution - JoySpace+



Automotive safety

We continue to deepen our expertise in automotive safety, introducing innovations such as the electronic vehicle-sensing zero-gravity seat belt, which significantly enhances the proactivity and intelligence of occupant protection. Meanwhile, the foldable steering wheel has achieved key technological breakthroughs and has entered the pre-mass production stage. It balances spatial optimization in assisted driving modes with safe control in manual driving, contributing to the development of a comprehensive and integrated safety ecosystem for future mobility scenarios.

Case study

Electronic zero-gravity seat belt won gold at the 10th Lingxuan Awards – Forward-looking Category

The electronic zero-gravity seat belt (EVS), independently developed by Joyson Safety Systems, integrates electronic sensing technologies with traditional seat belt structures, forming a next-generation intelligent restraint system specifically designed for zero-gravity seating configuration. The EVS received the Gold Award in the Forward-looking Category – Smart Cockpit System Class at the 10th Lingxuan Awards.

The EVS features proactive safety capabilities. By integrating intelligent algorithms, it can anticipate potential risks and enable pre-collision active locking. With dual redundancy combining electronic control and mechanical systems, the EVS provides reliable restraint at any seat angle, improving occupant fit and protection in reclined postures. It offers a highly integrated and continuously optimized safety solution for flexible and dynamic smart cockpit configurations.



Joyson Safety Systems won the gold at the Lingxuan Awards



Electronic vehicle zero-gravity seat belts

Case study

Joyson Safety Systems developed next-generation foldable steering wheel

As the automotive industry accelerates toward electrification and intelligent mobility, vehicles are increasingly transforming into "third living spaces," with growing emphasis on adaptable cockpit layouts and multi-scenario usability. In response to this trend, Joyson Safety Systems has developed a next-generation foldable steering wheel system featuring a unique modular folding mechanism. This design ensures proper deployment of the driver airbag while enabling full folding and unfolding functionality of the steering wheel, and supports integration with hands-off detection and steer-by-wire technologies. Through the coordinated design of a high-strength locking structure and electronically controlled actuation, the system delivers stable and reliable control when deployed, and enables smooth, low-noise folding when safety conditions permit, freeing up flexible cockpit space. This product also received the Excellence Award in the Forward-Looking Category at the 10th Lingxuan Awards, highlighting Joyson Safety Systems' forward-thinking approach to advanced driver-assistance systems and smart cockpit spatial reconfiguration.



Joyson Safety Systems won the Lingxuan Awards – Excellence Award



Next-generation foldable steering wheel

| Sustainable products

Seizing opportunities in clean technologies

Against the backdrop of the global energy transition and the transformation of the mobility sector, Joyson Electronics actively embraces opportunities in clean technologies. The Company has deeply integrated sustainability into its technology development and industrial deployment, establishing "greener" clean technologies as a core strategic priority, and is committed to driving the green transformation of the automotive industry through innovation.

To strengthen the Group's R&D capabilities in the new energy sector, we established a New Energy Research Institute in 2021, focusing on innovation in hybrid and electric vehicle technologies. In addition, Joyson Electronics has established power electronics laboratories in both China and Germany, providing strong R&D support for product iteration and enabling optimal ultra-fast charging performance for high-voltage vehicle platforms. Meanwhile, Joyson Preh focuses on new energy management, offering both standalone and integrated power electronics products, including Battery Management Systems (BMS), On-Board Chargers (OBC), boosters, and DC/DC converters. These solutions enable OEM customers to more efficiently coordinate, distribute, and manage energy within vehicle power systems, ensuring optimal vehicle performance and energy efficiency.

Joyson Electronics new energy management systems

Battery Management System (BMS)

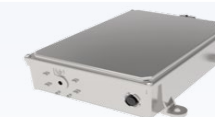
Accurate monitoring and cell balancing are core technologies for ensuring battery safety and extending service life. Joyson Preh provides distributed BMS solutions covering full voltage platforms from 12V to 800V. Developed in compliance with functional safety standards, these products feature high-precision sensing and intelligent balancing capabilities, and have been widely adopted by leading global OEMs.



Battery management system

On-Board Charger (OBC)

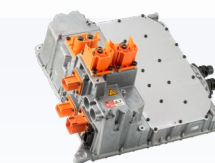
The on-board charger converts household or industrial AC power into DC power, enabling efficient charging for new energy vehicles. As of the end of the Reporting Period, the maximum conversion efficiency of our OBC products reached approximately 96%, ranking among industry-leading levels.



On-Board charger

Booster

With the charging boost module, vehicles on an 800V platform can recharge up to approximately 80% of battery capacity within 20 minutes at an 800V high-power charging station. In addition, by boosting the output voltage of a 400V charging station to 800V, the module enables efficient fast charging for 800V vehicles even at 400V stations, significantly improving charging efficiency.



Booster

DC/DC converter

The DC/DC converter converts high-voltage DC power from the battery into low-voltage DC to power the low-voltage battery and onboard electrical loads. This module adopts a three-in-one integrated solution, supporting low-voltage conversion from an 800V DC input to 12V, 48V, and 400V outputs. It powers general onboard electrical devices, dynamic suspension systems, and electric air conditioning components, and supports bidirectional operation.



DC/DC converter

Green product development

Joyson Electronics has also embedded sustainability principles across the full lifecycle of product R&D, design, and manufacturing, and is committed to achieving coordinated progress across three key dimensions: enhanced intelligence, improved safety, and greater sustainability. Through systematic innovation, we are driving the transition toward green products. For example, JOYSONQUIN continuously reduces environmental impact by adopting sustainable materials, optimizing product structures and manufacturing processes, and promoting low-power equipment, thereby accelerating the transition toward a resource-efficient and environmentally sustainable development model.

As a global provider of intelligent automotive technology solutions, we recognize that hazardous substances not only affect product quality and safety throughout the entire lifecycle, but also pose potential risks to the environment and human health. During the Reporting Period, we formulated and issued the *Sustainable Materials Policy*, which defines our requirements for the supply chain and material usage, and actively committed to the following: we will work in collaboration with industry associations to jointly explore safe and environmentally friendly alternative raw materials; and continue to invest in R&D resources to address issues at the source of materials, systematically promoting the identification, substitution, and phased elimination of hazardous substances, thereby strengthening product safety through responsible practices and driving the green transformation of the industrial chain.

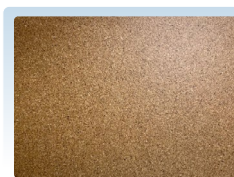
Case study Sustainable interior innovation with bamboo and cork materials

JOYSONQUIN actively promotes the application of renewable materials in automotive interiors in response to environmental and sustainability goals. In 2025, we successfully developed interior material samples based on bamboo and cork, providing environmentally responsible material options for green cockpit design. Bamboo, a fast-growing grass species, features short growth cycles and high renewability. Cork

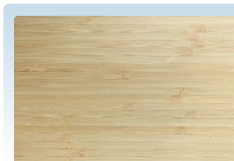
is harvested from the bark of cork oak trees without damaging the tree itself. These trees can live for over 200 years, enabling sustainable harvesting without deforestation. In addition, the raw materials are certified by the Forest Stewardship Council (FSC), ensuring sustainability and traceability at the source.



FSC certificate



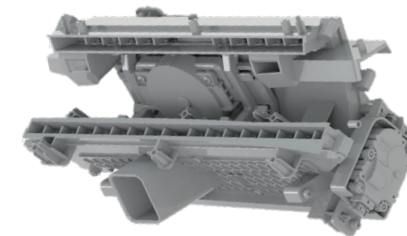
Cork color samples



Bamboo color samples

Case study Innovative actuator solution – single-drive dual-motion electric air vent

In 2025, JOYSONQUIN introduced an innovative electric air vent solution based on its self-developed actuator technology. The solution adopts a motion trajectory cam design to optimize the motion logic of the air vent and enable a single-actuator dual-motion mechanism. By reducing the number of actuators in each air vent from four to two, the solution achieves a 50% reduction in energy consumption while maintaining performance requirements. It also contributes to component lightweighting and overall cost optimization.



Single-drive dual-motion electric air vent solution

Case
study**Joyson Preh developed green
cockpit products through
technological innovation**

As a core implementation area for the low-carbon transformation of vehicle cockpits, Joyson Preh has established benchmarks for green innovation in core cockpit products through technological iteration and process innovation. For switch panel products, traditional physical buttons have been fully upgraded to touch-sensitive technology. Taking an air conditioning controller as an example, the upgrade reduced the number of components by 38.9%, product weight by 12.6%, and assembly time by 20%, while also lowering raw material consumption and production energy use. In addition, high-pollution processes such as electroplating and painting have been eliminated, significantly reducing VOC emissions and environmental pollution at the source, and enabling a greener manufacturing process. For core cockpit components such as steering wheels, innovative low-power design solutions have been adopted while maintaining touch and button functionality. This includes the use of ultra-low-power chips with standby current at the microampere level, combined with lightweight circuit topology and refined circuit optimization, significantly reducing product energy consumption. These innovations directly support improved overall vehicle energy efficiency and extended driving range, promoting the low-carbon transition across the full mobility value chain.

Management of impacts, risks and opportunities

Joyson Electronics regards technological innovation as a key driver of future industry development and actively manages risks associated with R&D innovation. We have embedded risk management across the full lifecycle of product development and beyond, systematically identifying and assessing risks and opportunities throughout the innovation process. This enables us to maintain our technological leadership while establishing a robust intellectual property (IP) protection framework, effectively managing R&D risks, expanding market opportunities, and continuously enhancing competitiveness.

The Group continues to strengthen the proactive identification and prevention of risks related to both infringement and potential infringement by third parties. The R&D department regularly organizes dedicated workshops to monitor emerging technology trends and promote the deep integration of patent portfolio development with R&D processes, thereby ensuring timely protection and forward-looking filing of innovation outcomes. Each business unit has established institutional frameworks such as the *Competitor Benchmark Process*, which clearly define procedures for handling patent infringement and mechanisms for infringement analysis. These provide clear operational guidance and compliance assurance for R&D innovation activities. Additionally, the Group adheres to the principle of respecting third-party intellectual property rights and proactively conducts risk prevention activities. Through Freedom to Operate (FTO) reviews and competitor analysis for projects under development, we systematically identify potential infringement risks and actively mitigate the likelihood of IP disputes.

We consistently regard intellectual property as a core strategic asset and have established a systematic and standardized management framework to comprehensively strengthen the protection and value realization of technological innovations. We strictly comply with applicable laws and regulations in the countries and regions where we operate, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management*. By establishing a structured patent management system, dedicated patent management departments, and IP specialists, we ensure efficient and orderly IP governance.

To institutionalize and normalize IP management, each business unit has formulated dedicated policies such as *IP Management*, *Patent Management Regulations*, and *Guidelines for the Protection of Trade Secrets*. Annual IP work plans have been established, incorporating the full lifecycle of IP activities—including application, maintenance, licensing, transfer, and protection—into a standardized management system. We have also further clarified implementation rules for key aspects such as patent ownership and incentive mechanisms. While safeguarding the legitimate rights and interests of technological and innovative achievements, these measures effectively stimulate employee innovation and support continuous technological breakthroughs and sustainable competitiveness.

In addition, to continuously enhance employees' awareness and professional capabilities in IP protection, we conduct systematic training and awareness programs through a combination of internal training and external expert engagement. During the Reporting Period, JOYSONQUIN organized three specialized training sessions: *Interpretation of Enterprise IP Compliance Management Systems*, *Patent Information Retrieval*, and *Enterprise IP Compliance Management and Risk Prevention*. These initiatives significantly enhanced the team's capabilities in IP compliance management, risk identification, and information retrieval.

Case study

JOYNEXT Intellectual Property
Awareness Week

JOYNEXT successfully held its fourth Intellectual Property Awareness Week, adopting diverse formats to comprehensively enhance employees' IP awareness and protection capabilities. During the event, JOYNEXT recognized individuals with outstanding performance in patent applications and grants. In addition, we organized an IP knowledge competition to promote understanding of patent laws, regulations, and practical knowledge through interactive engagement, thereby stimulating employees' enthusiasm for learning and innovation.



Poster of the 4th Intellectual Property
Awareness Week

Metrics and targets

During the Reporting Period, supported by sustained investment in R&D, the Group has built a talent pipeline with strong capabilities in breakthrough innovation. At the same time, we have steadily advanced IP management and systematically implemented our R&D innovation strategies and plans. We are committed to maintaining a high level of R&D investment on an ongoing basis, ensuring the Company's continued leadership in key areas such as automotive electronics technology innovation and new business development. In addition, JOYSONQUIN (China region) set a 2025 R&D investment target of RMB120 million for new energy products, and achieved an actual investment of approximately RMB140 million, exceeding the established target.

Looking ahead, Joyson Electronics will continue to position innovation as a strategic cornerstone, focusing on key areas such as intelligent driving, smart cockpits, and new energy development. We will further increase investment in fundamental research and cross-cutting technologies, with the goal of translating technological achievements into green products and efficient solutions. Together with value chain partners, we aim to build a mobility ecosystem that is smarter, safer, and greener, contributing innovative solutions to a sustainable future.

During the Reporting Period, our total R&D investment amounted to approximately

RMB **4.418** billion

representing

7.22% of our operating revenue

As of the end of the Reporting Period, the Group had a total of

5,895 R&D personnel worldwide

accounting for

13.35% of total employees

among them,

26.62% hold a master's degree or above



As of the end of the Reporting Period, we held approximately

3,500 patents worldwide

we had

26 certified high-tech enterprises in China

Building a Responsible and Collaborative Value Chain

Joyson Electronics is committed to building a sustainable business ecosystem by fully embedding responsibility principles into its operations and value chain collaboration. Guided by a long-term approach and centered on co-creating customer value, we foster mutually trusting and symbiotic partnerships through outstanding products and service capabilities. At the same time, we advance sustainable supply chain development as a key lever, empowering upstream and downstream partners to accelerate their green and low-carbon transition and jointly create a responsibility-driven, win-win value chain. At the industry collaboration level, we embrace an open and shared ecosystem mindset, actively engaging in collaborative technology development, co-establishment of industry standards, and coordinated industrial platform initiatives. Together with industry partners, we are building a more resilient, innovative, and sustainable industrial ecosystem.

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Customer relationship management

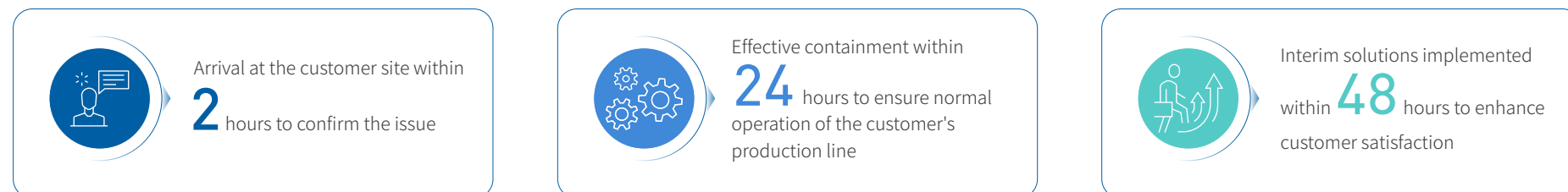
At Joyson Electronics, customer satisfaction across the entire lifecycle serves as the core driver for the continuous evolution and upgrading of our products and service systems. By establishing standardized and refined end-to-end service processes, we ensure that high-quality services precisely address customers' critical needs at each stage of their development. Joyson Electronics' business units have established systematic and standardized customer service management mechanisms, with customer satisfaction explicitly incorporated into the KPIs of relevant departments to ensure effective delivery of service quality objectives. Building on this foundation, we continuously optimize diversified, transparent, and efficient customer communication channels and complaint-handling processes, enabling rapid response and closed-loop management of customer requests.

Joyson Electronics' Customer Complaint Handling Process



Taking Joyson Safety Systems as an example, it has established the *Customer Complaint Handling Management Process*, which clearly defines the "2/4/8 principle," supported by the online Joyson Quality Tracking System to ensure timely response and resolution of customer feedback. During the Reporting Period, Joyson Safety Systems achieved a 100% timely response rate to issues raised by customers, continuously strengthening mutual trust and collaborative relationships with customers. Similarly, JOYNEXT has established the *Customer Complaint Management Process* and the *Returned Product Analysis Process*. In response to customer needs, issues are resolved efficiently through remote analysis or on-site support and analysis at customer locations. During the Reporting Period, we received a total of 1,869 customer complaints regarding products and services, all of which were responded to in a timely manner to address feedback needs and continuously improve customer satisfaction.

Joyson Safety Systems' "2/4/8 principle" for response to customers



We treat every piece of customer feedback as a valuable opportunity for continuous improvement. Through systematic root-cause analysis, implementation of corrective actions, and promotion of knowledge retention and process optimization, we prevent the recurrence of issues with all efforts. For example, JOYSONQUIN has established *External Quality Complaint Management Measures*, standardizing complaint-handling procedures and maintaining a complaint log with full-lifecycle tracking. We hold regular cross-functional meetings to analyze customer complaint trends, which are incorporated into the routine customer satisfaction review system. Based on the severity of issues, short-term, long-term, and systemic improvement measures are formulated. In addition, lessons learned are fed back to upstream functions such as technology and quality, forming a closed-loop management system from complaint to improvement.

As we continuously enhance our customer service system, we also promote the comprehensive improvement of service capabilities and accountability awareness through internal governance and proactive empowerment. The Group regularly provides customer

service knowledge and professional skills training to core business functions such as sales and quality, strengthening employees' service awareness and practical capabilities to ensure professional and standardized responses to customer needs. In addition, during the Reporting Period, a total of seven factories underwent sustainability-related audits conducted by customers, and we actively collaborated with customers to jointly build a sustainable value chain and business ecosystem.

In addition, we actively implement responsible marketing practices by delivering systematic training to sales teams on compliance marketing, product management, process standards, and customer privacy protection. This ensures that employees fully understand and strictly adhere to compliance requirements, and that all business activities comply with applicable laws and regulations in the jurisdictions where we operate, effectively safeguarding customers' legitimate rights and interests. During the Reporting Period, the Group recorded no incidents related to false advertising or customer privacy breaches, nor did we receive any related penalties or warnings.



Supply chain management

Governance

To promote the low-carbon and sustainable development of the overall supply chain, we are committed to comprehensively managing supply chain risks and advancing the green transformation of the supply chain through a robust supply chain management system. The Board of Directors serves as the highest decision-making body for the Company's environmental, social and governance (ESG) management, overseeing the full lifecycle management of the supply chain. Meanwhile, sustainable supply chain management is also identified as a double materiality topic for the Company, and we will continuously monitor and track its performance.

As a dual member of the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA), we have developed and issued our Supplier Code of Conduct and Human Rights Policy in accordance with the *Responsible Business Alliance Code of Conduct* (RBA Code), as well as international labor and human rights standards such as the *United Nations Universal Declaration of Human Rights* (UDHR) and the *International Labour Organization Core Conventions* (ILO Core Conventions). These documents set out requirements and expectations for suppliers across areas including business ethics, labor and human rights, environmental health and safety, management systems, and responsible sourcing, ensuring that supply chain management is aligned with the Company's own operational standards. Each business unit has set up dedicated procurement functions to oversee end-to-end supplier management and sustainability-related matters, ensuring clear accountability and precise execution of control objectives. At Joyson Safety Systems, its product procurement team adopts a "dual solid-line reporting" mechanism, reporting to both global and local procurement organizations to strengthen global resource coordination and risk response capabilities. Leveraging the resources and expertise embedded in the global procurement system, this mechanism also supports Chinese suppliers in achieving a strategic upgrade from "product globalization" to "capacity globalization." While enhancing supply chain resilience, it creates sustainable pathways for partners to integrate into global value chains.

The Group has established and implemented a set of core policies, including the *Procurement and Supplier Management Control Procedure*, *Supplier Commodity Procurement Mechanism*, *Supplier Management Procedure*, and *Supplier Performance Evaluation Management Measures*. These standardized and transparent frameworks ensure compliance and traceability across the entire supplier collaboration lifecycle. At the same time, we actively embed sustainability principles into supply chain management. Through policies such as the *Supplier Code of Conduct*, *Sustainable Materials Policy*, *Environmental, Health, and Safety Policy*, *Biodiversity Policy*, and *Anti-Deforestation Policy*, we clearly define our commitments and promote responsible sourcing and application of raw materials, guiding upstream partners to achieve both environmental and social value enhancement. In addition, to ensure that supplier conduct aligns with the Group's values and responsibility requirements, we require all suppliers to sign relevant agreements such as the *Supplier Code of Conduct* or *Integrity Operation and Self-Discipline Agreement*, jointly fostering a responsible, transparent, and sustainable supply chain ecosystem. During the Reporting Period, Joyson Safety Systems formulated the *Responsible Sourcing Policy*, systematically strengthening supplier code of conduct in areas such as social responsibility, environmental management, and transparency, and further reinforcing the institutional foundation and practical pathways for sustainable supply chain development.



Strategy

Building on a robust governance structure and comprehensive management system, Joyson Electronics has established a full-lifecycle supplier management mechanism and continuously strengthens ESG management of upstream suppliers, dedicated to co-creating an efficient, mutually beneficial, and sustainable industrial value chain with its partners.

End-to-end supplier management

Joyson Electronics has developed a closed-loop supervision and continuous improvement mechanism covering the entire supplier lifecycle—from onboarding and routine management to phase-out—while advancing the digital transformation of supply chain management to enhance operational efficiency and cross-functional collaboration through technology. During the Reporting Period, Joyson Safety Systems upgraded its global supplier management platform, Ariba, by launching a new supplier onboarding module embedded with due diligence data, achieving full coverage of all new direct procurement suppliers and enabling seamless cross-departmental and cross-system collaboration. Meanwhile, prospective suppliers are required to complete registration, contract execution, and the signing of agreements such as the Code of Conduct through the platform, providing system-level support for unified global procurement standards and improved management transparency.

Supplier full-lifecycle management framework

Supplier onboarding

We have established a rigorous and systematic end-to-end supplier onboarding control mechanism based on the core principle of engaging only with qualified suppliers. Prospective suppliers must undergo comprehensive qualification assessments covering background information, certifications, and project development experience, and may be subject to on-site audits when necessary. Qualified suppliers are included in the approved supplier pool, while those that do not pass are required to complete targeted corrective actions before re-entering the evaluation process based on project needs. For example, JOYSONQUIN initiates supplier development requests strictly in alignment with project requirements and risk assessments, benchmarking against authoritative industry standards such as VDA 6.3 issued by the VDA. Standardized and compliant onboarding reviews are conducted for new suppliers to ensure alignment with both business scenarios and industry best practices.



Supplier routine management

We implement a differentiated daily management and control approach based on supplier type and risk level, assigning tailored evaluation cycles and audit criteria to suppliers at different tiers to drive targeted performance improvements. JOYNEXT conducts quarterly supplier grading (A/B/C levels), with differentiated audit frequencies: high-performing A-level suppliers over the past four quarters are audited once every two years, while all other suppliers are audited annually. C-level suppliers and those rated B for two consecutive quarters are required to submit improvement reports and track implementation effectiveness. Joyson Preh conducts quarterly dynamic performance evaluations of mass-production suppliers across quality, delivery, and commercial performance. For underperforming suppliers, corrective actions are initiated with closed-loop tracking to ensure timely resolution. An annual on-site audit plan is also in place, targeting full supplier coverage within five years. In 2025, 30 supplier on-site audits were completed.



Supplier phase-out

Suppliers may be subject to phase-out evaluation if they fail to meet the Group's requirements in key domains such as quality standards, supply capability, service level, cost efficiency, market feedback, or operational performance.

Sustainable supply chain management

Through full-lifecycle-based supplier management, Joyson Electronics has embedded ESG requirements throughout supplier onboarding, routine management, corrective actions, and phase-out processes, working collaboratively with suppliers to build a sustainable business ecosystem.

Supplier onboarding stage	We clearly define environmental protection, social responsibility, corporate governance, and business relevance as screening criteria for potential suppliers, thereby building a responsible supply chain from the source. At the same time, entities that seriously violate ESG-related standards and fail to complete rectification within the specified timeframe are explicitly excluded from our supply chain. In addition, we actively leverage external tools to screen suppliers based on country risk, industry risk, and product-specific risk, conducting a comprehensive assessment of their overall risk profile. During the Reporting Period: Joyson Safety Systems expanded the application of the third-party risk management tool, Certa, conducting due diligence for all newly introduced direct material suppliers. JOYNEXT incorporated dedicated ESG evaluation metrics into supplier onboarding reviews, requiring direct procurement suppliers to hold certifications such as ISO 14001 Environmental Management Systems and ISO 45001 Occupational Health and Safety Management Systems, and to pass comprehensive quality capability assessments. It also reviews suppliers' internal codes of conduct and requires all suppliers to formally sign the <i>JOYNEXT Supplier Code of Conduct</i>. Joyson Preh integrated compliance with environmental protection, occupational health, and labor rights into its onboarding assessments. It required prospective suppliers to take corrective actions within three months for any identified non-conformities. JOYSONQUIN incorporated sustainable supply chain requirements into contractual clauses, strengthening constraints on suppliers' environmental and social management practices.
Supplier routine management	We integrate suppliers' ESG performance into ongoing management mechanisms, embedding ESG requirements into full-lifecycle audit dimensions. Through regular audits and dynamic evaluations, we continuously enhance the overall responsibility performance of the supply chain. For suppliers with higher environmental impact, such as electroplating and painting providers, the Group strengthens environmental performance oversight and regularly verifies the suppliers' EHS certifications, including ISO 14001. JOYNEXT incorporates supplier EHS compliance (including government penalties and product-related environmental issues) into its quarterly performance evaluation system and implements annual EHS audit plans.
Internal sustainability management training	In addition to stringent sustainability evaluation and management of our partners, we also focus on continuously enhancing our internal capabilities. JOYNEXT provides ESG-focused training for the procurement team, aiming to systematically build their capabilities in conducting ESG due diligence on suppliers. The program also reinforces compliance awareness and practices, enabling employees to effectively identify, assess, and manage risks throughout the supplier lifecycle, and ensuring that supply chain operations align with the Group's sustainability strategy and compliance requirements.
Supplier tracking audits	For suppliers identified as presenting a higher level of risk, we engage independent third-party audit institutions to conduct on-site audits and track corrective actions until the risks are mitigated. In February 2026, the Group officially became a member of the Responsible Business Alliance (RBA) and will subsequently leverage the RBA platform and standards to conduct ESG due diligence on suppliers.

Case study JOYSONQUIN conducted CSR questionnaire survey for suppliers

To enhance transparency and risk management in sustainable supply chain practices, in 2025, JOYSONQUIN leveraged its Collaborative Procurement System (CPS) to deliver dedicated sustainability training to core component suppliers and simultaneously issued a Corporate Social Responsibility (CSR) Questionnaire. A total of 460 valid responses were collected. Based on a systematic analysis of the questionnaire data, we identified potential risks in suppliers' sustainability management and promptly issued corrective action notices, requiring suppliers to close identified gaps and continuously improve their internal management systems.

Green supply chain development

Joyson Electronics is committed to the full-chain low-carbon transformation of the supply chain and strives to build a collaborative and symbiotic green supply chain ecosystem. On the one hand, we actively empower suppliers to advance green manufacturing transformation and promote the application of low-carbon technologies. On the other hand, we continue to drive systematic carbon reduction across product design, material selection, and logistics and transportation, supporting supply chain partners in energy conservation, emissions reduction, and energy efficiency improvement through concrete actions.

Case study Joyson Preh collaborated with suppliers on OBC project development

In 2025, to establish a low-carbon supply chain spanning the full product lifecycle, Joyson Preh engaged in deep collaborative innovation with suppliers. In the development of main and auxiliary transformers for the On-Board Charger (OBC) project, both parties focused on full-lifecycle carbon footprint management—from design to recycling. From the outset, high-efficiency, low-loss magnetic materials were prioritized, and product design was continuously optimized. These efforts not only improved transformer efficiency and reduced energy loss during charging and overall vehicle carbon emissions, but also embedded circular economy principles into material selection and process design, laying the groundwork for future resource recovery and reuse.





In logistics, Joyson Safety Systems has systematically reduced supply chain carbon footprints through measures such as optimizing transportation routes, shifting from air freight to rail transport, upgrading to low-emission transport vehicles, and increasing container utilization rates. During the Reporting Period, it implemented the Export Consolidation Center (ECC) model across China, Japan, and Europe. Under this model, export shipments from all suppliers were centrally coordinated, with big data analytics applied to optimize pickup efficiency and reduce pickup frequency. Previously fragmented shipments to multiple warehouses across different countries were consolidated for centralized management, significantly simplifying freight forwarding operations and resource allocation. Suppliers were also encouraged to use double-deck trucks to further improve transport efficiency. In addition, Joyson Safety Systems Asia improved container utilization through order consolidation and packaging optimization. In China, the container loading rate increased to 85%, saving 2,483.84 cubic meters of volume and reducing approximately 75 TEUs (twenty-foot equivalent units), significantly enhancing overall supply chain efficiency.



Improvement in Joyson Safety Systems' transportation efficiency and container loading rate

Case study Joyson Safety Systems optimized shipping routes and load management

In 2025, to reduce carbon emissions in the supply chain, Joyson Safety Systems implemented refined transportation management of key ocean freight routes from China to Central Europe. On one hand, by increasing container utilization, we reduced overall shipment frequency, thereby lowering greenhouse gas emission intensity per unit of freight. On the other hand, based on systematic analysis of route distances and carbon emission data, we optimized route selection. For example, the traditional Shanghai–Hamburg route was replaced with a Shanghai–Koper (Slovenia) route, achieving a reduction of over 20% in carbon emissions per route. These efforts contribute to the development of a green logistics system and support the low-carbon transformation of the supply chain.

In warehousing operations, we are actively advancing intelligent upgrades. During the Reporting Period, Joyson Preh deployed 15 electric Automated Guided Vehicles (AGVs) in its warehouses, achieving zero tailpipe emissions in handling operations. Through

route optimization and coordinated scheduling, energy efficiency was significantly improved and energy consumption per operation reduced, demonstrating our commitment to implementing green development principles across the entire value chain.



AGV application scenarios

In terms of material selection, we have established and implemented a Sustainable Materials Policy. Through product life cycle assessment, we evaluate raw materials and trace their sources. By identifying and prioritizing sustainable raw materials with lower environmental impact that are third-party verified, we are systematically advancing the transition toward sustainable and responsible sourcing, minimizing the environmental and social impacts associated with raw materials. At the same time, we require suppliers to declare material compositions through the International Material Data System (IMDS) and the China Automotive Material Data System (CAMDS), ensuring compliance and environmental friendliness of procured materials, and further strengthening the sustainability and transparency of the entire supply chain.

Supplier empowerment and communication

Joyson Electronics is committed to win-win collaboration as a foundation, continuously strengthening systematic supplier empowerment and positive incentives to build long-term, stable partnerships for shared growth. We foster open and efficient communication platforms to regularly share industry developments, technical standards, and management requirements with our partners, promoting knowledge sharing and coordinated capability enhancement. For non-conformities or items requiring improvement identified during supplier audits, we provide suppliers with remote or on-site support as needed to assist them in implementing corrective and improvement actions. These efforts continuously reinforce a mutually beneficial industrial ecosystem built on trust and value sharing.

Case study

Joyson Safety Systems Thailand Supplier Meeting successfully held

In February 2025, the Joyson Safety Systems Thailand Supplier Meeting was successfully held in Bangkok. A total of 58 partners from Thailand and the broader Southeast Asia region attended, including eight multinational suppliers participating in the Thailand regional conference for the first time. Participants engaged in in-depth discussions on key topics such as industry trends and supply chain collaborative innovation. In particular, they performed forward-looking exchanges on the impact of changes in the global trade environment on supply chain configuration and risk management. These discussions not only injected new momentum into the continuous optimization of Joyson Safety Systems' supply chain layout and procurement strategy upgrade, but also provided a platform for regional suppliers to connect with international resources.



Joyson Safety Systems Thailand Supplier Meeting 2025

Management of impacts, risks and opportunities

Joyson Electronics has established a systematic supplier risk management mechanism covering the entire lifecycle. We conduct regular performance reviews and evaluations, requiring suppliers to rectify and improve identified risks within specified timeframes. At the same time, we actively introduce third-party assessment tools to enable more comprehensive and objective monitoring and control of upstream supplier risks. JOYSONQUIN conducts pre-entry risk assessments prior to supplier onboarding, systematically reviewing safety and environmental management qualifications such as hazard inventories, environmental impact assessment reports, and pollutant discharge permits to prevent potential risks from the outset. JOYNEXT integrates risk analysis across supply chain processes to conduct supplier due diligence and build a comprehensive ESG control system. These measures ensure transparency in suppliers' sustainability management, strengthening accountability mechanisms, and driving continuous iteration in environmental and social responsibility management.

Joyson Safety Systems has introduced the third-party risk management tool, Certa, and established policies such as the *Global Business Partner Due Diligence Process*, conducting multi-topic due diligence on suppliers covering anti-bribery and anti-corruption, human rights protection, environmental protection, and information security, in compliance with applicable regulations such as the *Corporate Sustainability Due Diligence Directive* (CSDDD) and the *Act on Corporate Due Diligence Obligations in Supply*

Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). Based on assessment results, the Certa system assigns risk ratings to suppliers. Suppliers with identified issues are flagged as "red" and subject to corrective action tracking. Only suppliers rated as "approved" are eligible to proceed to subsequent procurement stages. By the end of the Reporting Period, the Certa system had achieved full coverage of all newly introduced suppliers across all regions where Joyson Safety Systems operates. Looking ahead, we will further ensure all suppliers are onboarded into the system and collaborate with compliance teams to systematically identify common risk issues, advancing supply chain risk screening toward greater efficiency and transparency.

Joyson Preh also leverages the Integrity Next platform to continuously enhance the closed-loop management of ESG risks across the supply chain. Following a scientific management approach, the platform first conducts abstract risk identification based on macro-level country environmental factors, industry characteristics, and real-time dynamics. It then performs detailed assessment and validation of high-risk suppliers, prioritizing risks by assessing both their likelihood of occurrence and potential business impact. On this basis, Joyson Preh drives suppliers to implement preventive and corrective measures through standardized management actions and targeted communication. The platform covers multiple risk areas, including environmental compliance, labor rights, and business ethics. While strengthening supply chain risk control, it also transforms ESG management into a key enabler for enhancing industrial chain collaboration and reinforcing corporate sustainability resilience.



Although Joyson Electronics does not directly procure key raw materials such as tungsten, tin, tantalum, and gold, these risk materials are widely present in our electronic components. Tin is used as a soldering material in printed circuit boards and electronic components; tungsten, due to its high melting point, is widely used as a connection material in high-temperature environments; and tantalum is primarily used in capacitors. We are fully aware that, in upstream supply chains, these materials may pose risks related to human rights violations and environmental damage, and may also potentially threaten the stability of production and supply. During the Reporting Period, the Group formulated the *Supplier Code of Conduct*, explicitly requiring suppliers to conduct due diligence in line with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, to identify risk materials in products, including conflict minerals, and to carry out appropriate due diligence. In August 2025, the Company joined the Responsible Minerals Initiative (RMI) and, leveraging external tools, continuously strengthened the management of risk materials. Each business unit has also developed relevant procedures based on its own operations to enhance risk material management. For example, Joyson Preh established identification and traceability procedures for conflict minerals by issuing the *Handling with Conflict Minerals*, the *Conflict Mineral Reporting Template*, and the *Extended Minerals Reporting Template*, which are used to collect information on the use of tungsten, tin, tantalum, gold, cobalt, mica, copper, and other elements in products. The Group systematically collects survey results from upstream supply chains and conducts matching verification against RMI-validated refiners or smelters to determine whether minerals originate from conflict-affected or high-risk areas and to confirm the compliance rate of our supply chain. In addition, the Company conducts Reasonable Country of Origin Inquiry (RCOI) to identify the origin of 3TG minerals and monitor upstream risks in the conflict minerals supply chain. Joyson Safety Systems utilizes the iPoint conflict minerals reporting tool to conduct supply chain traceability and risk management. This tool supports product-level conflict minerals investigation and traceability based on customer requirements. It enables more efficient risk identification and response to customer and regulatory requirements.

During the Reporting Period

A total of **272** 3TG smelters or refiners were identified within Joyson Preh's supply chain, with **100%** of them compliant with the Responsible Minerals Assurance Process (RMAP)

During the Reporting Period

the response rate of Joyson Preh's suppliers to the *Conflict Minerals*

Reporting Template (CMRT) reached **88%**

During the Reporting Period

A total of **51** cobalt and copper refiners or processors were identified within

JOYNEXT's supply chain, with **96%** of them compliant with the Responsible Minerals Assurance Process (RMAP)

Metrics and targets

Joyson Electronics continuously optimizes and dynamically upgrades its supply chain, establishing a balanced supplier network covering the world's major automotive clusters, providing robust support for global business expansion and core product delivery. For targeted management of supply chain scale and structure, the Group has established a multidimensional supplier number tracking system.

Key metrics for 2025 are as follows:



⁸This figure includes only active tier-1 direct suppliers.

KPIs for Supplier Assessment and Development	
Total Number of Unique Suppliers	4,175
Number of Unique Significant Suppliers	2,086
Number of Unique Significant Suppliers Supported with Development Measures	376
Number of Unique Significant Suppliers Assessed via Desk Assessment or Onsite Assessment	2,086
Number of Unique Significant Suppliers Assessed with Substantial Actual/Potential Negative Impacts	1
Number of Unique Significant Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plan	1
Number of Unique Significant Suppliers with Substantial Actual/Potential Negative Impacts That were Terminated	0

Industrial cooperation and development

Joyson Electronics actively promotes the construction of an open and collaborative industrial innovation ecosystem. It aims to enhance overall industry innovation capability and sustainability through multilateral cooperation mechanisms. We established the Ningbo Automotive Electronics Intelligent Innovation Consortium, bringing together leading domestic universities, top enterprises, and local governments to create an innovation network covering technology research, industrial application, and policy coordination. Through open collaboration, resource sharing, and value co-creation, the consortium injects strong momentum into the automotive industry's intelligent and safety-oriented transformation, fostering a healthy, orderly, collaborative, and win-win industry development landscape.

Value co-creation

Joyson Electronics regards ecosystem co-development as a key foundation for sustainable development. Upholding the principles of "resource sharing, collaborative innovation, and mutual win," we deepen technology collaboration and industrial cooperation through open market demand alignment and technical sharing mechanisms, jointly addressing industry transformation challenges.

Case study

Joyson Safety Systems deepens strategic supplier collaboration via the BTP model

Joyson Safety Systems innovatively adopts the Build to Print (BTP) model in collaboration with strategic suppliers. For example, in the production of key components such as steering wheel heating pads, Joyson Safety Systems provides complete product designs, technical specifications, and manufacturing standards, while suppliers focus on efficient production according to these requirements, achieving professional division between design and manufacturing. Through the BTP model, both parties form a collaborative ecosystem led by design and supported by manufacturing. This model both enhances supply chain responsiveness and quality control, and promotes specialization across the industrial chain and optimization of resource allocation, providing a practical example for industry collaboration innovation.

Case study

JOYNEXT signed "Strength & Innovation" strategic cooperation agreement with FAW-Volkswagen

In January 2025, JOYNEXT signed a strategic cooperation agreement with FAW-Volkswagen during the "Strength & Innovation Partnership Agreement Signing Ceremony." Both parties would leverage joint strengths and resource sharing to cooperate in forward-looking technology development, cost competitiveness enhancement, and supply assurance, thereby jointly advancing innovation across multiple product domains, including domain controllers, cockpit integration, and software development.



Signing ceremony

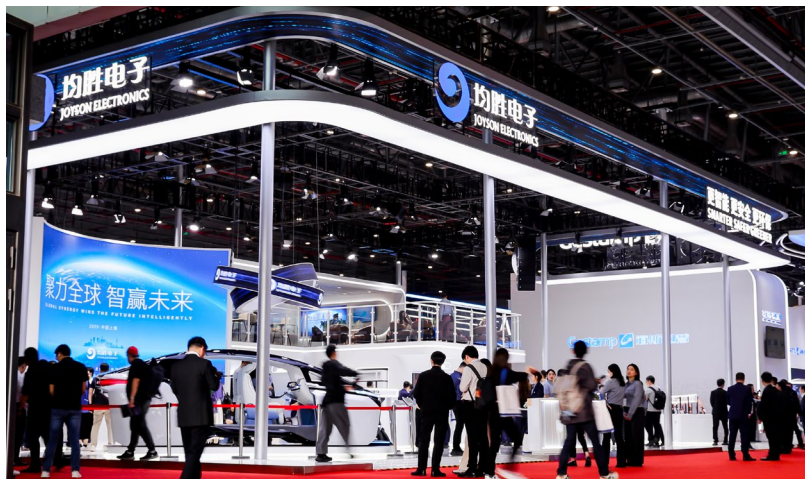
Industry engagement

Joyson Electronics keeps participating in global high-level dialogues and industrial cooperation platforms, using open exchange and knowledge sharing to drive collective industry progress. During the Reporting Period, we attended major events including the Auto Shanghai 2025, 2025 Munich Auto Show, and the 5th Future Automotive AI Computing Conference 2025. The participation in these events reinforced our collaborative ties within the industrial ecosystem and fostered a sustainable development atmosphere of consensus, co-creation, and sharing.

Case study

Joyson Electronics made its appearance at the Auto Shanghai 2025

In April 2025, Joyson Electronics, as a global leading provider of automotive intelligent technology solutions, showcased nearly 100 advanced technologies and products under the theme "Global Synergy Wins the Future Intelligently." Exhibits covered smart cockpits, integrated ADAS, intelligent connectivity, new energy management, intelligent interior/exterior, and automotive safety. The Group also launched the immersive smart cockpit solution—JoySpace+—demonstrating leadership in intelligent automotive cockpit technology. Throughout the event, we engaged in deep discussions with global customers to explore the future of mobility.



Auto Shanghai 2025

Case study

Joyson Preh showcased new smart cockpit products at the 2025 Munich Auto Show

At the IAA Mobility Munich 2025, Joyson Preh set up an interactive exhibition area in the "Future Mobility Hall," showcasing a range of forward-looking innovations for the intelligent connectivity era. These included conceptual smart cockpit central consoles integrating smartphone functionality, as well as next-generation electric vehicle solutions. Among them, the conceptual console, featuring transparent surfaces and customizable character lighting effects, delivered a cockpit experience that combined advanced technology and aesthetics, leading new trends in human-machine interaction.



Conceptual smart cockpit central console

Case study

Joyson Electronics hosted the 2025 JoySpace Smart Cockpit Design Competition

In 2025, Joyson Electronics organized the JoySpace Smart Cockpit Design Competition and the themed sub-event of the 2025 Ningbo Intelligent Product Innovation Competition. With "the integration of aesthetics and technology" as the core concept, the competition focused on future automotive cockpit conceptual design, covering immersive in-cabin interactive experiences, intelligent lighting and display systems, and integrated ecosystem innovation design. Independent designers and university students were invited to submit their works. After multiple rounds of professional evaluation, the competition ultimately selected the Most Commercially Valuable Award, as well as first, second, and third prizes. Winners received prize money, supply chain collaboration support from Joyson Electronics, and access to a green channel for campus recruitment. The competition not only helped the industry identify and incubate innovative design talent in the smart cockpit field, but also advanced the implementation of the aesthetic-technology integration concept through an open and collaborative approach, injecting fresh momentum into the diversified development of the future smart cockpit industrial ecosystem.



Case study

JOYNEXT attended the 5th Future Automotive AI Computing Conference hosted by Gasgoo

In September 2025, JOYNEXT attended the 5th Future Automotive AI Computing Conference, engaging with over 300 representatives from global OEMs and industry experts to explore the potential of central computing platforms in enabling AI-defined vehicles. JOYNEXT also showcased intelligent ADAS and Body & Safety solutions, demonstrating its excellent strength in automotive intelligence.



On-site presentation at the 5th Future Automotive AI Computing Conference



The 32nd China-SAE Congress



2025 International Conference of Automotive Safety and R&D Testing

Moreover, Joyson Electronics leverages industry associations to build consensus, actively participating in over 30 industry organizations and standardization working groups, including the China Association of Automobile Manufacturers and the China Society of Automotive Engineers. The Group holds positions such as committee member of multiple subcommittees of the National Technical Committee of Auto Standardization and Vice-Chair of the Ningbo Software Industry Association. By sharing practical experience and contributing to standards discussions, Joyson Electronics collaborates with industry partners to explore new value in the automotive sector. In 2025, we officially joined the Chamber of Hong Kong Listed Companies, further broadening channels for communication and cooperation and enhancing compliance management capabilities.

Name of Association	Duty in Association
Automotive Collision Test and Collision Protection Subcommittee to National Technical Committee of Auto Standardization	Committee member
Vehicle Body Technology Subcommittee to National Technical Committee of Auto Standardization	Committee member
Vehicle Body Accessories Subcommittee to National Technical Committee of Auto Standardization	Committee member
Technology Research Working Group of C-IASI	Committee member
"China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Collision Safety Standardization Collaborative Research Working Group (Originally known as: China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Collision Safety Standards Research Working Group)"	Member
"China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Airbag Safety Standardization Collaborative Research Working Group (Originally known as: China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Airbag Standards and Test Technology Research Working Group)"	Member
"China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Passive and General Safety Standardization Collaborative Research Working Group (Originally known as: China Automotive Standardization Institute of China Automotive Technology and Research Center Co., Ltd. - Automotive Passive and General Safety Standards Prospective Study Group)"	Member
Intelligent Connected Vehicle Subcommittee to National Technical Committee of Auto Standardization - Advanced Driver Assistance System (ADAS) Standards Working Group	Member
CATARC Automotive Inspection Center (Tianjin) Co., Ltd. – Vehicle Safety Virtual Evaluation Working Group	Member
CAERI Intelligent Cockpit Safety Working Group	Member
C-NCAP Integrated Safety and Intelligent Restraint Systems Working Group (2027)	Member
CAERI Safety and Evaluation Research Group	Member
CATARC Automotive Inspection Center (Tianjin) Co., Ltd. – Large-Angle Zero-Gravity Seat Testing Technology Research Project Team	Member

Name of Association	Duty in Association
GB 11557 <i>The Stipulation Protecting Drivers from Being Injured by Motor Vehicle Steering Mechanism</i> Standards Working Group	Member
GB 15083 <i>Strength Requirement and Test Method of Automobile Seats, Their Anchorages and Any Head Restraints</i> Expert Working Group	Member
UN World Forum for Harmonization of Vehicle Regulations (UN/WP.29-GRSP) Informal Working Group on Children Left in Vehicles (IWG-CLIV)	Member of the Chinese Delegation
ISO TC22 WG18 Working Group	Registered Expert
China Communications Standards Association	Member
China Industry Innovation Alliance for the Intelligent and Connected Vehicles	Member
China Association of Automobile Manufacturers	Member
Joint Working Group on Autonomous Driving Standardization (formerly Autonomous Driving Standards Working Group)	Member
Intelligent Car Connectivity Industry Ecosystem Alliance	Member
China Society of Automotive Engineers	Member
SparkLink Alliance	Member
China Association for Public Companies	Member
The Chamber of Hong Kong Listed Companies	Member
Ningbo Auto Parts Industry Association	Member
The Listed Company Association of Ningbo	Member
Ningbo Electronics Industry Association	Vice President
Ningbo Software Industry Association	Vice Chairman
Ningbo New Energy Automobile Research Association	Vice President
Ningbo Intelligent Manufacturing Association	Vice President

Standard development

Joyson Electronics regards participation in industry standardization as a key responsibility in promoting standardized industry development and advancing technological progress. We actively participate in the formulation and revision of national and industry standards, contributing professional expertise in areas such as technical specifications, safety requirements, and industrial frameworks. These efforts promote the industry's transition toward greater efficiency and sustainability. During the Reporting Period, we participated in the development or revision of multiple industry standards, including: T/CIET 1273-2025 Technical requirements and test methods for battery thermal management system of new energy vehicles, T/CIET 1304-2025 Technical requirements and test methods for thermal management systems of new energy vehicle motors and motor controllers, and T/ZGCIT 075-2025 Guideline for the establishment of digital production lines.

Case study

Joyson Safety Systems participated in the second expert seminar on the C-IASI 2026 evaluation framework, contributing to the development of new standards for China's automotive safety system

As a global leading supplier of automotive safety systems, Joyson Safety Systems has long been committed to advancing the development of China's automotive safety standards system and actively participating in related technical discussions and industry collaboration. In November 2025, Joyson Safety Systems was invited to attend the second expert seminar on the 2026 evaluation framework of the China Insurance Automotive Safety Index (C-IASI). This seminar brought together over 100 experts from research institutions, universities, automotive manufacturers, and component suppliers. Representatives from Joyson Safety Systems engaged in in-depth discussions with industry experts on topics such as occupant protection technologies, the integration of intelligent safety systems into the new evaluation framework, and safety requirements under Chinese road scenarios, contributing valuable industry experience and technical insights.



Second expert seminar on the C-IASI 2026 evaluation framework

Industry-academia collaboration

Joyson Electronics continuously deepens the integration of industry, academia, and research by establishing collaborative platforms, co-developing technical projects, and supporting university innovation initiatives. These efforts closely align technological innovation with industrial needs, injecting sustained momentum into sustainable industry development and talent cultivation. We have established a provincial-level postdoctoral research workstation in Huzhou, Zhejiang Province, creating a high-level innovation platform integrating research, education, and industrial application, supporting the cultivation and pipeline development of high-level talent in the automotive industry. At the same time, Joyson Electronics continues to expand its university collaboration network, having established long-term partnerships with more than 30 higher education institutions including Tsinghua University and Zhejiang University. These efforts foster a complementary and collaborative innovation ecosystem.

Case study

Joyson Safety Systems collaborates with the Tongji DIAN Racing Team to promote university innovation and help young talents embark on their dreams

During the 2025 season of the Formula Student Electric China (FSEC) and other similar competitions, Joyson Safety Systems, as one of the sponsors of the Tongji DIAN Racing Team, provided technical and practical guidance. This support helped students improve testing and validation of passive safety systems for race cars, while offering hands-on opportunities for those interested in automotive engineering and new energy vehicle technologies to engage with cutting-edge automotive safety system development and testing methodologies.



Tongji DIAN Racing Team new car launch



Tongji University formula electric competition

Government-enterprise collaboration

Joyson Electronics continuously strengthens strategic cooperation with governments at all levels. By establishing open and mutually beneficial collaboration mechanisms and actively participating in local industrial planning, joint technology development, and co-building innovation platforms, the Group supports regional industrial upgrading and independent technological innovation, playing a leading role in the industry. Looking ahead, we will further enhance government-enterprise collaboration to contribute to building a more competitive and sustainable automotive industry ecosystem.

Case study

JOYSONQUIN partnered with the Science, Technology and Innovation Bureau of Ningbo National Hi-Tech Industrial Development Zone to advance domestic independence in key technologies of intelligent air vents

JOYSONQUIN collaborated with the Science, Technology and Innovation Bureau of Ningbo National Hi-Tech Industrial Development Zone on the project "Key Technology R&D of Highly Integrated Concealed Intelligent Air Vents Based on Dedicated LIN Actuators," aiming to promote domestic production of key automotive components. This project not only broke the technological monopoly of foreign LIN actuator solutions for air vents but also independently developed dedicated LIN actuators and highly integrated concealed intelligent air vents. The results have been applied to multiple automotive customers, significantly reducing production costs while enhancing vehicle comfort, technological appeal, and cabin space. By driving coordinated development across the upstream and downstream supply chain, the project has effectively improved the overall technological capability and manufacturing capacity of domestic automotive interior functional components. This achievement demonstrates Joyson Electronics' commitment to enhancing industrial chain value through independent technological innovation and strengthening the technological innovation capacities and the overall competitiveness of Ningbo's automotive industry.



Advancing Green Manufacturing for a Sustainable Future

As a global leader in automotive components manufacturing, Joyson Electronics consistently embeds sustainability across all production and operational processes. Facing the pressing challenges of global climate change, the Group actively pursues a low-carbon transition by implementing green and clean production models, systematically reducing resource consumption and minimizing environmental impacts across its operations. Biodiversity conservation is also integrated into daily management practices, reflecting our commitment to protecting the Earth's shared ecosystem while advancing business growth. We strive to collaborate with global customers and partners to promote green transformation throughout the automotive supply chain, contributing to a future where humans and nature coexist in harmony.

Tackling Climate Change	85
Low-carbon and clean production	106
Emissions and waste management	113
Biodiversity conservation	119



Tackling Climate Change

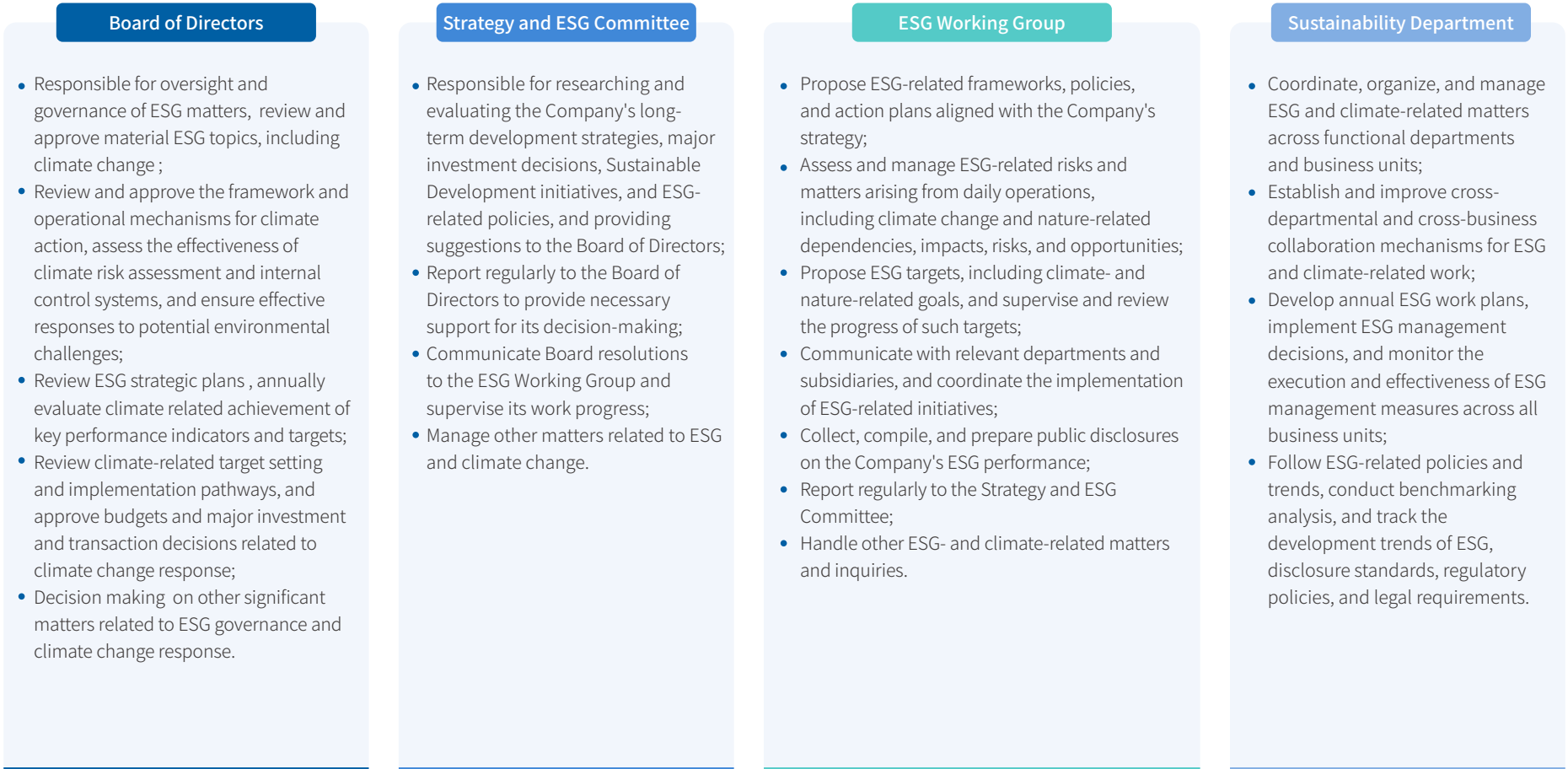
Climate Governance

As the global climate crisis continues to intensify, the green and low-carbon transition has become an irreversible trend of our time. Tackling climate change has grown into a core issue closely linked to economic development, industrial competitiveness, and the sustainable future of humanity. China stays firmly committed to advancing its "Dual Carbon" goals, and the world increasingly unites around the need to accelerate toward net-zero emissions. In this context, Joyson Electronics identifies "Tackling Climate Change" as a double materiality issue and deeply integrates it into strategic decision-making and operational practices. The Group takes concrete actions to contribute to global climate governance. Joyson Electronics has built a four-tier governance structure for climate-related matters. It includes the Board, the Strategy and ESG Committee, the ESG Working Group, and sustainability Development. Clear responsibilities have been defined at each level, and climate governance has been fully integrated into the Group's ESG governance system and processes, enabling top-down identification, monitoring, and management of climate-related risks and opportunities.

At the decision-making level, the Board of Directors oversees the overall ESG work including climate-related issues, review reports from the Strategy and ESG Committee at least once a year, including climate-related plans, targets and implementation pathways. As the governing body for climate-related risks and opportunities, the Strategy and ESG Committee supports the Board's decision-making and regularly reports progress and results of climate change response initiatives, ensuring coordinated decision-making, standardized management and efficient implementation of climate governance. At the management level, the ESG Working Group assesses and manages climate and other ESG-related matters in daily operations, proposes climate-related targets, monitors and inspects target progress, evaluates the impacts of climate-related risks and opportunities, reports regularly to the Strategy and ESG Committee, and promotes the implementation of various ESG initiatives. At the execution level, the Company has set up a dedicated sustainability department and team to coordinate communication between all departments and subsidiaries, ensuring timely and accurate information transmission among the Board, the Strategy and ESG Committee, the ESG Working Group and all business divisions, so as to achieve efficient collaboration across the multi-tier ESG governance structure.



Joyson Electronics Climate Governance Structure



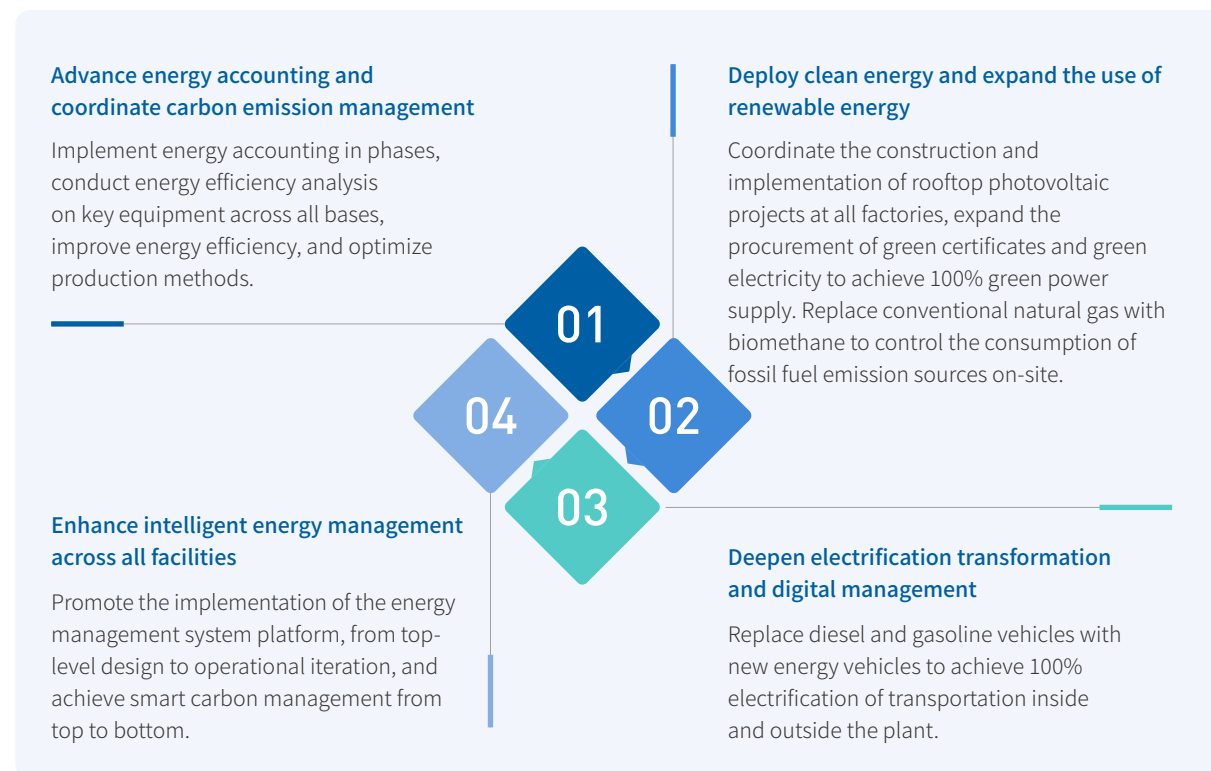
To enhance the professional capabilities of employees at all levels in climate governance and ensure the implementation effectiveness of climate-related decisions, the Company regularly conducts climate-specific training to systematically strengthen the knowledge reserve and practical skills of management and all employees in climate risk identification, opportunity exploration, and response strategies.

In 2025, the Company organized several climate-specific training sessions for all employees and invited external experts to hold seminars on climate-related risks and opportunities. These activities helped personnel at all levels gain an in-depth understanding of key issues such as climate change and carbon emission reduction, as well as the impacts of climate-related policies including CBAM on corporate operation and development, continuously improving the Company's overall climate governance capacity. At present, the Company has not yet incorporated climate-related performance indicators into the executive compensation assessment system. In the future, the Company will continue to optimize relevant incentive mechanisms to further promote executives' enthusiasm for participating in climate governance, supporting the improvement of climate governance and the achievement of climate-related targets.

Climate Strategy

Joyson Electronics actively responds to the Paris Agreement, and China's "Dual Carbon" policy initiatives by proactively setting a corporate carbon neutrality target at the Group level and steadily advancing its strategic transformation plan toward carbon neutrality. The Company's carbon neutrality transition plan is formulated based on global low-carbon transition trends, the implementation roadmap of national "Dual Carbon" policies, and other key factors including the maturity of renewable energy technologies, the feasibility of electrification, and the Group's overall operational footprint. Through a systematic and phased approach to increasing the proportion of renewable energy use and promoting electrification transition, the Company strives to achieve carbon neutrality in its core operations by 2040.

Systematic and Phased Climate Transition Plan



Climate-related Risks and Opportunities Assessment

Referring to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), IFRS Sustainability Disclosure Standard 2 — Climate-related Disclosures (IFRS S2), and the climate information disclosure requirements of the Hong Kong Stock Exchange (HKEX), we have systematically identified climate-related risks and opportunities associated with our core businesses and established a comprehensive list of climate risks and opportunities.

Climate risk and opportunity identification process

In line with TCFD disclosure recommendations, we have initially developed a list of physical risks, transition risks, and climate-related opportunities through in-depth benchmarking of peer disclosure practices and insights from industry research. On this basis, we combined internal survey results and external expert advice to further clarify the scope of impact for each issue across the value chain. We assessed and prioritized the likelihood and magnitude of impact of identified risks and opportunities, while developing corresponding response measures. Ultimately, we conducted a comprehensive evaluation of the potential financial impacts of climate-related risks and opportunities on revenue, costs, asset structure and other key financial areas. This process enabled us to deliver a complete and scientifically robust list of climate risks and opportunities.

The Company will continue to monitor climate-related risks and opportunities in light of evolving external environments and business practices, and will dynamically adjust the identification and response measures for climate-related risks and opportunities as necessary.

List of Climate Risks and Opportunities

Physical Risks								
Risk Category	Time Horizon ⁹	Risk Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact ¹⁰	Likelihood ¹¹	Financial Impact	Joyson Electronics' Response and Management Measures
Acute Physical Risks	⏪ ⏹ ⏩ Short-term, Medium-term, Long-term	Typhoons and the heavy rainfall and flooding disasters triggered	Loss of inventory and fixed assets	Upstream Direct operations Downstream	Medium	Possible	- Increased operating costs and capital expenditure - Revenue loss and failure to meet delivery commitments due to production disruptions	- Conduct regular inspections and maintenance of drainage facilities and upgrade equipment and infrastructure to enhance resilience against extreme weather events - Establish a tiered emergency response mechanism to clarify trigger procedures and response plans for flood control measures under different risk levels - Increase safety stock and reserve emergency supplies - Establish a dynamic fire risk monitoring mechanism, optimize emergency response plans, and conduct regular emergency drills for safety incidents
		Drought and the resulting water scarcity	- Production disruptions and logistical impediments that may indirectly lead to supply chain interruptions or short-term price increases, affecting business stability - Increased probability of fire incidents, potentially resulting in safety accidents or mandatory production suspension					
Chronic Physical Risks	⏪ ⏹ ⏩ Medium-term, Long-term	Long-term climate pattern changes, including rising average temperatures and increased frequency of extreme heat events	- Increased temperature control costs in certain production processes, resulting in higher overall production and operating costs - Discomfort among manufacturing workers due to extreme heat, reducing labor productivity and affecting partnerships with suppliers or customers - Unstable weather patterns slowing freight transportation and restricting product delivery, thereby affecting procurement and delivery schedules	Upstream Direct operations Downstream	Medium	Very likely	- Reduced revenue due to impacts on efficiency and safety - Increased production and operating costs	- Implement thermal adaptation upgrades for production facilities; enhance occupational health and safety policies and infrastructure, and expand ISO 45001 certification coverage - Optimize the layout of manufacturing bases and warehouses, and upgrade equipment and facilities to improve climate resilience - Strengthen water management and water risk monitoring, improve water use efficiency, and promote sustainable water use
		Water stress and water scarcity driven by changing climate patterns	Climate pattern changes may exacerbate water scarcity, jeopardizing water security for production, cleaning, emissions treatment, and domestic use, leading to production suspension and increased operating costs					

⁹ The short-, medium-, and long-term definitions align with the company's financial planning, namely: 0-1 years (short term), 2-5 years (medium term), and 6 years or longer (long term)

¹⁰ Magnitude of impact: low, low-to-medium, medium, medium-to-high, high

¹¹ Likelihood: unlikely, possible, very likely

Transition Risks								
Risk Category	Time Horizon	Risk Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact	Likelihood	Financial Impact	Joyson Electronics' Response and Management Measures
Policy and Legal Risks	   Short-term, Medium-term, Long-term	Increased energy prices or carbon costs	With growing global emphasis on greenhouse gas emissions management, regulations such as emissions trading systems and carbon border adjustment mechanisms may drive up energy prices and greenhouse gas emission costs	Upstream Direct operations	Medium	Very likely	- Increased operating costs due to stricter compliance requirements - Potential revenue loss due to export restrictions	- Expand ISO 50001 Energy Management System and ISO 14001 Environmental Management System certification coverage - Improve energy efficiency of existing facilities through energy-saving retrofits and prioritize energy-efficient models when procuring new equipment
		Increasingly stringent climate targets, regulatory requirements, and ESG disclosure regulations in operating locations	Higher disclosure and compliance requirements					Optimize the energy mix by expanding photovoltaic projects, green electricity procurement, and natural gas-to-electricity substitution to increase the share of renewable energy and reduce GHG emissions from energy consumption
		Requirements and regulations applicable to existing products and services	Global vehicle CO₂ emissions regulations influence strategic choices in technology and business direction, for example, the Action Plan for Carbon Dioxide Peaking Before 2030 promotes the development of new energy vehicles					- Strengthen ESG data management and climate-related information disclosure mechanisms across operations and the value chain; Strengthen the ability to collect and disclose climate and ESG-related information - Closely monitor regulatory developments in operating locations and proactively respond to emerging manufacturing trends and regulatory requirements
Technology Risks	   Short-term, Medium-term, Long-term	Accelerated iteration of EV technologies and materials; Product technology development progress may lag behind expectations	Rising costs in low-carbon technology R&D may lead to a reduction in market share and revenue	Upstream Direct operations Downstream	Medium	Very likely	- Increased costs of low-carbon technology research and development, and rising operating costs - Market share may be eroded, resulting in decreased operating revenue	- Strengthen the reserve of R&D talent, closely follow the latest technological developments, and enhance employees' innovation capabilities - Maintain high-intensity investment in R&D and establish a technology research institute to promote innovation in hybrid electric vehicles, electric vehicles, intelligent driving, and intelligent connectivity

Transition Risks								
Risk Category	Time Horizon	Risk Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact	Likelihood	Financial Impact	Joyson Electronics' Response and Management Measures
Market Risks	   Short-term, Medium-term, Long-term	Changes in customer behavior	Rising demand from consumer markets and brand clients for green manufacturing and low-carbon products, imposing new requirements across the product life cycle; failure to meet expectations may reduce product demand	Direct operations Downstream	Medium	Very likely	- Increased direct costs and capital expenditure due to rising raw material costs - Revenue decline due to decreased demand	- Closely follow evolving customer needs and use future market trends to guide innovation and R&D - Integrate environmental protection and low-carbon concepts into the entire product life cycle to meet end consumers' demand for green mobility - Introduce Life Cycle Assessment (LCA) methodology at the product design stage to optimize product structures and processes, prioritize environmentally friendly materials and production processes, and reduce environmental costs and carbon emissions associated with products; collaborate with suppliers to manage raw material carbon footprints, promote zero-carbon material innovation and substitution, enhance green competitiveness, and mitigate cost pressures
		Carbon management requirements and cost volatility of upstream raw materials	- Use of carbon-intensive materials increases the product carbon footprint and reduces green competitiveness - Limited supply and potential short-to medium-term price increases of zero-carbon alternatives may increase production costs					
Reputation Risks	   Short-term, Medium-term, Long-term	Heightened societal attention to corporate climate action; Increased negative feedback from stakeholders regarding inadequate responses	- Insufficient action on the issue of climate change may undermine ESG reputation and brand image - If disclosures related to climate change management, strategy, and performance are insufficient, transparency and credibility in the eyes of stakeholders may be reduced, international cooperation opportunities may be missed, and market share may be captured by competitors, thereby affecting the Company's position in the industry value chain	Direct operations Downstream	Low-Medium	Possible	Reputation damage and negative feedback leading to market share decline and reduced revenue	Establish a systematic climate information disclosure mechanism aligned with international frameworks such as TCFD; proactively communicate climate progress and carbon management performance through information disclosure, ESG ratings and CDP assessments to enhance market competitiveness

Transition Opportunities								
Opportunity Category	Time Horizon	Opportunity Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact	Likelihood	Financial Impact	Joyson Electronics' Response and Management Measures
Resource Efficiency	   Short-term, Medium-term, Long-term	Implement diversified energy-saving measures to enhance energy efficiency	Reduce consumption of natural gas, petroleum, coal and other energy sources through energy-saving measures, improve energy efficiency, and effectively lower operating costs	Upstream Direct voperations Downstream	Medium-High	Very likely	- Reduced indirect operating costs due to improved resource efficiency - Enhanced green and low-carbon brand image contributing to increased revenue	Set targets for energy efficiency improvement, energy consumption control, and renewable energy management; establish an "Energy Cost Control Center" to monitor energy use of high-consumption equipment and conduct monthly energy consumption analysis
		Improve resource utilization efficiency through the use of recycled materials and water recycling	Increase the proportion of recycled materials used to reduce raw material procurement costs and environmental burdens; Reduce total freshwater consumption and enhance water use efficiency per unit, thereby lowering operational water costs and environmental discharge pressures					Incorporate resource recycling and water management into the internal risk and opportunity management framework, promote the use of recycled materials to reduce virgin resource consumption, and progressively increase the proportion of recycled material application; Formulate water resource management plans and water conservation roadmaps, set annual water use and water-saving targets, and strengthen water management through reduction and recycling measures
		Adopt more efficient modes of transportation	Improve transportation efficiency through consolidated and/or intermodal transport models, effectively reducing GHG emissions and operating costs vduring transportation					Explore and promote consolidated and/or intermodal transportation models across global regions, further assess efficiency gains, GHG emission reduction benefits and operational cost savings, and replicate successful cases company-wide
		Increase waste recycling rates	Reduce environmental impact and disposal costs through improved waste recycling and resource recovery					Establish short-term and long-term targets for increasing the recycling volume of general and hazardous waste to enhance solid waste resource utilization
		Promote reusable packaging through supply chain collaboration to enhance utilization efficiency	Strengthen supplier requirements for reusable packaging, improve resource recovery efficiency across the supply chain, and reduce GHG emissions from waste packaging disposal					Require suppliers to adopt sustainable and recyclable green packaging materials, strengthen standards and execution requirements for reusable packaging across the supply chain, and improve utilization rates of reusable packaging materials

 Short-term Medium-term Long-term

Transition Opportunities								
Opportunity Category	Time Horizon	Opportunity Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact	Likelihood	Financial Impact	Joyson Electronics' Response and Management Measures
Products and Services Opportunities	⏪ ⏹ ⏩ Short-term, Medium-term, Long-term	Further expansion of the new energy vehicle market	Increased popularity of the Company's new energy products, leading to growth in market share and revenue	Direct operations Downstream	Medium-High	Very likely	Revenue growth driven by increased market share and rising demand for new products and services	- Continue to increase and accelerate investment in new energy technologies - Establish "more environmentally friendly" clean technologies as a core development strategy, strengthen technological innovation and R&D capabilities in the new energy vehicle sector, and continuously launch products aligned with market transition needs
		Develop and/or increase low carbon products and services	- Promote transformation of energy consumption and production models on the business side and expand markets for new products - Gain a competitive advantage by reducing the product's carbon footprint - Explore green product certifications to enhance market recognition of products.					Reduce product environmental footprint by optimizing product structure and processes, selecting environmentally friendly materials and production methods, and applying low-carbon energy, meeting the needs and preferences of customers and end consumers for low-carbon products
		Changes in market preference	Increased consumer preference for new energy vehicles and heightened expectations from OEMs for parts suppliers to provide low-carbon products					Explore green certification for low-carbon products to enhance customer recognition and strengthen collaboration
		Enter new markets	Respond to customer requirements for higher proportions of sustainable raw materials and reduced product carbon footprint, enhancing competitiveness in differentiated product offerings					- Increase the use of green electricity in factories to develop low-carbon products, respond to customer and market demand, and expand the proportion of low-carbon offerings, deepen cooperation with new energy vehicle manufacturers - Continuously develop innovative low-carbon products and intelligent services to meet market demand and expand new business opportunities
Energy Opportunities	⏪ ⏹ ⏩ Short-term, Medium-term, Long-term	Continuous increase in the global share of renewable energy	The rising share of renewable energy globally contributes to GHG emission reductions and may lower the cost of achieving carbon neutrality	Direct operations	High	Very likely	Reduced indirect operating costs	Expand clean energy substitution by implementing measures such as electrification of fossil fuel use and increasing green electricity application green electricity application
		Participate in renewable energy projects and adopt energy-saving measures	Gradually transition to electricity generated from renewable energy sources, reduce GHG emissions and the associated costs of purchasing emission allowances, and support achievement of carbon neutrality goals					- Continuously expand installed photovoltaic capacity to increase clean electricity generation and renewable energy consumption - Explore direct procurement of green electricity through Power Purchase Agreements (PPAs) to increase the proportion of renewable energy used in factories - Explore innovative renewable energy projects such as natural gas-to-electricity substitution to expand the share of low-carbon energy

Transition Opportunities								
Opportunity Category	Time Horizon	Opportunity Description	Potential Impact	Value Chain Impact Stages	Magnitude of Impact	Likelihood	Financial Impact	Joyson Electronics' Response and Management Measures
Energy Opportunities	< □ > Short-term, Medium-term, Long-term	Diversified application of low-carbon energy	Maintain stable and sustainable energy supply by procuring advanced environmental technologies and replacing traditional fossil fuels with diversified renewable energy sources	Direct operations	High	Very likely	Reduced indirect operating costs	- Explore electrification alternatives to fossil fuel equipment, increase the proportion of externally procured green electricity, and continuously optimize the diversified energy supply structure - Tap into the potential of energy conservation and emission reduction projects, introduce intelligent energy management systems, optimize production line layouts, and implement equipment upgrades and other energy-saving and emission-reduction initiatives - Implement comprehensive energy-saving and emission reduction measures to enhance energy utilization efficiency and unlock benefits from projects such as waste heat recovery, liquid ammonia cold energy recycling, and LED energy-saving lighting systems - Strengthen energy management processes and formulate institutional documents such as Equipment Energy Consumption Management and Electricity Consumption Management Procedures to improve energy efficiency - Actively seek renewable energy project opportunities and closely monitor government subsidy developments and application requirements - Reduce GHG emissions through energy-saving measures, production technology upgrades, and renewable energy applications, thereby obtaining potential extra allowances available for sale
			- Reduce energy costs through improved process energy efficiency - Participate in renewable energy projects and obtain government subsidies to reduce operating costs. - Generate revenue by selling surplus emission allowances					
Reputation Opportunities	< □ > Long-term	Low-carbon products and services gain market recognition	Achieve market recognition through low-carbon production, carbon neutrality initiatives, and the development of a low-carbon value chain	Direct operations Downstream	Medium	Possible	Revenue growth driven by increased market share and rising demand for new products and services	Advance carbon neutrality initiatives, regularly disclose emission reduction progress, build a low-carbon supply chain, and consolidate a strong and positive reputation

 Short-term
  Medium-term
  Long-term

Based on the systematic identification and compilation of the climate-related risks and opportunities inventory, the Company formulates resilience-building measures in alignment with its strategic planning cycle and allocates corresponding resources accordingly. The Company assesses financial impact across different periods, with projections¹² for both climate risks and opportunities based on assumptions of stable current operations and climate scenarios. Meanwhile, we strategically mitigate climate-related risks and capitalizes on low-carbon development opportunities.

Short-term (0–1 years)

To strengthen operational resilience and compliance foundations, the Company will allocate resources to policy compliance, enhancement of emergency response plans, and related measures. While this will lead to increased capital expenditures and administrative costs, it will effectively mitigate fixed asset losses or production disruptions caused by physical risk incidents such as extreme weather events, as well as reduce financial losses resulting from compliance risks. In 2025, the Company invested about 1 million RMB to address transition risks and implement climate-related compliance management and capacity building initiatives, including: conducting internal climate-related compliance training programs, advancing product carbon footprint accounting and baseline assessment, implementing compliance preparation for the EU Carbon Border Adjustment Mechanism (CBAM) and engaging third-party professional institutions to provide compliance consulting services.

Medium-term (2–5 years)

With the continuous growth of new energy vehicle sales, the sales volume of the Company's relevant products is expected to grow in tandem, which may boost market share and drive operating revenue growth. Meanwhile, as climate-related risk mitigation measures such as emission reduction actions and improved energy efficiency are gradually implemented, energy costs and carbon costs will be effectively controlled, boosting operating cash flow and overall profitability.

Long-term (6 years and above)

Climate-related opportunities such as the Company's low-carbon technology accumulation and green product layout are expected to continuously translate into market competitiveness and drive revenue growth. At the same time, by avoiding compliance costs, policy risks and market risks associated with high-carbon compliance in advance, the Company will enhance long-term financial stability and achieve steady value growth.

Case study

Improving the Emergency Management System and Strengthening the Defense Line Against Physical Risks

Joyson Electronics places high importance on strengthening capabilities for addressing climate-related physical risks. We established a systematic emergency response framework covering all scenarios of production and operation. Each factory under the Group has formulated a comprehensive emergency plan for workplace safety incidents, together with specialized plans including those for sudden environmental events. These plans clearly define response procedures and standards, forming a two-tier emergency management structure of "comprehensive and specialized plans" and laying an institutional foundation for the effective handling of various climate-related physical risks and emergencies. Across the Group, regular emergency drills are organized targeting natural disasters such as typhoons, heavy rainfall, and floods, further enhancing its emergency response capacity against physical risks.

To address natural disasters including typhoons, heavy rainfall, and floods, JOYSONQUIN has formulated a Special Emergency Plan for Flood and Typhoon Prevention, establishing a physical risk response mechanism to effectively enhance rapid response and risk mitigation capabilities under extreme weather conditions. When meteorological and regulatory authorities issue regional impact warnings, the Emergency Office issues disaster prevention instructions immediately and specifies detailed deployment requirements. The company reinforces mechanical equipment and buildings with potential safety hazards, while simultaneously rushing to transfer materials, secure doors and windows, and remove on-site obstacles. It implements protective measures for electrical equipment and cuts off power supplies when necessary to ensure electrical safety. The company also prepares sufficient typhoon-resistant materials and equipment in advance and arranges on-duty schedules clearly. The Emergency Office keeps all departments updated on typhoon developments to ensure timely and smooth information sharing.

¹² We assumed that conditions in the next reporting year will be similar to those in the current year, and no material risks are expected to occur.

Climate Scenario Analysis

Joyson Electronics adopted scenario analysis for the first time in the reporting period. Using 2024 as the base year and 2050 as the target year, we systematically assessed the potential impacts of key risks and opportunities on our core business operations and financial performance under different climate scenarios. We selected internationally authoritative scenarios from publicly available sources listed in the HKEX Climate Information Disclosure Guidelines to conduct assessments of physical risks, transition risks, and climate-related opportunities. We referred to the Fifth and Sixth Assessment Reports of the Intergovernmental Panel on Climate Change (IPCC) and selected two Representative Concentration Pathways (RCPs): RCP 2.6 and RCP 8.5. Physical risk impacts on business operations and financial performance were analyzed based on the CLIMADA model. We adopted three scenarios from the International Energy Agency (IEA) World Energy Outlook 2024 - the Net Zero Emissions by 2050 Scenario (NZE), the Announced Pledges Scenario (APS), and the Stated Policies Scenario (STEPS). By comparing differences in carbon pricing mechanisms across scenarios, we assessed the financial impacts of transition risks. We also identify opportunities for our core businesses amid energy structure shifts by referencing business development pathways under IEA scenarios.

We acknowledge that climate scenario analysis involves inherent uncertainty, which may affect the long-term accuracy and relevance of analytical findings. These uncertainties are primarily from the evolution of future climate policies, the pace of technological transformation, dynamic shifts in market behavior, and actual implementation of global emission reduction actions. In addition, climate models have limitations in predicting extreme weather events at regional scales, and the Company's own response and adaptation measures are shaped by both external environmental changes and internal resource conditions. Nevertheless, this analysis provides a structured and forward-looking perspective for us to understand climate-related risks and opportunities, and will be continuously updated and refined.

Physical Risks

We systematically assess the frequency, intensity, and scope of physical risks faced by over 200 operational sites (including factories, R&D centers, offices, and logistics and warehousing centers) across all 4 business units, based on both low-emission scenario RCP2.6 and high-emission scenario RCP8.5. These physical risks include sea-level rise, droughts, floods, and other extreme events, as well as their changing trends in frequency, intensity, and coverage. By integrating the operational characteristics and global geographic distribution of each business unit, we further analyze the vulnerability and sensitivity of individual sites to various climate hazards, evaluated the physical risk exposure levels of each operational site, and generated assessment results. We selected two production sites with relatively high physical risk exposure within each business unit for focused evaluation and analysis.

Physical Risk Scenario Assumptions

Issuing Organization	Scenario Name	Scenario Assumptions	Representative temperature
IPCC	Representative Concentration Pathway RCP 2.6	Under this scenario, global society adopts proactive emission reduction measures and achieves net zero GHG emissions around mid-century. By 2100, global average temperature rise is expected to be controlled at a relatively low level.	2°C
	Representative Concentration Pathway RCP 8.5	Under this scenario, economic activity and technological development result in continuously increasing GHG emissions without effective mitigation measures. By the end of the century, global surface temperatures are expected to rise significantly.	3.7°C

Key Data and Assumptions

© Scenario Analysis Target Year 2050

© Scenario Types RCP2.6、RCP8.5

© Scope of Assessment Over 200 operational sites under the company's 4 business units, including factories, R&D centers, offices, logistics and warehousing centers, etc.

© Key Data Location information of company operational sites and scale of fixed assets

Physical risk assessment disaster types

Risk Categories	Hazard Indicators	Underlying Meaning of Indicator Data
Chronic Risks (long-term accumulation)	Sea level rise	Sea level rise in meters (meter)
	Heat stress response	Labor productivity change due to heat stress (%)
	Maximum temperature increase	Daily maximum temperature (° C)
	Water stress	Baseline water stress level
Acute Risks (sudden disasters)	Drought	Drought risk level considering population and asset exposure
	Flooding	Annual river flood land exposure ratio (%)
	Wildfire	Annual wildfire land exposure ratio (%)
	Heatwave	Heatwave – Annual heatwave population exposure ratio (%)

Assessment results of operating sites with relatively high physical risk exposure across business segments.

Operation Sites	Flood		Wildfire		Heat Stress		Max. Temperature Rise		Drought		Sea Level Rise		Water Stress		Heatwave	
	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5	RCP2.6	RCP8.5
JOYNEXT-Ningbo																
JOYNEXT-Poland																
JSS-Thailand																
JSS-Tianjin																
Preh-Mexico																
Preh-Romania																
Quin-Wuhan																
Quin-Changchun																

Note: Table colors indicate the exposure level of each operating site to different hazard types under respective scenarios. A darker color represents a higher exposure level. Underlying data for drought is missing under the RCP 8.5 scenario.

The Company closely monitors the physical risk exposure and vulnerability of its manufacturing facilities. We select the top two sites with the highest physical risk exposure from the plant-level operating locations across its four business divisions for in-depth analysis. We measure the Value-at-Risk (VaR) of physical assets for major physical risk types, including wildfires, typhoons, and floods, and use this metric to quantify the financial impact of physical risks.

Value at Risk Analysis of Physical Risks to Fixed Assets Under Different Scenarios¹³

	Wildfire	Typhoon		Flood	
Operation Sites	Historical	RCP2.6	RCP8.5	RCP2.6	RCP8.5
JOYNEXT-Ningbo					
JOYNEXT-Poland					
JSS-Thailand					
JSS-Tianjin					
Preh-Mexico					
Preh-Romania					
Quin-Wuhan					
Quin-Changchun					

RISK LEVEL¹⁴: Low level Relatively low level Medium level

¹³ Due to limitations in underlying wildfire data, property loss simulations for this hazard currently rely solely on historical fire occurrence data. Given the potential future occurrence of such hazards under climate change, wildfires are still included in the financial impact analysis of physical risks (under the scenario named "historical") and measured using a historical data-based loss assessment approach.

¹⁴ Low level: ≤ 200,000 RMB; Lower-medium level: 200,000 – 1,000,000 RMB; Medium level: ≥ 1,000,000 RMB

Risk Analysis Results

In 2025, Joyson Electronics conducted physical risk scenario analysis for all operating sites across its four business divisions, based on IPCC RCP2.6 and RCP8.5 scenarios and historical regional disaster data. The analysis covers three core hazard types: wildfires, typhoons, and floods, with a focus on evaluating the physical risk Value-at-Risk of fixed assets, including plants, equipment, and inventory. The scenario analysis results show that the Company's overall physical risk exposure is within a controllable range. The proportion of fixed assets potentially affected by the three hazards at all operating sites is below 3.33%. Among them, the share of fixed assets exposed to typhoon risks is relatively low, while the physical risk Value-at-Risk related to floods is comparatively higher.

In response to the above situation, Joyson Electronics has established a tiered physical risk emergency response mechanism, which clarifies the trigger procedures and response plans for flood control under different risk levels to meet short-term operational safety needs. The company also continuously improves its adaptability to climate change by optimizing the layout of manufacturing bases and warehouses, and upgrading the disaster resistance capacity of equipment and facilities.

We have also improved the dynamic monitoring system to strengthen real-time monitoring and early warning of extreme weather, and regularly carry out risk inspections and preventive reinforcement on key fixed assets. Given the projected upward trend of climate warming in future scenarios, we will integrate climate warming forecast scenarios into long-term strategic planning, continuously assess their potential impacts on production and operations, dynamically optimize emergency response procedures, and steadily enhance the overall climate risk resilience of the company.

Transition Risks

Based on the climate scenarios outlined in the World Energy Outlook published by the International Energy Agency (IEA), Joyson Electronics conducts scenario analysis on the potential carbon abatement costs arising from carbon emissions trading and develops corresponding response measures. The company adopts the Net Zero Emissions by 2050 Scenario (NZE) (limiting temperature rise to 1.5° C or below) as its low-emission scenario, the Announced Pledges Scenario (APS) (limiting temperature rise to below 2° C) as its moderate-emission scenario, and the Stated Policies Scenario (STEPS) (consistent with current national climate policy targets and leading to a temperature rise above 2° C) as its high-emission scenario. Using these scenarios, the company assesses transition risks under its current decarbonization strategic pathway.

Transition Risk Scenario Assumptions

Issuing Organization	Scenario Name	Scenario Assumptions	Representative temperature
IEA	Net Zero Emissions by 2050 Scenario (NZE)	Under this scenario, the global energy sector achieves net zero emissions by 2050. The energy system undergoes rapid low-carbon transformation, fossil fuel demand declines significantly, and the share of low-emission electricity sources such as renewables and nuclear energy increases substantially.	1.5°C
	Announced Pledges Scenario (APS)	This scenario is based on currently announced national energy policies and climate commitments, including Nationally Determined Contributions (NDCs), and assumes that all such targets are fully achieved on schedule, including both NDCs and long-term net zero pledges.	1.8°C
	Stated Policies Scenario (STEPS)	This scenario reflects a baseline based on existing national policies and regulations, without assuming the implementation of additional pledged commitments. It depicts the future energy landscape under current policy trajectories, typically showing a slower pace of transition in which fossil fuels continue to play a dominant role.	2.5°C

Key Data and Assumptions

Scenario analysis target years

2030, 2040, 2050

Public scenario parameter

Market carbon price predictions under different IEA scenarios¹⁵

Company GHG emissions

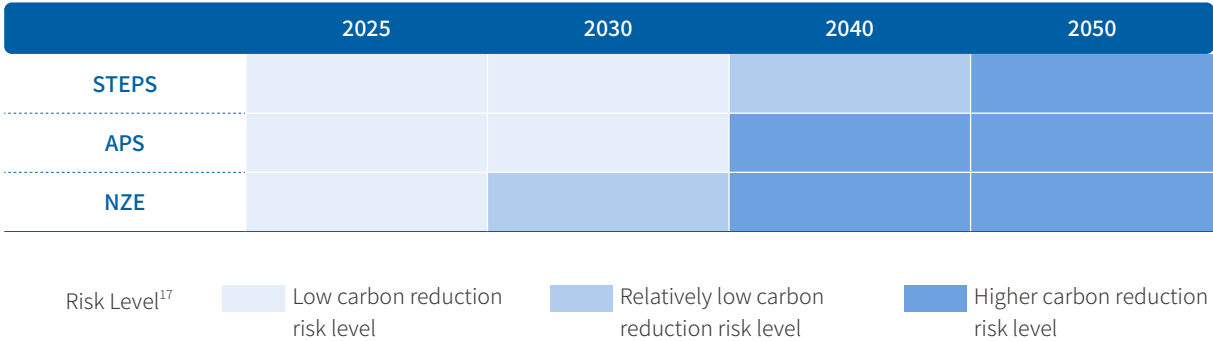
Simulated based on historical Scope 1 and Scope 2 emissions data and the Company's current climate-related targets.

Company financial data

Used to assess the magnitude of financial impacts arising from transition risks.

¹⁵ Currently, the Company adopts IEA's publicly available carbon price forecast data for the Chinese market in scenario analysis, and does not apply internal carbon pricing in investment decisions for the time being.

Financial Impact of Transition Risks Under Different Scenarios¹⁶



● Risk analysis results

Based on a comprehensive analysis in conjunction with the Company's climate strategic objectives, the current financial impact of transition risks is no more than 1 million RMB, accounting for less than 0.01% of the Company's operating revenue. Although future carbon abatement costs vary across the three climate scenarios, they will all continue to rise from 2040 onward in line with increasing carbon prices. Among these scenarios, the 2050 Net Zero Emissions (NZE) scenario imposes the strictest policy requirements and a more urgent emission reduction pathway, exposing the Company to relatively high pressure from carbon abatement costs.

To proactively address the potential impacts of transition risks, the Company has established a systematic management strategy that integrates short-term and medium-to-long-term measures. In the short term, we will continue to closely monitor policy and market developments, prudently assess relevant risks, and further strengthen the implementation of emission reduction measures. Over the medium to long term, the Company will effectively manage long-term decarbonization costs by establishing a systematic proactive emission reduction management system and optimizing resource allocation and technology pathways.

¹⁶ It is assumed that if the Company fails to implement effective emission reduction measures as planned and does not achieve its reduction targets on schedule, it would need to offset the gap by purchasing carbon allowances or carbon credits. The resulting carbon costs would serve as the basis for assessing the financial impact of transition risks. Conversely, if the Company achieves its emission reduction targets as scheduled, transition risks would be effectively controlled.

¹⁷ Low carbon reduction risk level: ≤ 50million RMB;Relatively low carbon reduction risk level: 50–100 million RMB;Higher reduction risk level: ≥ 100 million RMB.



Climate-Related Opportunities

As an industry-leading enterprise in environmental management and green technology, Joyson continues to focus on technological innovation and strategic deployment of core components for new energy vehicles. Based on authoritative projections of future global energy transition pathways by the International Energy Agency (IEA), and in conjunction with the Company's E-Mobility business development plan, quantitative analysis was conducted on potential transition opportunities and their associated financial impacts of E-Mobility business under different climate scenarios. Revenue scale was adopted as the primary financial quantification indicator. We selected the International Energy Agency's Net Zero Emissions by 2050 Scenario (NZE) as the low-emission scenario, representing an ambitious decarbonization pathway aligned with the 1.5° C temperature goal of the Paris Agreement. The Announced Pledges Scenario (APS) was selected as the medium-emission scenario, reflecting development trends in new energy vehicles under current national policy commitments. The Stated Policies Scenario (STEPS) was selected as the high-emission scenario, simulating market evolution under the continuation of existing policies. In the analysis, we assume that the company's established development strategy for its e-mobility business remains unchanged, and that the development pathway of its principal businesses does not vary across different emissions scenarios. At the same time, the Company's market share in relevant global markets will be dynamically adjusted according to the level of policy support and localized market demand under different scenarios.

Climate-Related Opportunity Scenario Analysis List and Assumptions

Issuing Organization	Scenario Name	Representative temperature
IEA	Net Zero Emissions by 2050 Scenario (NZE)	1.5°C
	Announced Pledges Scenario (APS)	1.8°C
	Stated Policies Scenario (STEPS)	2.5°C

Note: Scenario descriptions are detailed in the Transition Risk Scenario Analysis List and related assumptions.

Key Parameters and Assumptions for Climate-Related Opportunities Assessment

Target years
2030, 2035

Scenario parameter
Electric vehicle sales growth rates under different IEA scenarios, used to project future market scale

Key assumptions
It is assumed that the Company's core development strategy and principal business directions remain unchanged during the analysis period, and that the average revenue per unit of product or service remains stable. Meanwhile, the Company's market share in relevant global markets will be dynamically adjusted under different scenarios in accordance with varying levels of policy support and localized market demand.



Revenue Analysis of E-Mobility Business Under Different Scenarios

	2025	2030	2035
STEPS			
APS			
NZE			



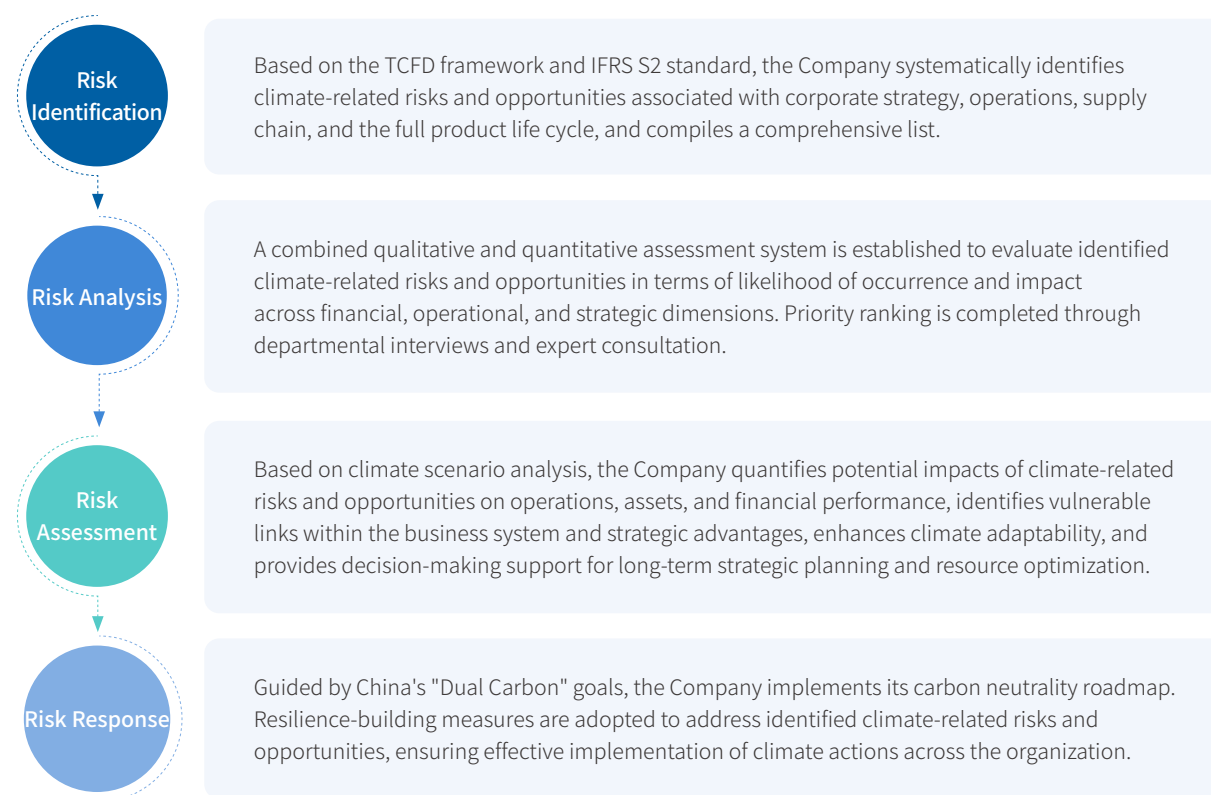
● Opportunity Analysis Results

In 2024, the Company's E-Mobility business revenue is approximately RMB 2.2 billion, accounting for 3.9% of total operating revenue for the period. Scenario analysis results indicate that under all three scenarios, the Company's E-Mobility business demonstrates significant growth momentum and strong development potential. Under the NZE scenario, accelerated global electrification significantly increases new energy vehicle penetration rates, driving substantial growth in demand for electric drive systems, battery management systems, and smart cockpit domain control systems. Even under the STEPS scenario, where decarbonization efforts are relatively moderate, the Company's E-Mobility business is expected to embrace an important growth window before 2035, benefiting from the voluntary transition driven by consumer trends and technological advancements in selected regional markets.

Climate Risk and Opportunity Management

Joyson Electronics recognizes that effectively managing climate change-related risks and capturing strategic opportunities arising from the green transition are critical to achieving sustainable development and enhancing long-term competitiveness. Accordingly, ESG-related topics, including climate change response, have been incorporated into the Company's comprehensive Enterprise Risk Management (ERM) framework. We conduct systematic identification, assessment, and management of climate-related risks and opportunities. In addition, "climate change response" has been included in the double materiality assessment matrix, with analysis conducted from the perspectives of impacts, risks, and opportunities.

The Company's climate risk management process covers the full cycle of risk and opportunity identification, assessment, prioritization, scenario analysis, development of response measures, and the overall enterprise risk management system at all stages. We continuously strengthen systematic management of climate-related issues to build a solid foundation for low-carbon transition and resilience development. During the reporting period, no adjustments were made to the climate-related risk and opportunity management process.



Case study

Climate Investment and Financing Layout Empowers Low-Carbon Transition

The Company integrates climate factors into investment and financing decisions, prioritizing capital allocation to areas that deliver long-term low-carbon growth opportunities, so as to solidify support for the achievement of climate targets and the enhancement of operational resilience. As of the end of the reporting period, the Company's green loans exceeded 3 billion RMB, supporting the implementation of climate-related opportunities such as energy efficiency retrofits and low-carbon process upgrades for equipment, and providing financial security for the delivery of climate resilience measures.

Climate Metrics and Targets

In response to the Paris Agreement and China's "Dual Carbon" goals, the Company has established an action framework for addressing climate change and an indicator system for greenhouse gas emission management and control. Against this backdrop, the Company first put forward its climate target of striving to achieve carbon neutrality in core operations by 2040 in 2025 and is actively promoting green operations. This climate commitment marks that the Company is comprehensively advancing a new model of deep decarbonization and green operation.

Joyson Electronics Climate Targets

Strive to achieve carbon neutrality in core operations (Scope 1 and Scope 2) by 2040¹⁸



Our climate target is science-based, aligned with the temperature goals of the Paris Agreement and China's "Dual Carbon" strategy, and formulated in light of the Company's actual business and industry characteristics.¹⁹ Under the existing climate action plan, and using 2024 as the base year²⁰ By 2040, the Company aims to reduce Scope 1 and Scope 2 GHG emissions by 90% from the base year, with remaining emissions planned to be offset through carbon credits²¹. Meanwhile, the Company has set internal phased milestones, which will be dynamically adjusted based on the progress of renewable electricity adoption, technical feasibility and the Group's overall emission reduction pace, with continuous progress disclosure.

The Company dynamically calibrates its climate targets based on the annual organizational greenhouse gas inventory and verification results, combined with actual emission data, the effectiveness of historical emission reduction measures, and future action plans. Each year, the ESG Working Group reviews progress toward the targets and reports regularly to the Strategy and ESG Committee. For progress monitoring, core indicators include carbon emission intensity per unit revenue and the share of renewable electricity consumed. During the reporting period, no revisions were made to the relevant climate targets and all targets remained unchanged.

The Company has completed the 2025 inventory of Scope 1 and Scope 2 greenhouse gas emissions, as well as the calculation of Scope 3 emissions for Joyson Preh, in accordance with the requirements of ISO 14064 and the GHG Protocol (Corporate Accounting and Reporting Standard).²² In 2025, the Company's Scope 1 and Scope 2 (market-based) emissions decreased by 7.17% year-on-year, and emission intensity decreased by 6.60% year-on-year. For detailed data on greenhouse gas emissions, please refer to the "[Environmental Performance Indicators](#)" section.

¹⁸ The climate target set by the Company is a self-determined net target. The greenhouse gas categories covered by this target are consistent with the Company's GHG inventory and verification items, including CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. As of the end of the reporting period, the Company's climate-related targets have not been verified by a third-party institution.

¹⁹ As SBTi has not yet issued a decarbonization methodology for the automotive components industry, it has not been referenced in the current target-setting.

²⁰ To ensure the accuracy, consistency and comparability of environmental data disclosure, the Group has restated Scope 1 and Scope 2 GHG emissions data disclosed in the 2024 Sustainability Report. Key adjustments include: incorporating full-year 2024 GHG emissions data from Xiangshan Co., Ltd. (acquired at the end of 2024), and refining the statistical scope of natural gas and purchased electricity activity data for two manufacturing sites in 2024. Except for the above adjustments, the emission factor sources and calculation methods used for 2024 GHG emissions data remain unchanged. The Group's 2024 market-based Scope 1 and Scope 2 GHG emissions amounted to 221,915.02 tCO₂e. Among them, Scope 1 GHG emissions amounted to 40,884.19 tCO₂e, and market-based Scope 2 GHG emissions amounted to 181,030.83 tCO₂e.

²¹ The Company expects to prioritize nature-based carbon credits certified by internationally recognized bodies such as VCS, GS, CCER, etc., to achieve carbon removal.

²² The organizational boundary for Scope 1 and Scope 2 emissions covers major subsidiaries of Joyson Electronics; the organizational boundary for Scope 3 emissions is the Joyson Preh Division. The reporting period is January 1 to December 31, 2025.

Progress in Renewable Electricity Usage

Expanding the use of renewable energy is one of the key measures for Joyson Electronics to reduce carbon emissions. We continue to increase our investment in green power, gradually reduce the proportion of purchased electricity, and steadily optimize the energy mix. During the Reporting Period, Joyson Electronics consumed 248,089.73 MWh of renewable energy, accounting for 33.91% of total annual energy use, representing a year-on-year increase of 27.11% compared with 2024. The annual greenhouse gas emission reduction achieved through the use of clean electricity exceeded 102,135.34 tCO₂e.

Various business divisions under Joyson Electronics have continuously increased the proportion of green power procurement. For example, the Tianjin plant of Joyson Quin achieved 100% green power use during the Reporting Period by purchasing Green Electricity Certificates. During the Reporting Period, 23 production bases had achieved 100% clean power operation, and 10 production bases had attained operational carbon neutrality, fully demonstrating our systematic planning and continuous breakthroughs in energy structure transformation.



Green Electricity Certificate (GEC)
Transaction Voucher
Tianjin Plant of Joyson Quin

List of Joyson Electronics' Factories Achieving Operational Carbon Neutrality

BU	Factory Code
JOYSONQUIN	JoysonQuin Ningbo Plant
	JoysonQuin Chengdu Plant
Joyson Preh	Joyson Preh Ningbo Plant
JOYNEXT	Joynext Poland Plant
	Joyson Safety Systems Schönebeck (Germany) Plant
Joyson Safety Systems	Joyson Safety Systems Krzeszów (Poland) Plant
	Joyson Safety Systems Arad SB (Romania) Plant
	Joyson Safety Systems Ribita (Romania) Plant
	Joyson Safety Systems RSE (Germany) Plant
	Joyson Safety Systems Orsova (Romania) Plant

Case study

Voluntary Carbon Offset Practices in 2025 Supporting 8 Operating Entities to Achieve Carbon Neutrality

In 2025, the Company honored its low-carbon commitment with concrete actions by purchasing Verified Emission Reduction (VER) carbon credits certified by authoritative third-party institutions, and established a complete closed-loop process covering traceability, verification and retirement. This initiative offset a total of 2,975 tonnes of carbon emissions generated from the production and operation of 8 entities, marking another key step for the Company in implementing carbon reduction and advancing toward its carbon neutrality target.

JOYNEXT Poland Plant achieved
carbon offsets of via Verified Emission
Reductions (VER) **996** tonnes



Joyson Safety Systems Poland Plant
achieved carbon offsets of via Verified
Emission Reductions (VER) **320** tonnes

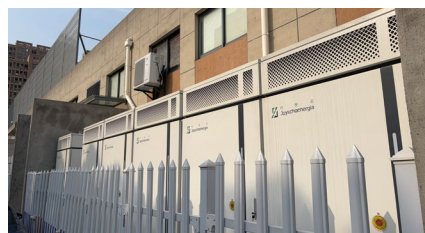


Case study**Commissioning of Energy Storage System
Facilitates Energy Structure Optimization and
Low-Carbon Transition**

As one of the implementation measures of the Company's climate transition plan, the Oudinon Plant of Joyson Quin's Ningbo Base officially put the distributed energy storage system into operation in November 2025, driving climate transition practices through technological innovation. The project deployed a total of 12 energy storage units, with a total installed capacity of 1200 kW / 2580 kWh. Leveraging its core function of "peak shaving and valley filling", the system stores grid power during off-peak tariff periods and discharges during peak hours to meet the plant's production power demand. This not only effectively smooths the power load and eases pressure on the regional power grid, but also reduces the plant's reliance on fossil fuel-generated power during peak periods, helping to cut indirect carbon emissions.

The energy storage system is expected to achieve approximately 654.54 cycles of charging and discharging per year, improving power supply flexibility and fluctuation resistance for the plant, while safeguarding the climate adaptability of production and operation. Operating data shows that amid rising annual total electricity consumption driven by production demand, the plant's electricity expenses decreased by approximately 1.2431 million RMB year-on-year, achieving the dual benefits of "low-carbon transition" and "cost optimization".

The commissioning of this energy storage system, through technological upgrading on the energy consumption side, has laid a solid foundation for the Company to advance the implementation of its carbon neutrality target.



Joyson Quin energy storage cabinets have been put into operation

Case study**Proactively Deploying Green Energy Deployment to
Build a Green Production System**

As the Company advances its climate transition plan, we have continuously expanded the development and application of clean energy, with steady improvement in the coverage and power generation efficiency of installed photovoltaic (PV) projects. In 2025, the Company further expanded its PV portfolio: Joyson Safety Systems' Thailand plant added 1.6 MW of on-site PV capacity, with an estimated annual power generation of 1,828 MWh; JOYNEXT's Germany R&D center also added 60 kW of on-site PV capacity, with an estimated annual power generation of 130 MWh. These developments further improve the global clean energy application network and provide solid support for the achievement of climate transition targets. As of the end of the reporting period, 14 factories under the Company were equipped with photovoltaic power generation capabilities.



Rooftop Photovoltaic Project at Joyson Safety Systems Thailand Plant

Low-carbon and clean production

Joyson Electronics consistently takes transformation and upgrading as a strategic priority. We strictly comply with applicable laws and regulations in the countries and regions where we operate, including the Energy Conservation Law of the People's Republic of China and the Law of the People's Republic of China on the Promotion of Clean Production. We continuously enhance our energy management system, promote water recycling, and improve the resource utilization of packaging materials, thereby advancing production and operations toward a greener, low-carbon, and high-quality development model.

Through these ongoing efforts, several business units of Joyson Electronics, including Huzhou and Ningbo Plants of Joyson Safety Systems, and Ningbo Plant of Joyson Preh have been honored with the title of "National Green Factory." In addition, Ningbo Plant of Joyson Safety Systems has been awarded the title of "Zero-Carbon Demonstration Factory," demonstrating our solid progress and strong commitment to sustainable manufacturing.

Energy management

Joyson Electronics primarily uses energy sources such as electricity, natural gas, gasoline, and diesel in its production and operations. During the Reporting Period, we continuously improved our energy management system, systematically enhancing energy efficiency and advancing low-carbon operations. As of the end of the Reporting Period, a total of 18 plants under Joyson Electronics had obtained ISO 50001 Energy Management System certification. Through the Plan-Do-Check-Act (PDCA) approach, we strengthened the closed-loop management process from target setting to performance evaluation. Going forward, we will continue to promote certification across more production sites, driving standardized and efficient energy management.

Target setting and institutional framework

Joyson Electronics will continue to prioritize reducing energy intensity as a core objective, and establish a regular energy consumption assessment mechanism to systematically review energy use across all processes and track progress in energy reduction. During the Reporting Period, Joyson Electronics' energy intensity was 11.96 MWh per RMB million of revenue, representing a decrease of 5.09% compared with 2024²³. In addition, we establish energy targets across business units based on operational needs. Joyson Safety Systems has defined global targets for energy efficiency improvement and energy consumption management. Through our Energy Cost Control Center, we monitor high energy-consuming equipment, analyze operational data, and conduct evaluations of energy reduction progress to ensure the effective implementation of energy-saving measures. During the Reporting Period, JOYNEXT established the Energy Management Procedure, which defines management requirements for energy-consuming equipment and standardizes energy-saving operational practices, such as specifying air conditioning operating hours. Through these institutionalized measures, we strengthen control over energy use and promote energy conservation and efficiency improvement.

²³ To ensure the accuracy, consistency, and comparability of environmental data disclosure, the Group has restated the total energy consumption data disclosed in the 2024 Sustainability Report. The main adjustments include the inclusion of full-year 2024 energy consumption data of Guangdong Senssun Weighing Apparatus Group Ltd. (following the completion of its acquisition at the end of 2024), as well as improvements to the statistical coverage of natural gas and purchased electricity data for two plants in 2024. Following restatement, total energy consumption for 2024 amounted to 775,471.35 MWh, with an energy intensity of 12.60 MWh per RMB million of revenue.

Energy efficiency enhancement practices

Joyson Electronics has established an all-scenario energy conservation and management system, while simultaneously increasing investment in the research and development of sustainable, low-energy-consumption technologies and products. Through technological breakthroughs and the commercialization of R&D outcomes, the Company unlocks energy-saving potential at the source, providing strong support for comprehensive energy conservation across all scenarios. In daily operations, we conduct routine inspections to regulate lighting and air-conditioning settings in office and production areas, while systematically replacing outdated equipment (for example, upgrading to Grade 1 energy-efficient air compressors) to reduce energy consumption. On the production side, we focus on equipment replacement and technological upgrades. Through energy efficiency diagnostics and process optimization, we identify potential savings in existing operations and comprehensively enhance energy utilization. These efforts contribute to the gradual development of a green, low-carbon, and highly efficient production and operational system.

Case study Intelligent zoning lighting upgrade at Joyson Safety Systems workshops

To improve workshop lighting efficiency, Joyson Safety Systems Asia upgraded the lighting systems at its plants. The upgrade replaced all existing lamps with energy-efficient 18W or 9.5W models and reconfigured the original "1-to-9" switch layout into a more precise "1-to-3" control pattern. After the upgrade, the system can flexibly turn lighting on or off according to workstation usage, significantly lowering electricity consumption during non-production periods.



Pre-upgrade workshop lighting: "1-to-9" control



Post-upgrade workshop lighting: "1-to-3" control

Case study Energy optimization of compressed air systems at Joyson Safety Systems

In 2025, Joyson Safety Systems' Ningbo Plant implemented a comprehensive energy-saving project for compressed air systems, installing solenoid valves upstream of high air-consuming equipment to control usage on demand. As of the end of the Reporting Period, the installation rate of solenoid valves reached 100%, enabling equipment to save an average of 52 kWh of electricity per hour, with an estimated annual reduction of approximately 40% in compressed air energy consumption. In addition, we introduced compressed air leak detection equipment, established a dynamic monitoring mechanism, and conducted periodic leak inspections. During the year, a total of 61 pipeline leak points were identified and repaired, resulting in annual cost savings of approximately RMB100,000 due to reduced air leakage.

Case study Comprehensive energy management system upgrade driving low-carbon transformation in production

JOYSONQUIN has established an energy management system encompassing equipment upgrades, technological innovation, and management empowerment. Through systematic initiatives, we enhance energy utilization efficiency, effectively reduce the carbon emission intensity of production operations, and support the achievement of energy-saving targets.



Equipment upgrade and process optimization

The Company completed the replacement of all high-energy-consuming air compressors in 2025, fully adopting Grade 1 energy-efficient equipment to reduce energy consumption at the source. At the same time, we upgraded the power distribution room equipment and transformers at the Jinghui Road Plant, replacing them with the latest 14th-generation high-efficiency transformers, significantly improving energy conversion efficiency. From 2024 to 2025, the Company implemented technical upgrades to the heating systems of certain injection molding machines, replacing traditional ceramic coil heating elements with infrared heating technology. This resulted in a 50% reduction in electricity consumption under the same operating conditions, effectively reducing redundant energy use in the production process.



Energy management development

The Ningbo Plant of JOYSONQUIN formally appointed an energy management officer and filed the appointment with the relevant government energy conservation authority. In addition, four employees have obtained energy metering certificates, and a dedicated energy manager has been employed. The Company also continues to organize ongoing training programs to continuously enhance professional capabilities and overall energy management performance.



Meanwhile, we continue to advance the refinement and systematization of energy management. Taking the Ningbo Plant of JOYNEXT as an example, we established principles and plans for installing additional electricity meters based on the rated energy consumption and operating hours of production equipment. By implementing relevant systems and standards, we ensure accurate calculation of labor costs, continuous data analysis, and monthly tracking, thereby precisely identifying and focusing on energy-saving potential in key power-consuming operations. During the Reporting Period, Ningbo Plant of Joyson Preh further optimized its energy metering network by adding 78 new third-level energy metering points, and mandated individual metering for equipment or production lines exceeding 60 kW, achieving 100% coverage of all production process equipment.

Case study

Deployment of comprehensive smart energy platform at JOYSONQUIN driving dual upgrade in digital management and workforce capability

In 2025, JOYSONQUIN continued to drive the intelligent and digital upgrade of energy management. The Ningbo Plant of JOYSONQUIN deployed metering devices and smart electricity meters, and launched a comprehensive smart energy platform, enabling real-time monitoring and analysis to achieve visualization, digitization, and lean management across energy consumption processes, multi-energy coordinated supply, equipment operational status, equipment environmental conditions, and production-related energy use.

At the same time, JOYSONQUIN promoted the coordinated development of both personnel and the platform by organizing targeted training on the energy management platform for relevant operational staff. The training helped frontline managers and operators master key skills such as data interpretation, anomaly identification, and system operation, effectively enhancing the team's digital management capabilities.

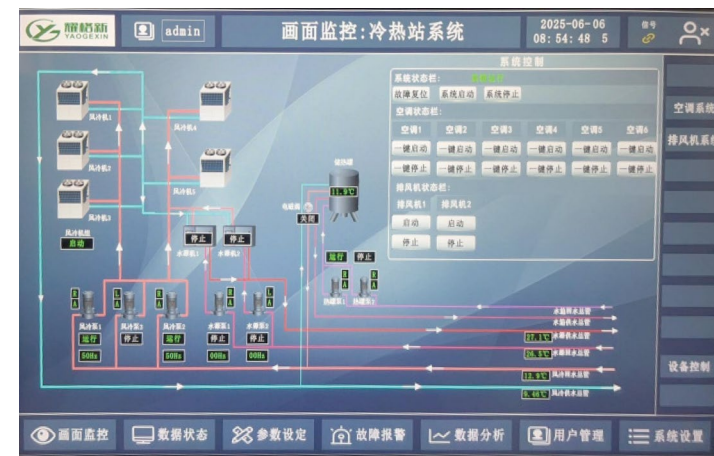


Comprehensive smart energy platform of Ningbo Plant of JOYSONQUIN

Case study

Intelligent control empowerment - energy-saving operation optimization system for air conditioners and air compressors

The Ningbo Plant of Joyson Preh has integrated the operational data and control functions of major public energy-consuming equipment into a central control system. The central control system leverages real-time operational data for learning and intelligent analysis, dynamically optimizing operating parameters of downstream equipment, thereby effectively reducing equipment idling rates. According to statistics, the system has achieved approximately a 7% reduction in idling rates. In 2025, the project generated cumulative electricity savings of approximately 220,000 kWh.



Energy-saving operation optimization system for air conditioners and air compressors of Ningbo Plant of Joyson Preh

Water resource utilization

Joyson Electronics strictly comply with relevant local laws and regulations, including the *Water Law of the People's Republic of China*, embedding sustainable water resource management throughout our operational lifecycle. We continuously enhance water recycling and actively explore opportunities to improve efficiency. At the same time, we systematically assess and monitor water-related risks during factory site selection and operational phases, thereby strengthening operational stability.

Improving utilization efficiency

To continuously improve water resource management efficiency, Joyson Electronics established a Group-level water management target in 2025: using 2024 as the base year²⁴, to reduce water withdrawal intensity by 6% by 2030. During the Reporting Period, Joyson Electronics' water withdrawal intensity was 46.36 m³ per RMB million of revenue, representing a decrease of 4.01% compared with 2024. Meanwhile, each business unit has developed water management plans and plant-level water usage targets aligned with the Group's objectives, and continuously implements refined control measures to prevent water waste. For example, the Philippines Plant of Joyson Safety Systems optimized the operation mode of its weaving production lines, reducing the number of active machines during low-output periods to lower water consumption. At the same time, we have improved water use efficiency through technical upgrades and reclaimed water reuse initiatives. During the Reporting Period, Joyson Electronics achieved an annual reclaimed water reuse of 30,770 cubic meters, reducing freshwater consumption through water recycling.

Case study Circular cooling water tower at the Ningbo Plant of JOYSONQUIN

The Ningbo Plant of JOYSONQUIN introduced a circular cooling water tower system, enabling efficient internal circulation and reuse of production water within the Plant. The system is designed around physical cooling and closed-loop circulation, allowing cooling water required for daily production to be fully treated and reused internally without external discharge, effectively reducing freshwater intake at the source. In addition, the Plant established a water monitoring and optimization mechanism, using real-time data tracking to ensure stable system operation and further enhance water utilization efficiency.



Circular cooling water tower system



²⁴ To ensure the accuracy, consistency, and comparability of environmental data disclosure, the Group has restated the total water withdrawal data disclosed in the 2024 Sustainability Report. The main adjustment is the inclusion of full-year 2024 water withdrawal data of Guangdong Senssun Weighing Apparatus Group Ltd. (following the completion of its acquisition at the end of 2024). Following restatement, total water withdrawal for 2024 amounted to 2,973,115.18 m³, with a water withdrawal intensity of 48.30 m³ per RMB million of revenue.

Water risk management

From the initial stage of plant site selection, we at Joyson Electronics incorporate regional water stress into our evaluation framework, systematically assessing potential water risks associated with operations. We utilize the World Resources Institute's Aqueduct Water Risk Atlas to conduct in-depth analyses of physical and regulatory water risks at proposed sites, providing a scientific basis for decision-making and enabling proactive avoidance of high-risk areas. Moreover, we apply this tool to assess water risks across our existing operating locations, giving heightened attention and management to locations with relatively higher risk levels. We have also extended water stress assessments to the supply chain level. Based on this tool, we conducted water stress assessments across our 89 current operating locations, revealing that 33 of them are located in areas with high water stress. These assessment results are directly used to identify priority actions and target locations, enabling a scientifically grounded response to water stress challenges and laying a solid foundation for the Group's sustainable development. In the Water Security survey by the Carbon Disclosure Project (CDP), both Joyson Electronics and Joyson Preh achieved a B rating.

Water stress assessment results for Joyson Electronics' operating locations



Packaging material management

Joyson Electronics integrate circular economy principles into product packaging material management, continuously improving packaging resource efficiency and reducing environmental impact through strategies such as material recycling, space optimization, and packaging reduction.



Material recycling

We continue to increase the proportion of reusable packaging by promoting the use of returnable boxes and pallets, gradually replacing traditional corrugated cardboard and wooden packaging. This transforms packaging from single-use consumables into sustainable, reusable assets. By 2025, Joyson Safety Systems Asia had cumulatively used approximately 10 million returnable boxes and 420,000 returnable pallets, avoiding about 9,000 tons of corrugated paper and 5,000 tons of timber consumption—significantly reducing packaging waste and dependence on forest resources. In addition, the Hefei Plant of Joyson Safety Systems has promoted sustainable, recyclable green packaging concepts to suppliers and issued standards and requirements for circular packaging, further enhancing the utilization of recycled packaging materials.



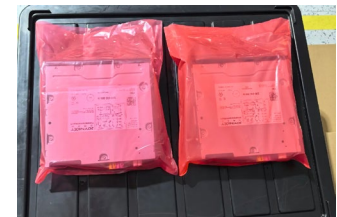
Space optimization

We enhance packaging space utilization and transportation loading efficiency through systematic order integration and packaging structure optimization. For example, Joyson Safety Systems Asia promotes the use of foldable returnable boxes, significantly saving logistics space by minimizing empty return volume. In 2025, this initiative achieved an annual saving of approximately 3,000 cubic meters of transportation space, reduced transport mileage by about 110,000 kilometers, and saved around 21 tons of fuel.



Packaging reduction

In the area of packaging reduction, we continue to advance lightweighting and design optimization. During the Reporting Period, JOYNEXT improved the packaging of certain parts requiring special protection by optimizing the structure of anti-static PE bags, reducing their thickness from 0.08 mm to 0.06 mm while maintaining protective performance. This measure not only lowered packaging costs but also reduced plastic usage, achieving the dual objectives of material reduction and cost control.



PE bag thickness
improvement comparison

Emissions and waste management

Joyson Electronics strictly complies with environmental laws and regulations applicable to its operating locations, including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. Through rigorous management of emissions and waste, we actively minimize potential environmental impacts from operations. All relevant production facilities across the Group's business units hold valid pollution discharge permits or registration certificates as required by law and publicly disclose emissions data annually via government platforms, voluntarily subjecting themselves to social oversight. As of the end of the Reporting Period, the ISO 14001 Environmental Management System certification coverage for production facilities across the four major business units—Joyson Preh, Joyson Safety Systems, JOYNEXT, and JOYSONQUIN—has reached 100%.

The Group and each business unit have established detailed targets and management mechanisms for controlling various emissions and waste based on operational needs. For example, Joyson Safety Systems Asia has set strict pollutant emission targets and uses an evaluation and incentive mechanism to encourage plants to independently manage compliant discharge of three types of waste (wastewater, waste gas, and solid waste). JOYNEXT, meanwhile, uses waste generation intensity as its core control metric, sets clear reduction targets, and implements rigorous monthly performance monitoring to ensure progress toward goals is transparent and controllable, thereby continuously enhancing resource efficiency and environmental performance.

During the Reporting Period

our environmental investment totaled

RMB **62,050,000**

with **no major**
environmental violations or regulatory
incidents reported.



Wastewater and waste gas management

Joyson Electronics has established a target of 100% compliant discharge of waste gas and wastewater, ensuring that environmental and community impacts remain controllable. At the business unit level, our plants implement internal policies such as the *Environment, Health and Safety Policy* and the *Environment Operation and Control Procedures*, and develop tailored wastewater and waste gas treatment processes based on their operational characteristics and applicable local environmental laws and standards. Through full-process monitoring and control, we ensure pollutant emissions remain compliant and stable, while actively supporting regional environmental quality improvement goals.

Wastewater management

Joyson Electronics continues to strengthen the systematic management of wastewater through classification-based management, technological upgrades, and process monitoring, thereby continuously enhancing standardization and efficiency. We strictly comply with applicable standards and technical specifications, implement categorized treatment based on differences in wastewater source quality, establish dedicated wastewater treatment facilities, and conduct full-process discharge control and water quality monitoring. Through these systematic measures, we continuously improve overall wastewater management performance. In 2025, to further fulfill environmental responsibilities and mitigate potential discharge risks, the Ningbo Plant of Joyson Preh introduced additional rainwater quality monitoring items. By strictly implementing rainwater and wastewater separation and differentiating monitoring indicators, we further strengthened the discharge control system to ensure compliant discharge and environmental safety for all water streams.

In addition, each business unit has established wastewater reduction targets to strengthen ongoing control of pollutant discharges. For example, the Huzhou Plant of Joyson Safety Systems has set targets covering both water consumption and pollutant concentration indicators such as COD. We conduct monthly analyses of target performance; where targets are not met, we identify root causes and initiate improvement measures as necessary. During the Reporting Period, we achieved 100% compliant discharge of wastewater, with no violations related to water withdrawal or discharge.

Case study

Chromic acid solution recycling project at the Fenghua Plant of JOYSONQUIN

In 2025, the Fenghua Plant of JOYSONQUIN implemented a chromic acid solution recycling project. By adopting an integrated "wash recovery + low-temperature vacuum concentration" process, dilute chromic acid wastewater generated during production was recovered and concentrated via low-temperature vacuum evaporation. The condensate was reused in production, while the concentrated solution was returned to the roughening tank for repeated use, enabling closed-loop recycling of chromic acid solutions. The project recycled 20.15 tons of chromic acid annually, reduced chromium-containing sludge generation by 60.7 tons, saved 4,800 tons of production water, and realized cost savings of RMB501,800, significantly lowering the burden on wastewater treatment operations.



Chromic acid solution recycling project at the Fenghua Plant of JOYSONQUIN

Case study

Wastewater treatment plant upgrade project at the South American Picarras Plant of Joyson Safety Systems

In 2025, the South American Picarras Plant of Joyson Safety Systems completed a comprehensive upgrade of its wastewater treatment plant. Post-upgrade monitoring data indicated that effluent quality consistently exceeded discharge requirements, with several indicators achieving reductions beyond the standard limits. Continuous monitoring and regular analyses showed consistent improvement in key water quality indicators, confirming the effectiveness of the upgraded treatment system and optimized operational controls. The Plant further ensured full-process control of wastewater treatment through preventive maintenance, routine inspections, and employee training, supporting its long-term sustainability goals in wastewater management and environmental protection.

Waste gas management

Joyson Electronics operates across a wide range of businesses, and due to the differing operations of each business unit, the sources and compositions of waste gas vary. For example, Joyson Preh's manufacturing processes primarily involve painting and injection molding, generating waste gas predominantly composed of volatile organic compounds (VOCs). Joyson Safety Systems' waste gas mainly originates from foaming and wrapping processes in steering wheel production, with key components including non-methane hydrocarbons and particulate matter. Waste gas from the JOYNEXT vehicle infotainment system technology upgrade project, generated during automotive and component manufacturing, primarily originates from cleaning, welding, coating, and curing processes, with main pollutants including non-methane hydrocarbons, particulate matter, tin and its compounds, butyl acetate, and methanol. JOYSONQUIN, meanwhile, primarily emits non-methane hydrocarbons and related substances during injection molding processes.

Each business unit regularly commissions qualified third-party institutions to assess waste gas compliance and proactively cooperates with environmental inspections. Relevant plants have installed online monitoring equipment in line with local regulatory requirements and connected them to government systems for real-time monitoring and reporting of pollutant concentrations. If monitoring data fail to meet standards or abnormal conditions are detected, the plant immediately receives alert notifications and promptly initiates investigations, waste gas control measures, and accountability tracing. During the Reporting Period, we achieved 100% compliance with national and local regulations on waste gas emissions, with no regulatory violations reported.

We are systematically enhancing overall exhaust emission management capabilities, steadily advancing the deployment of high-efficiency, stable exhaust treatment systems across all factories, and comprehensively strengthening end-of-pipe treatment capabilities. To effectively address the complex exhaust generated from multiple painting processes, including spray painting and paint adjustment, Joyson Preh's Ningbo Plant and Joyson Safety Systems' Lingang Plant have respectively established comprehensive exhaust treatment systems. The system integrates multiple treatment units, including water scrubbing, filtration, zeolite rotor/molecular sieve adsorption, and catalytic combustion, operating under a closed-loop process of "pre-treatment – adsorption and concentration – high-temperature catalytic oxidation." This setup achieves stable and highly efficient removal of VOCs, ensuring that the plants can consistently maintain compliant emissions over the long term. The Chennai Plant of Joyson Safety Systems in India has installed exhaust gas purification devices on diesel generators, which are expected to reduce major pollutant emissions by 70%–90%.



Solid waste management

In terms of solid waste management, the Group has established a waste reduction target: using 2024 as the base year²⁵, to reduce waste generation intensity by 6% by 2030. During the Reporting Period, Joyson Electronics' waste generation intensity was 0.96 tons per RMB million of revenue, representing a slight increase compared with 2024. We will continue to closely monitor waste reduction performance and implement comprehensive measures to support the achievement of our target. We follow a hierarchical approach of "Avoidance – Reuse – Recycling – Energy Utilization – Proper Disposal", integrating systematic waste reduction and resource utilization concepts throughout the entire process, from production planning to final disposal. Drawing on the operational characteristics and production practices of each business unit, we have established and implemented procedures such as the Management Procedures for Prevention and Control of Solid Waste Pollution and Waste Management policies, ensuring that all types of solid waste are properly handled and demonstrating our responsibility as a corporate citizen. On this basis, each business unit takes proactive steps to implement concrete management measures. Taking Joyson Safety Systems as an example, the business unit has established clear waste management targets and short-term goals for 2026, while continuously advancing practices in waste reduction and resource recovery.

Joyson Electronics' Hierarchical Framework for Solid Waste Management



²⁵ To ensure the accuracy, consistency, and comparability of environmental data disclosure, the Group has restated the total waste generation data disclosed in the 2024 Sustainability Report. The main adjustment is the inclusion of full-year 2024 waste generation data of Guangdong Senssun Weighing Apparatus Group Ltd. (following the completion of its acquisition at the end of 2024). Following restatement, total waste generation for 2024 amounted to 57,335.49 tons, with a waste generation intensity of 0.93 tons per RMB million of revenue. Among them, the total amount of hazardous waste generated amounted to 8,535.84 tons, and the total amount of non-hazardous waste generated amounted to 48,799.65 tons.

At the source of solid waste generation, we actively optimize production processes, promote the application of green technologies, and strive to reduce product scrap rates, thereby effectively controlling waste generation from the production stage. Taking Joyson Safety Systems' Lingang Plant as an example, continuous optimization of foam mold and core separation technologies has significantly reduced product scrap, achieving an estimated annual waste reduction of more than ten tons.

In the waste disposal and resource recovery stage, we adhere to the principle of efficient resource utilization and systematically assess the recyclability of waste. For intact materials such as cardboard boxes and cartons, internal recycling is implemented and the materials are reused. For waste that cannot be recovered, qualified third-party organizations are entrusted for incineration and energy recovery. During the Reporting Period, JOYSONQUIN installed waste compactors to reduce the frequency of third-party waste collection, thereby decreasing both the volume and cost of waste disposal. Additionally, materials such as foam boxes and metal scraps are uniformly sent to professional agencies for recovery, promoting resource recycling. During the Reporting Period, the Group achieved a total waste recovery of 43,203.97 tons.

Case study Resource upcycling of waste pallets at Joyson Safety Systems' Plant in South America

Joyson Safety Systems' Plant in South America has optimized its waste pallet recycling model, achieving both enhanced resource value and improved employee welfare. Previously, discarded wooden pallets were sold at a low price of BRL0.05 per kg, generating an average monthly recovery income of only BRL1,850, leaving the resource value largely untapped. To promote circular use of waste, the Plant partnered with specialized recycling enterprises to sell discarded pallets at BRL2.00 per unit, raising the average monthly recovery income to BRL3,584. The revenue from this recycling initiative was specifically allocated to purchase lounge chairs for employee rest areas, made from repurposed pallets. By reducing wood waste sent to landfills and promoting a closed-loop resource cycle, the Plant successfully transformed environmental benefits into tangible employee welfare. This low-cost, highly practical practice provides a replicable innovative model for waste resource utilization in manufacturing, demonstrating how ESG principles can be effectively embedded into operational details.



Lounge chairs for employee rest areas made from repurposed pallets

Case study Recycling waste plastic pellets into reusable fixtures to enable resource circularity

During the Reporting Period, the Ningbo Plant of Joyson Preh collected waste plastic generated from the injection molding workshop and entrusted a third-party organization to reprocess it into recycled pellets. These recycled materials were then used in a modified molding process to produce fixtures, which were ultimately reused in the painting workshop to replace original fixtures. This approach not only effectively reduced waste generation but also lowered the demand for newly purchased fixtures. In 2025, approximately 19.63 tons of waste plastic pellets were reused for fixture production, resulting in the refurbishment of around 151,908 fixtures.



Waste plastic pellet recycling for fixture manufacturing

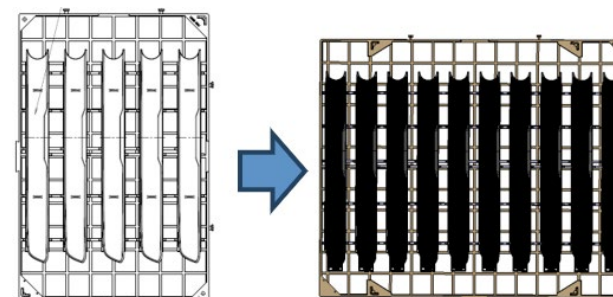


During production, the hazardous waste generated by Joyson Electronics mainly includes: waste solvents, paint residues, wastewater, and discarded paint cans from the coating process; paint residues, waste circuit boards, printed circuit board (PCB) powder, and used filter cotton from laser engraving, programming, and coating processes; and containers used for storing oils and other volatile, flammable, or explosive chemicals. To ensure hazardous waste is handled in a standardized, safe, and efficient manner, the Group entrusts qualified third-party organizations for disposal and conducts regular audits of their qualifications and operational status, fully fulfilling its environmental responsibilities and safeguarding ecological safety.

Meanwhile, each business unit actively works to optimize hazardous waste management and reduce its generation. Taking the Ningbo Plant of JOYNEXT as an example, the Company has optimized production planning to effectively prevent solder paste from expiring due to delayed use after opening, thereby reducing material waste. In addition, by shifting from mixed storage to segregated storage of solder paste and solder slag, the Company has improved the feasibility and efficiency of subsequent treatment and disposal.

Case study Joyson Preh's Ningbo Plant saves paint through optimization of spray rack structure

Joyson Preh's Ningbo Plant, while ensuring process stability and product quality, optimized the structural design of spray racks to increase the placement density per slide, significantly improving coating efficiency and paint utilization. This initiative is expected to reduce paint consumption by approximately 2 tons annually, thereby minimizing the generation of potential hazardous waste at the source, such as waste paint and paint residues. This demonstrates the Plant's effective integration of environmental considerations into upstream production, driving waste reduction at the source.



Optimized structural design of spray rack

Joyson Electronics continues to enhance hazardous waste management while also prioritizing the development of employees' environmental awareness and professional skills. In 2025, JOYSONQUIN organized a targeted training program on compliant hazardous waste disposal, covering key topics such as hazardous waste classification, treatment methods, disposal procedures, emergency response, and personal protective measures. By reinforcing employee training, we have strengthened the foundation for effective waste management, ensured environmental responsibilities are embedded at every role, and laid a solid basis for a green operation system with full participation and comprehensive control.

Biodiversity conservation

Healthy natural ecosystems and related services form the foundation for Joyson Electronics' sustainable operations and product innovation. As a global enterprise, we pay close attention to the potential impacts of our own operations and those across our value chain on the surrounding ecosystems, and actively embrace our corporate responsibility to advance biodiversity conservation worldwide. In March 2025, guided by our continuous exploration of sustainable development pathways, Joyson Electronics became the first company in China's automotive components industry to support the Taskforce on Nature-related Financial Disclosures (TNFD), marking a key step forward in our efforts on nature-related financial disclosure. We independently published the 2025 nature-related disclosure report. For more details on Joyson Electronics' nature governance, natural risk and impact management, nature strategy, as well as associated indicators and targets, please refer to the *Joyson Electronics 2025 Nature-related Disclosure Report*.

Governance

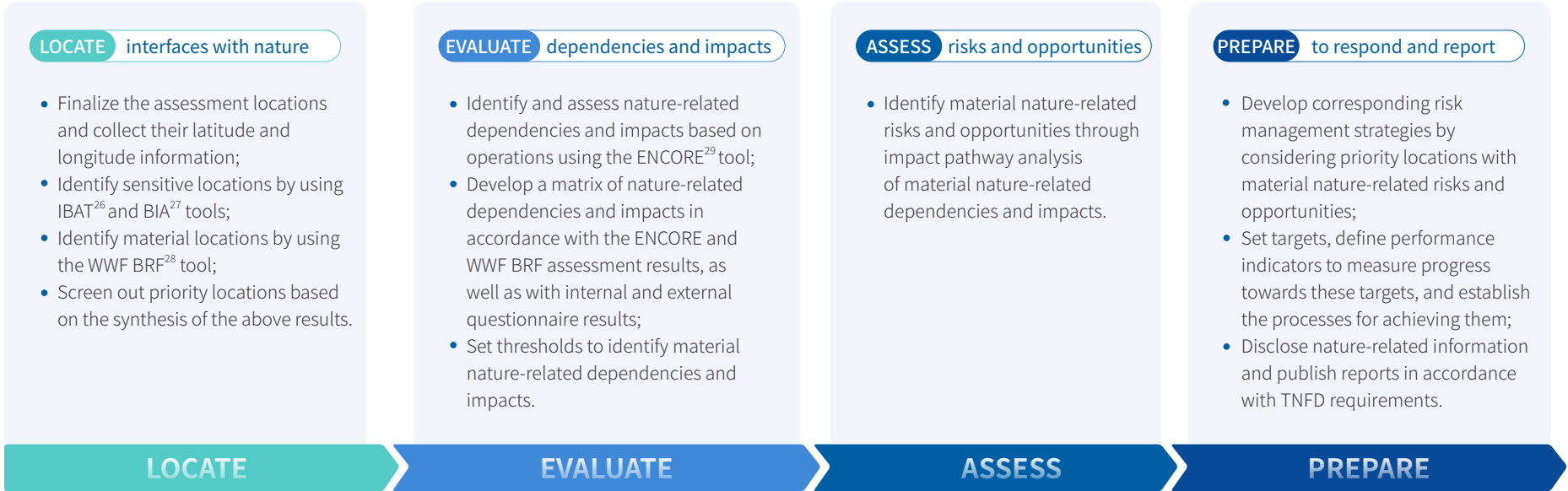
As a key component of our sustainability strategy, nature-related issues have been deeply embedded in Joyson Electronics' core governance framework. Building on the established four-tier ESG structure, we systematically advance the identification, assessment, and management of nature-related dependencies, impacts, risks, and opportunities through top-down oversight and clearly defined nature-related supervisory and management responsibilities, ensuring that our business operations progress in harmony with the conservation of nature and biodiversity.



Risk and impact management

Nature-related risk and impact management has been integrated into our enterprise risk management system. In 2025, guided by the TNFD recommendations and the Locate, Evaluate, Assess, Prepare (LEAP) method, we analyzed 89 global operating locations and 8 upstream value chain sites to systematically identify, assess, and manage nature-related dependencies, impacts, and the associated risks and opportunities, gradually building a nature management system that covers both operations and the value chain.

LEAP Assessment Phases



²⁶ IBAT: The Integrated Biodiversity Assessment Tool (IBAT) was jointly developed by a consortium of four organizations: BirdLife International, Conservation International, the International Union for Conservation of Nature (IUCN), and the UN Environment Programme World Conservation Monitoring Centre (UNEP WCMC), providing reliable datasets and assessment results for biodiversity risk assessment. IBAT datasets include the World Database on Protected Areas (WDPA), the World Database of Key Biodiversity Areas (WDKBA), and the IUCN Red List of Threatened Species.

²⁷ BIA: The Biodiversity Impact Assessment Tool (BIA) was developed by the Shan Shui Conservation Center and Peking University's Center for Nature Conservation and Social Development. It integrates the Nature Conservancy's biodiversity database, the IUCN species distribution database, the KBA database, the WDPA database, and the Green Network environmental impact assessment database.

²⁸ WWF BRF: The Biodiversity Risk Filter (BRF) developed by the World Wide Fund for Nature (WWF) can identify the risk level of nature-related dependencies and impacts based on location latitude and longitude, as well as industry.

²⁹ ENCORE: Exploring Natural Capital Opportunities, Risks, and Exposure (ENCORE) as the tool for assessment of nature-related dependencies and impacts, is an online tool developed and maintained by Global Canopy, the United Nations Environment Programme Finance Initiative (UNEP FI), and the UNEP-WCMC. It helps identify nature-related dependencies and impacts across industries and activities.

Based on the comprehensive analysis, we identified five priority locations within our own operations and three priority locations within our supply chain. Joyson Electronics is actively optimizing resource allocation to implement a series of targeted, site-specific measures, such as ecological restoration, pollution control, and resource use optimization, aimed at systematically reducing operational pressures on local natural environments and managing nature-related risks.

In addition, we mapped Joyson Electronics' own operations and upstream and downstream value chain activities to systematically assess the dependencies on natural resources and potential impacts on the natural environment. A total of 12 potential nature-related dependencies and impacts were identified, which were further evaluated with input from relevant stakeholders. Considering the significance of each factor and the Group's exposure, we developed a nature-related dependencies and impacts assessment matrix. Thresholds for significance and exposure were set based on actual operations. As a result, we identified

three material nature-related dependencies within the value chain (including our own operations)—water purification, flood control, and storm mitigation—and four material nature-related impacts—disturbance (e.g., noise and light), greenhouse gas emissions, non-greenhouse gas air pollutant emissions, and toxic soil and water pollutant emissions. Based on the identification of material nature-related dependencies and impacts within the value chain, we conducted a systematic pathway analysis considering the drivers of changes in natural conditions to identify potential nature-related risks and opportunities. The identified risks, totaling nine, include stricter environmental regulations, biodiversity loss, and degradation of ecosystem functions. The identified opportunities, totaling six, cover conservation of vegetation, wetlands, natural landforms, and unique geological features, as well as related restoration and construction initiatives. On this basis, we further assessed their potential impacts on business operations and financial performance, providing a foundation for strategic decision-making and resource allocation.

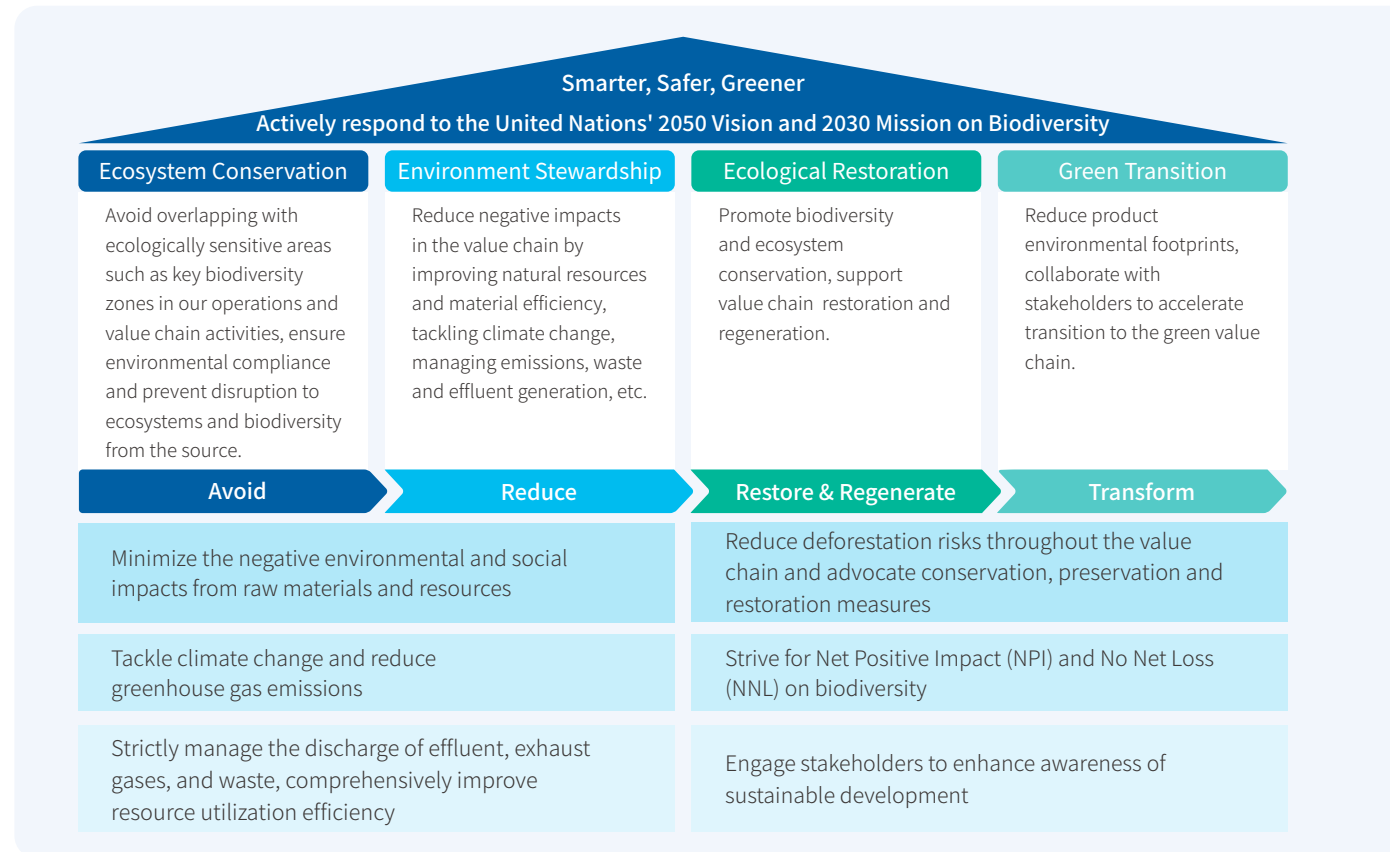


Strategy

Based on the assessment of nature-related dependencies and impacts, we identified potential risks and opportunities across our own operations and upstream and downstream value chain activities. These risks and opportunities were further evaluated in terms of value chain segments, time horizons, and financial implications, enabling the development of targeted measures to ensure effective management of nature-related risks and support the long-term, stable growth of the Group's business.

Joyson Electronics has progressively integrated the management of nature-related risks and opportunities into its corporate strategic decision-making framework, systematically building a nature-positive business model. Aligned with our long-term sustainable development strategy and to further advance the "Low Carbon & Nature" core pillar, the Group has developed a dedicated nature-related strategy. Guided by the hierarchy of "Avoid, Reduce, Restore & Regenerate, and Transform," we implement nature-related actions through rigorous ecological conservation, systematic environmental management, and proactive ecosystem restoration, continuously mitigating and managing nature-related risks. At the same time, we proactively seize strategic opportunities to transition towards a nature-positive business model. Through a comprehensive green transformation, we work collaboratively with stakeholders to promote biodiversity conservation and sustainable ecosystem management, laying a solid foundation for the long-term development goal of harmonious coexistence between humans and nature.

Joyson Electronics Nature-related Strategy Framework



Metrics and targets

In response to the complex global challenges and transformation opportunities in the natural environment, Joyson Electronics actively aligns with the United Nations' 2050 Vision and 2030 Mission regarding biodiversity. We have established a set of targets and indicators at both the Group and subsidiary levels to manage nature-related risks and seize related opportunities. By continuously refining key indicators and targets, we leverage a clear goal-oriented approach to drive ongoing improvements in environmental performance, supporting steady progress in balancing ecological responsibility with business value. For specific indicators, please refer to "[Environmental performance indicators](#)."



Mutual Empowerment for Value Growth

Joyson Electronics builds a diverse talent system with a global perspective, upholds principles of equal and inclusive employment, and respects and safeguards the legitimate rights and interests of all employees. We attract global talents through diversified recruitment channels, establish regular employee communication mechanisms, and continuously enhance the workplace experience. In talent development, we create clear career progression pathways, offer diverse training and activities, and provide competitive compensation, benefits, and incentive systems to support employees' value realization and mutual growth with the Group. At the same time, we continually improve our occupational health and safety management system to foster a safe, comfortable, and efficient work environment. On social value creation, we conduct diverse public welfare initiatives across our operating locations, actively fulfill corporate social responsibility, and collaborate with stakeholders to co-create a sustainable future.

Building an inclusive workplace	125
Talent attraction and retention	130
Talent development and cultivation	137
Occupational health and safety	147
Social value contribution	152



During the Reporting Period, our outstanding human resources management performance earned recognition from multiple external institutions:

Joyson Safety Systems



Extraordinary Employer
Liepin.com



Best Practice of Human Resource Management
HRoot



Best Employer Brand Award for Global Enterprises
Moka, Beijing Institute for General Artificial Intelligence, and HRflag

Joyson Safety Systems (Thailand)



2025 National Outstanding Model Workplace Award
Ministry of Labor, Thailand



Great Place to Work
Certified
JAN 2026-JAN 2027
DE

Great Place to Work
Great Place to Work



Top Employer Award
Kununu

Joyson Safety Systems (India)



India's Great Place to Work, One of India's Best Workplaces in Auto & Auto Components, Top 25 Mid-size India's Best Workplaces in Manufacturing, and Top 50 in Mid-size India's Best Workplaces for Women
Great Place to Work® India

Building an inclusive workplace

As an international enterprise, Joyson Electronics operates in nearly 30 countries. Adhering to the "ONE JOYSON" global integration strategy, the Group is committed to building a cross-cultural inclusive work environment, strictly complies with local laws and regulations as well as international human rights standards, prohibits child labor and forced labor, and effectively safeguards employees' rights to freedom of association and collective bargaining. In terms of diversity and inclusion, we respect employees' diverse cultural backgrounds and beliefs, maintain a zero-tolerance policy toward workplace harassment and discrimination, and have established multiple reporting and appeal channels to ensure employees' rights and interests are effectively protected. Meanwhile, through robust institutional frameworks and communication mechanisms, we strive to create a safe, equitable, and inclusive work and living environment for employees worldwide, supporting both personal growth and sustainable corporate development.

Human rights protection

Joyson Electronics strictly complies with human rights-related laws and regulations of the countries where it operates, as well as applicable international standards, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Provisions on the Prohibition of Using Child Labor*. Also, the Group is committed to respecting, upholding, and promoting human rights in its business operations, commercial partnerships, and supply chain management. During the Reporting Period, we formulated the *Human Rights Policy*, committing to compliance with applicable human rights conventions and clearly outlining the Group's commitments and action principles regarding human rights and labor issues, including child labor, forced labor, discrimination and harassment, freedom of association, and collective bargaining. During the Reporting Period, we joined the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA), actively supporting the UNGC's Ten Principles, including those related to human rights and labor standards, and further advancing the implementation of human rights protection across our operations and supply chain. Subsidiaries of Joyson Electronics have further strengthened the safeguarding of human rights and labor rights by establishing specialized human rights policies or incorporating relevant provisions into codes of conduct, Staff Handbook, and other internal guidelines. Regular training programs—including anti-discrimination and anti-harassment sessions—have also been implemented to ensure our practices remain aligned with internationally recognized human rights standards.



Child labor and forced labor

Joyson Electronics prohibits all forms of child labor and forced labor across its business operations. To rigorously prevent child labor recruitment, we verify applicants' personal identification documents during the hiring process, and cross-check information through channels such as government-issued social insurance records. Meanwhile, we adhere to lawful employment practices and strictly prohibit any form of forced labor. We closely monitor and prevent practices such as the collection of deposits, retention of personal documents, violence, threats, or unlawful restriction of personal freedom used to compel employees to work. The Group has established a remediation and impact mitigation process. For example, JOYSONQUIN has developed multiple targeted policies such as the *Regulations on Prohibiting Child Labor* and the *Regulations on Prohibiting Forced Labor*. It has clearly outlined remedial measures: in the event of inadvertently hiring child labor, wages will be immediately settled, corrective actions taken, and the individual promptly sent back to their original residence, with confirmation signed by their parents or legal guardians. During the Reporting Period, all our employees met the statutory minimum working age requirements in their respective operating jurisdictions, and no incidents of child labor, forced labor, or compulsory labor violations were reported.

Freedom of association and collective bargaining

We respect employees' rights to freedom of association and collective bargaining. The Company and each business unit have established trade unions or employee representative organizations in accordance with local laws and regulations. For example, in Ningbo, the Group has set up a unified union covering all subsidiaries' factories in the region; some employees at Joyson Safety Systems Germany have joined IG Metall, the metalworkers' union; and JOYNEXT Germany holds four union committee meetings annually.

The Group's *Staff Handbook*, compensation systems, and leave policies have all been formally reviewed and approved by the staff congress and publicly disclosed through proper procedures. Furthermore, in developing policies related to employees' core interests and working conditions, the Group maintains active communication with the staff congress and trade unions, thoroughly considers employee feedback, and incorporates such input into policy formulation to ensure scientific and rational decision-making.

We comply with applicable local laws and regulations across our operating locations and, taking into account actual employment conditions, actively promote the conclusion of collective bargaining agreements. For example, JOYNEXT Germany has signed a Collective Agreement with employees, covering fundamental principles on working hours and leave, as well as compensation systems. In 2025, the *Staff Handbook* and the *Special Collective Contract on Wages* for Joyson Safety Systems China were updated annually with participation and oversight from the trade union, ensuring employees' rights to fair compensation, equitable employment practices, and collective consultation. *During the Reporting Period, trade unions or collective agreements have covered over 80% of Joyson Electronics' employees, effectively safeguarding their fundamental rights and interests.*

Anti-discrimination and anti-harassment

The Group maintains a zero-tolerance stance toward any form of harassment, upholding equality and diversity in the workplace. During the Reporting Period, Joyson Electronics issued the *Human Rights Policy* clearly prohibiting all forms of misconduct, such as harassment and discrimination. Joyson Safety Systems has explicitly prohibited misconduct, such as harassment and discrimination, in its *Code of Ethics and Business Conduct*, outlining specific scenarios that may arise and corresponding response measures to help employees enhance self-protection awareness. Concurrently, we strengthen employees' awareness of anti-discrimination and anti-harassment through training initiatives. During the Reporting Period, Joyson Safety Systems conducted multi-level and multi-dimensional anti-discrimination and anti-harassment training, covering over 90% of employees. JOYNEXT also organized relevant anti-discrimination and anti-harassment training, effectively enhancing employees' awareness in this regard.

Human rights due diligence

Based on the Company's *Human Rights Policy*, we proactively conduct periodic human rights due diligence across our own operations, value chain, and new business relationships. During the Reporting Period, we became a member of the RBA and aligned our practices with the RBA Code of Conduct. We clearly define requirements for labor and human rights protection for our own operations, suppliers, and business partners, covering issues such as child labor, forced labor, human trafficking, freedom of association, discrimination, and collective bargaining rights. These requirements extend to our own employees, third-party employees, and vulnerable groups such as female employees, and are integrated into our business strategy to ensure that we consistently uphold our human rights commitments in global operations. Each business unit also conducts human rights due diligence activities tailored to its operational context. On the operational side, we conduct human rights audits based on RBA or RSCI standards. On the supply chain side, the Joyson Safety Systems and the Preh leverage the Certa and IntegrityNext platforms, respectively, to conduct due diligence on business partners, including human rights assessments, and regularly update risk mapping.

Over the past three years, we have conducted more than 20 human rights audits based on RBA or RSCI standards across our operating locations, covering over 10 locations. In addition, we have conducted due diligence, including human rights audits, on approximately 5,000 business partners, with 100% of identified human rights risks addressed through corrective actions.

In terms of human rights oversight and reporting mechanisms, we have established open and diversified channels to promptly identify and address issues related to rights and interests. JOYNEXT has established the EQS Integrity Line, a reporting channel, to receive feedback regarding violations of human rights and labor rights, as well as misconduct of discrimination and harassment. JOYSONQUIN has established a Grievance Committee to receive various employee complaints, and has activated multiple complaint and reporting channels, including hotlines, email, and written and in-person submissions. These measures ensure employees' right to supervision and appeal, thereby fostering a lawful, fair, respectful, and inclusive work environment.

We have implemented mitigation and improvement measures for various potential human rights risks to continuously reduce risk levels.



Potential human rights risks	Risk-mitigation measures implemented	Remedial actions taken
 Prohibition of forced labor	- Strengthen employees' self-protection awareness through awareness-raising campaigns - Enhance audits and screening of labor suppliers to ensure compliance with applicable requirements	- Clearly define rest time requirements and promote effective communication and implementation of related policies - Supervise labor suppliers to safeguard the rights and interests of workers
 Prohibition of child labor and protection of young workers	Strictly comply with local laws and regulations in recruitment and conduct legal identity and age verification	- Establish a robust identity and age verification mechanism to prevent illegal employment - In the event of child labor incidents, immediately provide assistance and implement remedial measures, ensuring appropriate arrangements are made for the affected individual
 Protection of female employees	Support the career development of female employees	In the event of confirmed violations of female employees' rights and interests, the responsible department shall be immediately required to implement corrective actions
 Diversity, equal opportunity, and anti-discrimination/anti-harassment	Strictly comply with local laws and regulations to conduct fair recruitment	In cases of confirmed discrimination, bullying, or harassment, immediate corrective actions shall be taken and employees' rights shall be restored
 Wages and benefits protection	- Strengthen audits of labor suppliers and select compliant suppliers - Ensure compliant payment of resignation-related wages	- Upon identification of any violations such as improper or delayed payment of wages and benefits, immediate corrective actions shall be taken and employees' rights shall be restored - Require labor suppliers to comply with regulations on social insurance
 Freedom of association and expression	Establish trade unions in accordance with local laws and allow employees to join voluntarily	In cases where violations of freedom of association are confirmed, immediate corrective actions shall be taken and employees' rights shall be restored

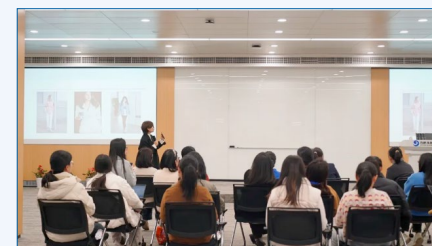
Diversity and equal opportunity

Guided by the principle of meritocracy, Joyson Electronics strives to build a bias-free and barrier-free workplace where every talent can flourish in an equitable environment. We consistently uphold the recruitment principle of "selecting the best," and have developed internal policies such as the Staff Handbook and the Recruitment and Employment Management Policy to clearly define and standardize processes related to recruitment and human resource management. Adhering to principles of fairness, impartiality, transparency, and mutual consent between employer and employee, we conduct recruitment, interviews, and hiring based on job requirements, candidate qualifications, skills, educational background, work experience, and our compensation structures, striving to ensure a fair, impartial, and transparent talent selection process. During the Reporting Period, we formulated the Board and Employee Diversity Policy, which comprehensively considers multiple dimensions—including gender, age, cultural and educational background, ethnicity, professional experience, expertise, and tenure—during the selection of employees and senior management, while emphasizing complementary expertise across technical, legal, financial, managerial, and audit domains. Final hiring decisions are made based primarily on candidates' strengths and their potential contributions to the Company, ensuring fairness, diversity, and continued competitiveness through diverse perspectives in corporate governance. Additionally, to prevent employment discrimination, we strictly prohibit any reference to gender or age in recruitment materials.

Meanwhile, the Group actively creates suitable job positions and work environments for persons with disabilities, tailored to their physical conditions and capabilities, to support their equal participation in social life. Joyson Safety Systems has maintained long-term collaboration with districts in Shanghai such as Minhang, Fengxian, and Qingpu, and worked closely with the China Disabled Persons' Federation and the "Home of Sunshine" to advance social diversity. As of the end of the Reporting Period, Joyson Safety Systems had employed approximately 31 persons with disabilities in China; JOYNEXT China employed 7 persons with disabilities; and JOYSONQUIN has also recruited 24 employees with disabilities.

To foster and sustain a workplace environment that is supportive of women, we consistently apply competence, performance, and job fit as core criteria for talent selection to ensure fair and equitable career development opportunities for female employees. As of the end of the Reporting Period, female managerial staff (at or above supervisor level) in JOYSONQUIN China accounted for approximately 25%, and female senior executives also represented around 44%.

At the same time, we actively launched a series of initiatives to support female employees. On International Women's Day, March 8, 2025, Joyson Safety Systems Asia launched a campaign themed "Growing Toward the Sun, Flourishing Freely" by releasing video interviews with outstanding women on platforms, such as WeChat and LinkedIn, to highlight the power and impact of women. Joyson Preh also organized a series of International Women's Day activities on the same day, including a showcase of outstanding female employees across global sites, a color coordination and styling session, a health knowledge sharing seminar, and a flower-gifting activity by management. On June 23, 2025, on International Women in Engineering Day, Joyson Preh promoted recognition of female engineers' exceptional achievements via WeChat, expressing gratitude for their vital contributions to corporate growth. Additionally, JOYNEXT established new mother-and-baby rooms during the Reporting Period to offer enhanced support for lactating female employees.



Activities on the International Women's Day



Activities on the International Women in Engineering Day

Talent attraction and retention

Joyson Electronics maintains a global perspective, and proactively expands diverse recruitment channels to attract specialized talent for key positions, while establishing open communication channels to listen to employee voices. We also provide comprehensive welfare benefits and a wide range of employee engagement activities to enhance employees' well-being and sense of belonging, fostering mutual growth between the Group and its employees.

Talent employment

The Group has established multiple recruitment channels—including campus recruitment, dedicated on-site recruitment, online recruitment, new media-based hiring, and headhunting—to attract global talents. Furthermore, we continue to optimize our recruitment mechanisms to enhance the effectiveness of aligning talent acquisition with business development needs. During the Reporting Period, Joyson Safety Systems implemented a standardized global recruitment process across its global human resources system (SuccessFactors) to drive standardization of hiring procedures and improve data integration and decision-making efficiency.

In campus recruitment, the Group actively participates in job fairs at leading universities and carries out a variety of recruitment activities, including targeted presentations, internship programs, and campus open days. Meanwhile, over 60 "Joyson TALKs" university engagement sessions were held during the Reporting Period to strengthen the Group's visibility among student populations. We also launched a joint doctoral fellowship program with the NingboTech University to further advance the recruitment and retention of high-caliber talents. During the Reporting Period, Joyson Safety Systems continued to optimize onboarding management in China with various measures, including providing a "New Employee Onboarding Journey" outlining milestones for the first six months post-hire, organizing cultural orientation and office familiarization activities, and establishing a regular communication and feedback mechanism. These measures help new hires clearly understand each stage's objectives while receiving timely feedback and support, accelerating their cultural integration and role transition.

Case study Company exploration day at JOYSONQUIN (Germany)

In 2025, JOYSONQUIN (Germany) hosted a Company Exploration Day at its Rüttimühle office, offering 17 local high school students a hands-on opportunity to explore the professional world firsthand. During the event, students comprehensively learned about various business and technical roles, career development pathways and cross-departmental collaboration mechanisms within the Company through factory tours, interactive discussions, and practical sharing sessions, while directly experiencing modern corporate operation models and the skills required for different positions. The event provided students with career guidance, helping young talents clarify their career directions and serving as a bridge for communication. A relaxed lunch networking session further brought students and employees closer together, enabling the former to gain authentic and vivid insights into the workplace through open and interactive engagement.



JOYSONQUIN's Student Exploration Day activity

In social recruitment, the Group has actively expanded diverse online recruitment channels and participated in offline job fairs organized by government agencies and industry associations, realizing precise outreach to diverse talents. For critical roles, we leverage specialized headhunting firms to accurately attract high-quality talents, and conduct thorough evaluations for senior and key positions to ensure recruitment quality. During the Reporting Period, we focused on key technology areas and prioritized the recruitment of high-level talents with master's degrees or higher, or those with international work experience. At the same time, we actively participated in industry-specific forums, proactively engaged with mid- and senior-level professionals, and systematically collected data on industries and talents to provide strong support for strategic talent planning.

Internal referrals remain another effective channel for achieving precise person-job matching. Through internal emails, bulletin boards, and the recruitment official account, the Company promptly shares job openings and referral information to help employees clearly understand role requirements and responsibilities, thus enabling more accurate referrals or self-recommendations. Additionally, to sustain momentum in internal referrals, the Company established the Talent Scout Award to encourage employees to recommend qualified candidates, thereby accelerating internal hiring and continuously supplying high-caliber talents aligned with the Company's growth.



Employee communication

We firmly believe that listening is the core link connecting the organization with individuals. We are committed to building a transparent, trust-based dialogue ecosystem where every employee's voice is heard, valued, and responded to. Each business unit has established diverse communication channels—including Townhall Meetings, General Meetings of Employee Representatives, and Employee Meetings—based on operational needs and regional characteristics. Furthermore, we conduct regular employee satisfaction surveys to promptly identify and actively address employee needs, continuously improving management practices and work environments to create a people-centered workplace.

Case study

Joyson Preh's diverse communication mechanism

Joyson Preh continues to advance and expand diverse employee communication channels and widely collects employee feedback. The Company has established dedicated communication channels, such as the global suggestion platform (Prehpremium Idea) and the CEO's mailbox, to receive employee feedback. In particular, Joyson Preh China has implemented the "Skip Level Talk" mechanism by hosting monthly direct dialogues between employees and management to encourage employees to communicate directly with their supervisors or escalate issues to higher-level management, so as to foster openness and transparency. During the Reporting Period, Joyson Preh China established a Council for the General Meetings of Employee Representatives and conducted monthly formal meetings to provide an official channel for employees to offer suggestions and recommendations.

Case study Joyson Safety Systems' employee communication activities

Joyson Safety Systems has established a communication mechanism of Employee Meetings in Chinese mainland, holding regular sessions every two or three months to review past issues and conduct on-site Q&A sessions. Following each meeting, Joyson Safety Systems compiles a list of issues and assigns it to relevant departments to develop action plans, requiring them to report progress and completion status in a timely manner. In addition, the Jingzhou Plant of Joyson Safety Systems launches an on-site office meeting every Thursday for one-on-one consultation.

Beyond Employee Meetings, Joyson Safety Systems also organizes Townhall Meetings, annual conferences, and other employee communication activities in its overseas locations. At the beginning of 2025, the Philippines Plant of Joyson Safety Systems held its Annual Townhall Meeting, while the South Korea Plant hosted an annual appreciation dinner and communication conference to recognize and thank employees for their contributions.



Joyson Safety Systems (Lingang) General Manager Dialogue



Joyson Safety Systems (Jingzhou) On-Site Office Meeting



Joyson Safety Systems (Philippines) Welcome Party

Authentic dialogues foster consensus and help shape an exceptional work environment. We have set clear employee satisfaction targets, actively conducted surveys on employee satisfaction and engagement, and established a closed-loop management system to systematically follow up on and address feedback issues to drive continuous improvement in employee experience. During the Reporting Period, Joyson Safety Systems launched its global 2025 Employee Engagement Survey, covering four dimensions: growth and development, team collaboration, management support, and basic needs. The survey assessed areas including job satisfaction, sense of purpose at work, well-being, long-term career development goals, and work stress management, and achieved broad employee participation. Among them, the participation rate in Asia reached 93.5%, with a survey score of 4.23 out of 5. Based on the survey findings, Joyson Safety Systems Asia will make improvements in communication mechanisms, talent cultivation, and employee care, so as to strengthen organizational cohesion and talent competitiveness. JOYNEXT also engages professional third-party firms annually to conduct employee satisfaction surveys, with the aim of continuously improving its work environment. During the Reporting Period, thanks to outstanding performance in employee satisfaction surveys, JOYNEXT won the Great Place to Work certification. Joyson Preh also conducted a global employee satisfaction survey in 2025, with over 5,000 employees participating. The average satisfaction score was 3.19 out of 4. In addition, we continuously monitor employee voluntary turnover rates and have established annual targets to manage such rates. Regular analyses of exit reasons are conducted to optimize employee retention strategies.

Welfare and care

We regard every employee as a valuable treasure and strive to build a people-centered well-being ecosystem to ensure that robust support systems can serve as a solid foundation for employees' professional endeavors. We offer employees diverse employment arrangements, including full-time, part-time, and flexible working hours, and strictly comply with the laws and regulations of all operating locations to ensure that employees are entitled to statutory leave and social insurance. We implement paid annual leave globally and actively encourage employees to take their full entitlement, promoting a healthy work-life balance. We also provide paid maternity leave. For example, in China, we offer statutory maternity leave of 98 days and, in accordance with local requirements, provide extended maternity leave, paternity leave, and parental leave. Moreover, we provide multi-dimensional non-monetary benefits tailored to local conditions, including supplemental commercial health insurance, accident insurance, additional leave days, care initiatives, and employee activities. During the Reporting Period, non-monetary benefits were extended to 100% of employees, empowering each individual to enjoy a dignified and respectable work experience.

Onboarding Care	Onboarding medical check-ups, Orientation and training for new hires, etc.
Maternity Support	Breastfeeding leave, Mother's Room, Paid maternity leave (for both primary and non-primary caregivers), Paid paternity leave, Childcare leave, Caregiver leave for only children, etc.
Insurance Protection	Commercial insurance, Endowment insurance, Health insurance, Unemployment insurance, Work injury insurance, Accident insurance, Dental insurance, Vision insurance, etc.
Health Protection	Employee Assistance Program, Psychological counseling, Occupational health examinations (including pre-employment, on-the-job, and post-employment), Annual physical check-ups, Special health check-ups for women, Health knowledge lectures specifically for female employees, etc.
Holiday Protection	Various types of legal holidays, as well as sick leave, marriage leave, bereavement leave, personal leave, etc.
Life and Work Security	Working from home under certain conditions, Transportation allowance, Shuttle bus, Meal subsidy, Heat subsidy, Overtime pay, Free canteen, Rest lounges, etc.
Housing Protection	Housing provident fund, staff dormitory, housing subsidy, etc.

In China, we provide all employees with the "five insurances and one housing fund," including pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund. Pension insurance offers employees a basic living security after retirement, enabling them to receive monthly pension payments. For overseas operations, we establish a diversified employee benefits framework globally in accordance with local laws and regulations. For example, Joyson Safety Systems has clearly defined retirement pay plans, medical insurance, and profit-sharing mechanisms through trade union collective contracts in regions such as EMEA, the United States, Brazil, Mexico, Japan, the Philippines, and South Korea. In addition, the Group also provides pre-retirement guidance for employees approaching retirement, helping them transition smoothly into retirement and adapt to post-retirement life.

We pay attention to employee health and offer multiple support measures to assist with medical expense coverage. For example, JOYNEXT provides all employees with supplementary medical and accidental injury insurance, covering outpatient and emergency care, hospitalization, critical illnesses, accidental death, disability, and death due to illness; JOYSONQUIN has established an *Employee Hospitalization Medical Expense Reimbursement Policy*, which, building on existing supplemental commercial insurance and the Cares Fund, reimburses a portion of medical expenses for employees hospitalized due to illness; meanwhile, Joyson Safety Systems Asia offers group health insurance to all regular employees and qualified contract workers, effectively alleviating healthcare burdens and enhancing overall employee health protection.

Employee care activities

Embracing the "Three Cares" principle (caring about struggling employees, caring about the interests of the majority, and caring about model workers), the Group remains committed to delivering corporate warmth through hardship assistance programs, mental and physical well-being initiatives, family and career development support, and diverse employee activities. Our goal is to continuously enhance employee happiness, sense of belonging, and team cohesion, and foster a workplace culture characterized by respect, inclusiveness, warmth, and harmony.

Heartfelt care

To establish a sustainable mechanism for employee care, we established the Joyson Cares Fund in 2013, along with a Cares Fund Committee and related systems such as the *Joyson Cares Fund Management Manual*. These moves clearly define management mechanisms and application processes to ensure timely support for employees in need. Funding sources for the Cares Fund primarily include voluntary employee contributions and matching funds. The Cares Fund supports employees who face financial hardship due to disabilities or deaths resulting from unexpected events or serious illnesses, as well as their parents, spouses' parents, and children. It also extends aid to employee families affected by disasters such as earthquakes, fires, and floods. As of the end of the Reporting Period, an amount of RMB2.9 million was raised through the Joyson Cares Fund, and a total of approximately 500 employees were supported, with approximately RMB2.62 million distributed. In 2025, the Joyson Cares Fund supported 17 employees, distributing RMB70,000 in financial assistance. Additionally, the Cares Fund provided public health insurance worth RMB0.15 million for Joyson employees. Moreover, JOYNEXT has established an internal care donation mechanism for employees diagnosed with serious illnesses to provide in-time support and reduce medical costs.

All business units across the Group tailor their care initiatives according to regional conditions and employee needs, so as to comprehensively safeguard both mental and physical health of employees. For example, JOYNEXT has implemented an Employee Assistance Program (EAP) platform to offer psychological support and guidance, alongside on-site traditional Chinese medicine consultations for employees; JOYSONQUIN has also organized activities, such as mental health workshops, to help employees manage emotional stress and psychological challenges arising from work and daily life.



JOYNEXT's EAP platform



On-site traditional Chinese medicine consultations organized by Joyson Electronics



Mental health workshop organized by JOYSONQUIN

We extend our care beyond the workplace into employees' homes through sustained educational support programs that nurture the growth of employees' children. Since 2013, the Thailand Plant of Joyson Safety Systems has offered scholarship programs to outstanding students among employees' children. In 2025, a total of 26 employees' children shared this year's scholarships. Over the past 13 years, hundreds of employees' children have benefited from this initiative.



Annual Scholarship Selection and Award Ceremony at the Thailand Plant of Joyson Safety Systems

Employee activities

Joyson Electronics has transformed diverse cultural and sports activities into a vital bridge connecting employees worldwide, fostering deeper relationships through a balanced rhythm of work and rest. In 2025, we actively organized employee activities across all global operating locations. In China, we organized a series of activities, including family engagement events, International Women's Day celebrations, holiday-themed events, and sports competitions; in other regions, we organized football tournaments, summer parties, and local festival celebrations, and encouraged employees to actively participate in local sports activities, working together to foster a happy, harmonious, and positive workplace and living environment.



JOYSONQUIN (Romania)
Internal Football Tournament



JOYSONQUIN (Germany)'s employees
in the 32nd Stuttgart Run



JOYSONQUIN (Mexico) Three
Kings' Day Celebration



JOYNEXT (Germany)
Summer Party



JOYNEXT Employee Badminton Tournament



Joyson Preh Employee
Badminton Tournament



JOYNEXT Employee Football Match



JOYSONQUIN Employee Tug-of-
War Competition



JOYSONQUIN Family Learning Activity



Football Training Camp – China Summer Tour, Ningbo, co-organized
by JOYNEXT, SAIC Volkswagen and VfB Wolfsburg Football Club



Joyson Preh Cross-Departmental Birthday Party

Case study Joyson Safety Systems 2025 Sports League

In 2025, Joyson Safety Systems organized a comprehensive sports league in Chinese mainland featuring badminton, table tennis, basketball, and football. The annual sports league attracted approximately 500 employees from eight major sites across Joyson Safety Systems China, as well as participants from plants in other Asian regions (including the Philippines, Thailand, and South Korea). Through the large-scale offline sports event, participants not only relaxed their minds but also strengthened friendships across nationalities and teams through shared athletic experiences.



Football Match



Badminton Match

Talent development and cultivation

Joyson Electronics embraces the philosophy of "mutual achievement" to drive coordinated development between employees and the enterprise. We have established clear career progression paths and promotion channels to enable employees to fully leverage their talents in roles that match their capabilities. At the same time, we provide rich and diverse internal and external training resources to support employees in professional learning and academic advancement, comprehensively strengthen their expertise, empower continuous personal growth, and drive long-term corporate development.

Promotion and development

We firmly believe that talent is one of the core assets of the Group. We are committed to building a career development ecosystem where individual growth aligns with organizational evolution, ensuring every employee finds a broad platform to showcase their potential at Joyson Electronics. The Group has established the Staff Personal Development Management System, while each business unit has developed corresponding employee promotion management systems tailored to their specific business characteristics, such as Joyson Preh's Rule of Individual Development Plan and Joyson Safety Systems' Employee Ranking Management Regulation. Moreover, we continue to refine our promotion mechanisms to ensure their effective operation.

Clear career development paths

Joyson Electronics has developed a competency model encompassing leadership, management abilities, core competencies, and professional skills, based on the Group's mission, vision, values, and strategy, and uses this framework to continuously cultivate and promote managers and technical experts who possess both integrity and excellence. Our business units continue to build an inclusive, multi-channel career development system covering all employees, in a bid to promote synchronized progress between talent growth and corporate development.

In 2025, Joyson Preh updated its career development framework to a three-track system comprising management, expertise, and project, enabling employees to flexibly move between tracks based on personal aspirations and organizational needs. This offered diversified, two-way career advancement opportunities to support employees' value creation and skill development. Joyson Preh also established a career development system for blue-collar employees, helping them progress from skilled workers to senior team leaders.

Management track

Targeted at employees with strong organizational coordination, personnel management capabilities, and strategic thinking, this track enables progressive assumption of higher-level management responsibilities through job promotions.

Expertise track

Designed for employees with deep expertise, technical proficiency, and innovation capacity, this track supports continuous contribution within specialized domains through professional rank advancements, facilitating vertical career growth.

Project track

Tailored for employees demonstrating cross-departmental collaboration, project coordination, and resource integration capabilities, this track fosters horizontal expansion and vertical advancement by taking on key project roles and enhancing project management skills.

During the Reporting Period, JOYNEXT optimized its promotion evaluation mechanism by establishing a promotion presentation system based on the dual pathways of professional and management tracks, with evaluation panels composed of senior executives and cross-departmental managers to conduct comprehensive assessments of candidates. Additionally, JOYNEXT requires direct supervisors to provide thorough guidance for employees prior to their promotion presentations, ensuring the full potential of high-performing and high-promising individuals is effectively demonstrated.

Global development platform

By building an efficient international talent mobility mechanism, we strengthen business collaboration and resource synergy across regions while leveraging diverse cultural environments to accelerate the cultivation of globally competent, multi-skilled talents. During the Reporting Period, Joyson Safety Systems refined its global International Assignments to standardize key elements of international assignment and establish consistent management standards before, during, and after assignment. The policy redefined criteria for short-term assignment, long-term assignment, and transfers, enhanced provisions related to allowances, relocation support, family visits, performance evaluations, and salary adjustments, and clearly delineated responsibilities among stakeholders in cross-regional business scenarios to facilitate orderly global talent movement.

To further streamline internal talent flow and stimulate employee growth vitality, we actively develop multiple internal recruitment channels. JOYSONQUIN has established an internal competitive hiring system and online application process to support internal career progression. Joyson Preh, meanwhile, releases job openings monthly to encourage employee referrals, supported by recognition mechanisms that optimize internal talent allocation and create more career development opportunities for employees.

Talent reviews

Comprehensive talent reviews continuously fuel internal corporate growth. We actively conduct talent reviews to identify critical positions and key talents, thereby optimizing talent planning. Each business unit carried out talent reviews and identification of key positions during the Reporting Period, based on business development needs and employee growth requirements, providing scientific support for the selection, cultivation, and placement of key talents.



Joyson Preh conducted a comprehensive talent review across all white-collar employees, using systematic diagnostics to evaluate talent health, clarify core talent reserves, and identify organizational strengths and risks associated with critical positions;



JOYSONQUIN adopted the "Competence-Potential" 9-box model combined with multi-dimensional data to systematically identify core talent and development needs, while simultaneously conducting international talent evaluations to provide robust support for overseas business expansion;



Joyson Safety Systems has conducted critical position identification through assessing roles based on three dimensions: key tasks and decision-making, recruitment difficulty, and risk of knowledge loss to provide a clear foundation for talent retention.

Compensation and incentives

Joyson Electronics focuses on talent development and organizational vitality, and has established a fair, transparent, and performance-aligned compensation and incentive system that effectively rewards contributions. We have established the *Employee Compensation and Benefits Management Policy* to clearly define the structure of compensation, performance bonuses, and other welfare provisions, while also implementing diversified incentive mechanisms. This ensures employees receive compensation commensurate with their job value, individual capabilities, and actual contributions, thus effectively attracting and retaining top talents, and fostering a fair, enterprising, and collaborative organizational culture.

In light of global operations and intense talent competition, we continuously benchmark against market standards and make timely adjustments to build a fair, reasonable, and competitive compensation management system. In 2025, Joyson Safety Systems partnered with an external professional third party to conduct salary data benchmarking across the primary countries where it operates, further optimizing the rationality and fairness of the internal compensation structure. JOYNEXT conducts annual industry salary surveys and adjusts employee compensation through internal salary competitiveness reviews. In 2025, JOYNEXT implemented structural salary adjustments based on survey findings, which increased the variable pay ratio for senior managers, sales personnel, and other key roles, and further strengthened the alignment between compensation, job value and performance contribution.

Additionally, the Group continues to enhance the fairness of compensation and incentives, and leverages a scientifically sound compensation architecture to drive employee growth. During the Reporting Period, Joyson Safety Systems established the *Global Compensation and Benefits Guideline*, and developed a comprehensive global

framework encompassing overall compensation structure, philosophy, principles, processes, and policies. This system includes annual performance-based salary adjustments, ad hoc special adjustments, incentive programs, and various benefits. Furthermore, Joyson Safety Systems has launched a Payroll Shared Service Centre to consolidate compensation management functions across regions and plants, and enhance compliance management and internal control capabilities—such as through the Payroll Calendar and the Variance Check—to ensure global pay equity. Joyson Safety Systems Asia also standardized processes related to compensation criteria, applications, approvals, disbursements, and analytics during the Reporting Period, clarifying compensation structures and management boundaries to ensure consistent application of the same rule set, thereby strengthening the fairness and transparency of compensation incentives.

A performance-based compensation structure and incentive mechanism is an important way to enhance employee motivation. We conduct at least annual multi-dimensional performance evaluations to comprehensively assess employees' overall annual performance, and also implement an agile, year-round dialogue mechanism. This includes regular one-on-one communication, project reviews, and real-time feedback, as well as 360-degree feedback for selected employees, helping employees gain timely insights into their performance and make continuous improvements. To motivate employees, Joyson Electronics explicitly states in the *Staff Handbook* that individual performance is a decisive factor in determining compensation, with salary adjustments made based on personal performance. Joyson Preh has already clarified performance evaluation standards in both the *Staff Handbook* and the *Employee Performance Management System*, and conducts management with four factors: legality, individual performance, company

performance, and market competitiveness—fully motivating employee enthusiasm. Joyson Preh has also established an Annual Star employee recognition award, which is incorporated into team performance evaluations to encourage team development and joint efforts in addressing complex challenges. To further improve the efficiency and fairness of performance management, Joyson Safety Systems has fully rolled out a digital performance management system. It realized the automation and standardization for setting performance goals, conducting performance evaluations, and delivering feedback—covering 100% of salaried employees. JOYNEXT has officially launched the Feishu Performance Management System, enabling digitalized performance management for white-collar staff and improving process tracking and feedback timeliness. During the Reporting Period, performance-based compensation structures covered the vast majority of Joyson Electronics' employees.

In addition, since 2021, Joyson Electronics has maintained an employee shareholding plan, covering directors (excluding independent directors), senior management personnel, middle managers and key staff within the Group and its subsidiaries, as well as other employees deemed worthy of incentive by the Board of Directors. The plan aligns employee interests with the Group's long-term development and motivates employees while driving corporate growth.

To recognize outstanding employees for their contributions, we also conduct initiatives such as the "Best Employee" selections to fully acknowledge employee value and drive team motivation. JOYSONQUIN holds an "Outstanding Employee of the Month" award to honor staff who exemplify core values through exceptional performance and dedication. Joyson Preh has also established the "Employee of the Year" recognition program, fostering a positive, appreciation-driven workplace culture. We integrate

appreciation and incentives for employees' hard work into daily management practices. In April 2026, Joyson Safety Systems hosts its annual Global Gratitude Day event across all global operating locations to publicly recognize long-serving employees with five or more years of service. Through commemorative certificates, group photos, and speeches from leadership, it expresses heartfelt thanks and further strengthens employees' sense of belonging and team cohesion.

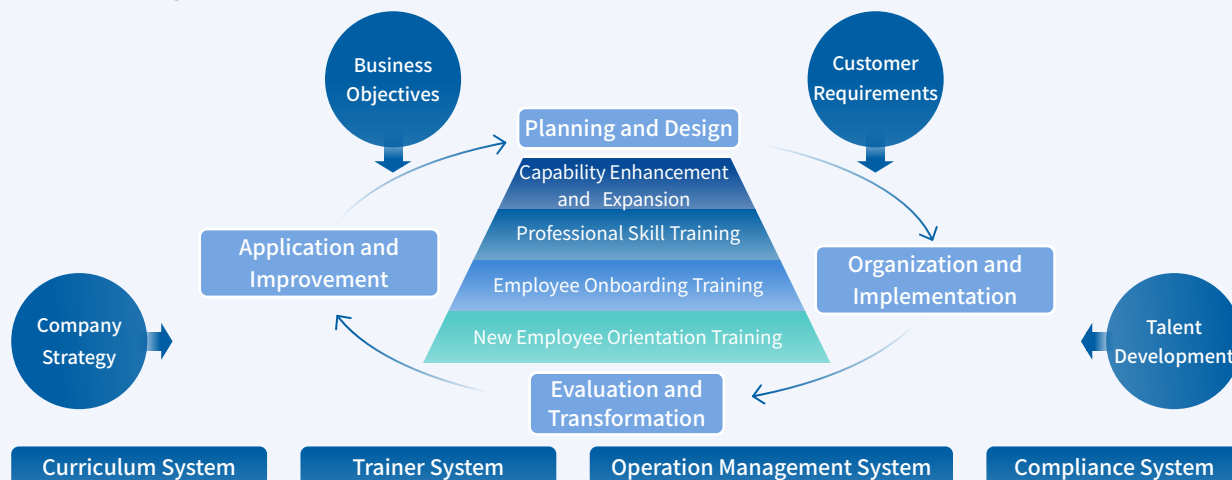
Employee training

Top-tier talent is the core driver of enterprise development. We leverage a systematic training framework to enhance employee value, broaden career pathways, and lay a solid talent foundation for long-term corporate growth. The Group has established the *Training and Learning Management System*, aimed at enhancing employees' knowledge base and professional skills through systematic training and learning initiatives. Subsidiaries and business units under Joyson Electronics have also built and continuously strengthened systematized and standardized training frameworks based on their respective operational needs. JOYNEXT updated or introduced multiple training-related management regulations in 2025, including the *Employee Training Management System*, *Internal Trainer Management System*, *Mentorship Guidance Management Guidelines*, *Training Credit Management Guidelines*, and *Blue-Collar Employee Training Management Measures*, enhancing the systematic and standardized nature of training operations.

Scientific training framework

Each year, Joyson Electronics closely aligns its annual training plan formulation and implementation with business development directions and actual employee growth needs. To effectively enhance training outcomes and the conversion of learning into real-world application, we dynamically optimize training content and delivery formats based on employee feedback. For example, Joyson Preh has developed a closed-loop management mechanism—"Planning & Design, Organization & Implementation, Evaluation & Transformation, Application & Improvement"—driven by strategic objectives and annual business goals. Its training portfolio includes onboarding orientation, job readiness training, professional skill development, and capability enhancement programs, supported by the course system, instructor system, operational management system, and compliance system, thereby driving talent development and organizational capability building.

Joyson Preh's training framework



We empower talent development through digitalization, and advance online learning platform development and intelligent training operations to create a flexible and efficient learning ecosystem. For example, JOYSONQUIN has launched the Joyson Online Learning Platform to offer training modules on office tools, business etiquette, communication skills, and cross-cultural interaction. Joyson Preh officially implemented the SuccessFactors system in 2025 as a unified training platform, enabling seamless alignment between online course resources and departmental needs, facilitating efficient online delivery and promotion of select training content. This expanded training coverage, improved management efficiency, and provided strong support for employee growth and skill enhancement.

Diverse training offerings

We are committed to empowering organizations with knowledge and driving the future through talents. To continuously promote employee growth and build a high-caliber talent team, we provide employees with a wide variety of training programs covering diverse topics, such as skills and knowledge development. These programs have been made available to all employees, including part-time and outsourced staff. In 2025, the Company led various training initiatives, including professional development (such as HR empowerment workshops, financial and sales skills training, lean production, quality management, vocational qualification training, and certification seminars), leadership development (such as the CFO talent pipeline program), cultural education, digital transformation training, compliance and business ethics education, IT information security training, and ESG seminars, among others. Business units also conducted a range of training sessions—including onboarding training for new hires, professional skill training, general competency training, and leadership training—to support continuous growth of employees across different levels and roles.

Onboarding training for new hires

Case study JOYSONQUIN's "New Elite Training Camp"

In July 2025, JOYSONQUIN officially launched the "New Elite Training Camp" talent development program, designed to accelerate the integration of recent graduates into the corporate environment. The program encompassed core modules such as onboarding training, quality expansion, and specialized coursework. Through centralized and systematic development, it helped graduates successfully transition from "campus professionals" to "workplace professionals," laying a solid foundation for future role performance.



JOYSONQUIN's "New Elite Training Camp"

Professional skills training

Case study Joyson Preh's professional skills training

In 2025, Joyson Preh delivered professional skills training covering industry trends, project management, functional safety, lean management, product knowledge, and tool usage techniques—effectively supporting skill enhancement for employees in R&D, quality, project, and manufacturing roles. During the Reporting Period, Joyson Preh also organized a series of activities under the "Engineer Culture Month," including innovation forums (featuring external experts), innovation mindset and energy management workshops, and themed debate competitions, effectively stimulating creativity and vitality within the engineering community.



JOYNEXT's quality project training



JOYNEXT's Functional Safety Concept Introduction Workshop

General skills training

Case study Joyson Preh's general competency training for office work

In 2025, Joyson Preh conducted general competency training covering Excel efficiency, PowerPoint presentation skills, communication and expression, structured thinking, and language proficiency to enhance employees' office productivity, presentation effectiveness, and cross-cultural communication capabilities. Additionally, Joyson Preh offered process and system training encompassing confidentiality, information security, R&D processes, customer standards, and customs knowledge in order to standardize operational execution and strengthen the foundation for refined operations.

Digital training

The Group has integrated digital transformation into the all-employee training system. Through structured course design and practical modules, employees are equipped with competencies in data analysis, intelligent tools, and digital collaboration platforms.



DP-600 Microsoft Fabric Data Analyst certification training course



PL-500 Power Automate RPA Developer certification training course

Cross-cultural training

Joyson Electronics has a diverse workforce with employees from various cultural backgrounds. To help employees better integrate into the working environment, the Group and its business units actively organize various forms of cross-cultural competency training.



Enhancement of cross-cultural collaboration capabilities



Leadership training

Case study JOYSONQUIN's J100 2.0 Leadership Program

In July 2025, JOYSONQUIN launched the J100 2.0 Leadership Program targeting directors, senior managers, and managers, with tiered tracks—Far Horizon Class, Advanced Mastery Class, and Excellence Class—encompassing over 130 participants. The program adopted a hybrid approach combining online and offline delivery, with post-class practical assignments accompanying each session, leveraging a training-in-action model to drive tangible outcomes and effectively enhance participants' management capabilities. Subsequently, participants will be grouped to conduct research and presentations on diverse management topics, so as to promote the application of learned knowledge. A total of 10 on-site training sessions were conducted in 2025, accumulating 5,237.75 hours of combined online and offline learning time.



J100 2.0 Leadership Program: Far Horizon Class, Advanced Mastery Class, Excellence Class



Case study Joyson Safety Systems' MDP_JUMP UP

The MDP_JUMP UP is designed to systematically strengthen core managerial competencies, enabling leaders to meet evolving business demands and corporate strategic needs while adapting to external business challenges. In 2025, Joyson Safety Systems launched the MDP_JUMP UP, a training initiative covering core management capabilities, cross-departmental collaboration, business agility, and other modules. A total of 23 employees from China, South Korea, the Philippines, and Thailand participated, representing key functions including sales, supply chain and procurement, finance and human resources, product development, production operations, and quality. In addition to classroom instruction, the program

incorporated factory visits and cross-cultural workshops to deepen participants' understanding of business processes, operational practices, and diverse cultural contexts, effectively bridging theory with practice. The overall satisfaction score reached 4.77 out of 5, with an average instructor evaluation of 4.80, course content rating of 4.78, and participant engagement score of 4.72. Participants highly praised the program's content quality, instructor performance, and learning experience.



Joyson Safety Systems' MDP_JUMP UP



JOYNEXT's Senior Executive Team Empowerment Workshop



JOYNEXT's Frontline Leadership Development Program Training



Internal trainer mechanism

To preserve internal knowledge and strengthen organizational capability, the Group continues to build a professional, systematic internal trainer framework. For example, Joyson Safety Systems established an internal trainer team composed of senior managers, technical experts, and core staff to deliver targeted training programs aligned with business needs. Meanwhile, Joyson Safety Systems Asia has implemented the Train the Trainer (TTT) program to provide systematic capacity-building for internal instructors and enhance their teaching ability and course quality, thereby reinforcing internal knowledge transfer. Joyson Preh plans to further refine its mentorship system by strengthening communication efforts, establishing an online reporting system and process tracking dashboard, clarifying mentor incentive budgets and coaching limits to ensure precise resource allocation. Simultaneously, the system can review departmental mentor teams to improve professionalism and stability, and refine qualification criteria for mentees, significantly enhancing talent development efficiency. JOYNEXT has also established the *Internal Trainer Management System* and the *Mentor Management System*. In 2025, the first cohort of 20 "Talent Architects" internal trainers from JOYNEXT were officially certified and authorized to deliver training following rigorous selection and development processes.



JOYNEXT's "Talent Architects" internal trainers certified and authorized to deliver training

Mentorship mechanism

Through the establishment of a systematic internal trainer ecosystem, the Group promotes internal knowledge retention, capability replication, and sustainable development. For example, JOYSONQUIN established the Mentorship Management System to help new hires and employees newly transferred to different roles quickly master job-specific skills, strengthen communication between new and experienced staff, and effectively fulfill the "passing on, supporting, and guiding" responsibilities. This initiative enhances technical proficiency across the workforce and ensures the continuity of technological knowledge. During the Reporting Period, JOYSONQUIN launched a mentor-apprentice program within the Manufacturing Engineering Department, employing a "1 methodology + 1 practical project + 1 white paper" development model to identify and cultivate high-potential talents. This enhanced employees' professional competencies while building a strong talent pipeline for the Company. Joyson Preh continues advancing its "Eagle Program" for graduate trainees by assigning a dedicated mentor to each new hire. During the Reporting Period, Joyson Preh completed 43 mentor-apprentice projects, significantly improving participants' job performance.



Academic advancement

Joyson Electronics remains committed to growing alongside its talents, and empowering lifelong learning and career advancement through systematic policies. The Group has established and implemented multiple systems, including the *Employee Education Promotion System* and the *Incentive Policy for Professional Titles and Qualification Certifications* to offer global employees comprehensive support for academic upgrading and professional skill enhancement. In addition, Joyson Preh has established policies such as the *Part-time Postgraduate Study Support Policy*, the *Self-Learning Subsidy for Managers*, and the *Educational Subsidy for Blue-Collar Employees*. They have provided support for employees' further studies through subsidies and leave arrangements. JOYSONQUIN has developed the *Employee Academic Advancement and Professional Title/Certification Acquisition Incentive System*, clearly defining incentive criteria to help employees achieve long-term career development. Furthermore, during the Reporting Period, Joyson Safety Systems, based on the existing academic advancement policy, clarified the eligibility criteria, fee standards, and approval processes for funding. The policy emphasizes practical application, requiring graduation theses to focus on actual projects, driving the transformation of knowledge outcomes into business value and establishing a closed-loop cycle of "learning—application—value creation," which simultaneously fosters the growth of high-level talents and strengthens organizational core competitiveness.

Our supported degree programs and certification courses are available to all employees, including part-time and outsourced staff. Tailored academic advancement support plans are designed according to different job requirements, encouraging technical and managerial personnel at production frontlines to pursue in-service bachelor's degrees, while supporting mid-to-senior-level technical and management staff in pursuing master's

and doctoral degrees. Joyson Electronics will cover tuition fees for employees pursuing doctoral studies while employed, and provide education subsidies based on degree levels. Upon successful completion and receipt of the degree certificate, employees will also receive a bonus subsidy for their academic achievement. Regarding professional skill enhancement, we have established relevant management regulations: employees who obtain intermediate or senior professional titles or technician qualifications will be granted examination fee reimbursements and bonuses according to the type and level of their certification. For example, Joyson Safety Systems Asia has introduced a comprehensive training support policy covering various certifications and academic advancements to support employee career development. Employees may apply for reimbursement of training or examination fees upon obtaining mandatory position certificates (in the fields such as safety, quality, and electrical work), non-mandatory position certificates (in the fields such as equipment maintenance and machining), non-mandatory professional titles or qualifications (in the fields such as project management and quality management), or pursuing master's or higher degrees in engineering. Continuous learning and capability enhancement are always encouraged.

Over the past three years, thanks to the Company's programs, more than 132 employees have obtained Master of Engineering degrees, and over 263 employees have completed undergraduate upgrading programs. We also encourage employees to pursue higher academic degrees such as doctoral and postdoctoral studies. As of the end of the Reporting Period, more than 14 employees at Joyson Electronics are currently pursuing doctoral or postdoctoral studies.



Occupational health and safety

Ensuring occupational health and safety is the lifeline of stable corporate operations and a solemn commitment we make to our employees. Joyson Electronics strictly complies with occupational health-related laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. During the Reporting Period, the Group further revised *Environmental, Health, and Safety Policy* and committed to implementing systematic risk assessment and prevention mechanisms, identifying key priorities, and establishing targeted action plans to comprehensively safeguard workplace safety and health.



All business units under Joyson Electronics have established occupational health and safety management systems based on their respective operational contexts and actual needs, in accordance with ISO 45001 Occupational Health and Safety Management Systems. As of the end of the Reporting Period, our occupational health and safety system covered all employees.

To strengthen occupational health management, each business unit continues to refine its organizational structure related to occupational health and safety. In 2025, Joyson Safety Systems optimized its global EHS organization, enhanced EHS standardization management and experience sharing across operating locations; JOYNEXT has appointed occupational health and safety committee members at all production facilities and formed safety management groups, further reinforcing safety system construction. The group is composed of a Safety Management Group Leader, who serves as the primary person responsible for safety at JOYNEXT and assumes full accountability for safety management, including safety system development, safety training, and risk prevention and control; an Executive Deputy Leader, who assists the Leader in carrying out and implementing safety management activities; and Safety Officers and Safety Managers, who support both the Leader and the Executive Deputy Leader in executing safety management tasks.

Performance targets

Joyson Electronics consistently treats employee occupational health and safety as a fundamental development principle, and has set management targets to continuously strengthen the safety operation and health protection system. We have established a management target to reduce the Lost Time Injury Rate (LTIR), calculated per 200,000 working hours and covering both employees and contractors, to below 0.23 by 2030. In 2025, our LTIR was 0.24, representing a 9% decrease compared with 2024.

Moreover, to effectively evaluate and drive the implementation of improvement measures, we consistently track the outcomes of actions using key occupational health and safety indicators. Joyson Preh conducts quarterly and annual tracking and analysis using critical metrics such as the incidents per 100 employees (100-ER), the total accident rate (TAR), and the injury severity rate (ISR) to further drive improvement initiatives. Joyson Safety Systems leverages a monthly reporting mechanism to regularly review key indicators such as severe injury incidents and work-related injury rates, enabling timely identification of risk trends and optimization of management practices.

Occupational health management

The Group continues to build a systematic, normal occupational health risk prevention and control system. To ensure effective protection of employee occupational health, we conduct regular identification and risk assessment of occupational hazard factors, and based on the results, implement targeted monitoring and control for positions with potential occupational safety risks. During the Reporting Period, JOYSONQUIN conducted workplace occupational hazard factor testing to comprehensively identify sources of hazards and employee exposure levels, with all test results meeting relevant standards. Joyson Preh conducts a comprehensive occupational health evaluation every three years, supported by multi-dimensional measures including regular hazard inspections, internal audits, external certification audits, safety training, emergency drills, and the employee suggestion program "Ideas by Preh," ensuring continuous protection of employee health and workplace safety.

Based on the characteristics of occupational disease-prone positions, we implement focused control and require personnel engaged in special operations to hold valid certifications before commencing work. For example, employees in high-risk roles involving painting, injection molding, steering wheel foaming, and coating are provided with standardized, qualified personal protective equipment (PPE) to effectively prevent and reduce occupational health risks. Additionally, we offer pre-employment, in-service, and post-employment occupational health examinations. At the same time, we maintain individual employee health records and regularly update essential documents, including the *Occupational Hazard Factor Identification Table*, the *List of Personnel Exposed to Occupational Hazards*, and the *Occupational Health Surveillance Record for Workers in Hazardous Positions*, to ensure information accuracy and timeliness.

Furthermore, the Group continuously monitors industry technological advancements and cutting-edge trends in occupational health management. By advancing process automation, we effectively mitigate occupational health risks such as repetitive strain injuries (RSI). During the Reporting Period, Joyson Preh deployed autonomous mobile robots (AMRs) to replace manual material handling and introduced adjustable-height lifting equipment at its Portugal plant, reducing physical workload during component packaging and box handling. The Company also implemented a job rotation system to prevent occupational injuries caused by prolonged repetitive tasks. Joyson Preh's Romania Plant applied human factors engineering research to identify and improve employee working postures, preventing occupational diseases resulting from long-term poor ergonomics.



Adjustable-height lifting equipment
deployed in Joyson Preh's Portugal Plant

Workplace safety management

The Group remains steadfast in its commitment to prioritizing safety in its development, and has established a robust risk control and emergency management system. Through hazard identification and control, and prompt emergency response actions, we safeguard employee lives. We also incorporate on-site external personnel into our management framework to supervise their work processes and ensure that their safety remains under control. In addition, we have implemented targeted management for chemical safety and regularly conduct leak response drills and safety awareness campaigns to comprehensively enhance risk prevention and control and emergency response capabilities.

To control safety risks at the source and effectively prevent accidents, all business units continue to conduct in-depth hazard identification actions. Joyson Safety Systems Asia has established the Hazard Identification and Control Procedure, and developed safety risk maps. It regularly assesses the likelihood of hazards and their potential consequences, and implements tiered control measures to mitigate safety risks. Joyson Safety Systems Asia has also established the *Environmental, Health, and Safety (EHS) Management of Change (MOC) Procedure* to standardize change management across scenarios such as new equipment introduction, process adjustments, layout modifications, and chemical introduction, ensuring that risks remain controlled throughout the entire change process. Furthermore, JOYNEXT continues to advance hazard identification and remediation efforts, conducting regular reviews of identified risks and tracking corrective actions. During the Reporting Period, the Ningbo Plant of JOYNEXT identified 101 safety hazards in total, all of which were fully addressed, effectively safeguarding employee safety. JOYSONQUIN has likewise established a risk grading control and hazard identification and rectification mechanism to solidify the foundation for workplace safety.

Emergency response

To prevent workplace safety incidents, we have established and implemented internal procedures such as the Emergency Preparedness and Response Control System based on the Classification Method for Environmental Accident Risk of Enterprise (HJ941-2018), Guidelines for the Review of Emergency Response Plans for Environmental Incidents in Enterprises and Public Institutions (Trial) (HBYJ [2018] No. 8), and other relevant local regulatory requirements, tailored to the operational needs of each business unit. In this manner, we aim to continuously enhance our capability to rapidly respond to and manage sudden environmental events. During the Reporting Period, JOYNEXT developed emergency plans, established a dual-prevention mechanism, and created a four-color risk map to identify and assess the impact levels of various risk events, enabling targeted preventive measures and customized emergency response plans to enhance emergency response capabilities. We have also established an emergency response organization, formulated comprehensive emergency plans and on-site response procedures closely aligned with environmental, safety, and production requirements, and ensured adequate financial and material support in accordance with plan specifications.

On-site external personnel management

For long-term on-site suppliers, we implement unified management on par with internal employees. All suppliers entering the premises undergo specialized safety training conducted by the EHS team, during which safety rules are either read aloud to or reviewed by suppliers, followed by document signing to ensure the fulfillment of safety responsibilities. For example, Joyson Safety Systems has established a process for external contractors, clearly defining management across all stages including project initiation, entry, construction, and completion. The Safety Instructions are communicated to visitors through visitor passes, and all on-site and construction contractors are required to sign both the Construction Registration Form and the Construction Safety Notice, ensuring clear assignment of safety responsibilities. JOYSONQUIN also requires contractors to sign the *Health, Safety and Environmental (HSE) Agreement with Relevant Parties*, which clearly stipulates that contractors must properly wear and use protective equipment during construction and implement necessary safety measures to ensure safe operations.

Chemical safety

In chemical management, Joyson Electronics strictly complies with local laws and regulations, including the *Regulation on the Safe Administration of Dangerous Chemicals*, the *Regulations on the Safe Use of Chemicals in the Workplace*, and the *Safety Specifications of Special Work in Hazardous Chemical Enterprises* (GB 30871-2022). All business units further apply practical operational experience to standardize the entire lifecycle management of chemicals—from application and procurement to loading/unloading, handling, storage, labeling, usage, and disposal—minimizing the impact of chemicals on personnel. For example, JOYNEXT has established the Chemical Management System to implement full-process control over chemicals, including maintaining a chemical inventory, recording usage of various chemicals, and conducting special approval procedures for new chemicals, which can only be added to the approved usage list after successful evaluation. In addition, JOYNEXT conducts regular specialized inspections on chemical management to promptly rectify non-compliance issues, thus ensuring safety and compliance throughout the entire process of storage, usage, and management. To further enhance employees' awareness and capabilities in chemical safety management, we regularly organize dedicated training sessions on chemical management and emergency drills for chemical leaks, so as to strengthen employees' understanding and operational competence in chemical safety.

Case study

Ningbo Plant of JOYNEXT conducted a chemical leak emergency drill

In 2025, the Ningbo Plant of JOYNEXT conducted a chemical leak emergency drill, during which the full response process was simulated—from leak detection and safety protection confirmation, to source control, absorption treatment, and proper disposal of hazardous waste. Through practical, scenario-based training, the exercise significantly improved employees' emergency response capabilities and safety awareness in handling hazardous chemical incidents.

Awareness building

The Group continues to deepen safety awareness education and skill development across all levels, fostering a safety culture characterized by full participation and end-to-end risk control. We deliver three-tier safety training upon onboarding, along with various in-service occupational health and safety education programs, covering topics such as interpretation of safety laws and regulations, job-specific operations, and case studies of past incidents. For example, JOYSONQUIN conducted onboarding safety training and routine occupational health and safety training during the Reporting Period, consistently reinforcing employees' awareness of occupational health and safety; JOYNEXT also carried out specialized training on occupational hazard control and proper use of PPE, comprehensively enhancing overall occupational health protection and safe operation capabilities.



Case study JOYSONQUIN's occupational safety training

During the Reporting Period, JOYSONQUIN held onboarding safety training to introduce evacuation routes, process flows, key hazard points in special equipment, and corresponding protective measures. Employees were educated on the meanings of red, yellow, blue, and green safety colors and safety signage. New hires were informed of their rights—including the right to know, claim compensation, criticize, report violations, refuse unlawful instructions, and take emergency evasive actions—as well as their obligations, such as improving protection ability for safety and adhering to safety systems, along with procedures for work injury recognition and reporting. The training also included traffic safety awareness sessions to strengthen employees' safety consciousness during commuting. Additionally, JOYSONQUIN conducted four quarterly occupational health and safety training sessions, further strengthening employees' safety literacy and emergency response capabilities, thereby establishing a solid foundation for safe operations.



JOYSONQUIN's onboarding safety training and occupational health & safety training

To strengthen employees' workplace safety awareness, we provide role-specific training aligned with position risks and regularly conduct activities such as Safety Month, Fire Prevention Month, emergency response planning, and simulation exercises to enhance risk prevention and crisis response capabilities for environmental emergencies. For example, during the Reporting Period, JOYNEXT has completed certification training for safety officers and safety managers, as well as qualifications for high- and low-voltage electricians and high-altitude workers, alongside specialized training in fire safety and emergency response, electrical safety, first aid awareness, and chemical safety—continuously building targeted safety competencies among staff. Meanwhile, JOYNEXT Germany conducted risk assessments during the Reporting Period and implemented mandatory safety training for all managers based on identified gaps in risk awareness. The average annual safety training duration per employee reached 7 hours. Joyson Preh has also conducted fire emergency drills to improve employees' ability to evacuate safely under emergency conditions.

Activities during JOYNEXT's Safety Month in 2025



A culture of collective supervision fostered by employees through proactively uploading safety hazards



Launch of the 2025–2027 ESG Safety Planning, establishment of a safety management team, and company-wide signing of safety responsibility agreements



On-site training in CPR and wound dressing techniques conducted by experts



Forklift competition with full staff observation to learn standardized operating procedures

Case study Joyson Preh's Safety Month activities

During the 2025 "Workplace Safety Month" in June, Joyson Preh centered its activities around the three key pillars of "Learning, Delivering, and Protecting," adopting a "communication + hands-on practice + inspection" model to launch a series of themed activities, comprehensively strengthening safety awareness and risk prevention capabilities, and embedding the concept of workplace safety deeply into practice.



Training for first aiders, fire extinguisher operation drills, and interactive knowledge sessions during Joyson Preh's Safety Month

Social value contribution

As co-creators of social development, Joyson Electronics consistently focuses on societal needs, and implements diversified public welfare initiatives and deeply engages in core areas such as ecological conservation, education empowerment, agricultural assistance, and community care. Through practical actions, we convey corporate warmth and promote synergistic growth between the Group and society. We also emphasize community and public welfare practice standardization through institutional development. For example, JOYNEXT has established the Guidelines for Community and Social Engagement to systematically advance four core domains, including education support, social support, promotion of sustainable living, and emergency rescue, in order to continuously drive momentum for community development at our operating locations. During the reporting period, our total external donations amounted to RMB 4.8215 million.

Environmental initiatives

In our global operating locations, we implement diverse, locally adapted ecological actions tailored to regional contexts, and unite employees and local community residents to jointly build a harmonious, green, and thriving Earth.



Case study Environmental activities on the 2025 World Earth Day

On Earth Day 2025 in April, the Group launched a series of environmental initiatives in response to global sustainability calls, aiming to enhance employees' environmental awareness, promote green office practices, and integrate the environmental concept into daily operations through innovative actions, fulfilling our corporate environmental responsibilities.

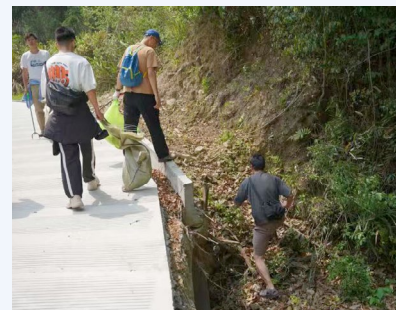
We organized joint street cleaning campaigns, initiated environmental creativity contests and a 365-day challenge, set up collection points for coffee grounds and used plastic bottles, and hosted DIY workshops using recycled coffee grounds. All these events aimed to guide employees to actively participate in the full cycle of resource regeneration. The campaign collected 44 actionable environmental proposals and produced 12 sets of "waste-to-worth" creative works, with over 400 participants.



Joyson Preh's environmental activities on Earth Day – Collecting-Used-Bottles-for-Recycling Campaign



Employee hiking activity for waste collection



Joyson Safety Systems (Romania) tree-planting initiative

Educational undertaking

Education is the foundation of national rejuvenation and social progress. Joyson Electronics has continuously prioritized investment in education. We have sustained the "Joyson Talent Cultivation Fund" program and actively supported local educational development with practical action. During the Reporting Period, a total of RMB120,000 in scholarship funding was disbursed, benefiting over 400 students and teachers. Meanwhile, Joyson Preh donated refurbished laptops and stationery to Qili School in Xiangshan County, Zhejiang Province, to upgrade rural education infrastructure, demonstrating our commitment to and sense of responsibility for driving educational revitalization.



Joyson Preh's donation of computers to rural schools

Public welfare agricultural support

Joyson Electronics actively assumes its responsibility in rural revitalization, supporting rural industrial development and farmers' income growth through targeted procurement of surplus agricultural products to empower rural communities.

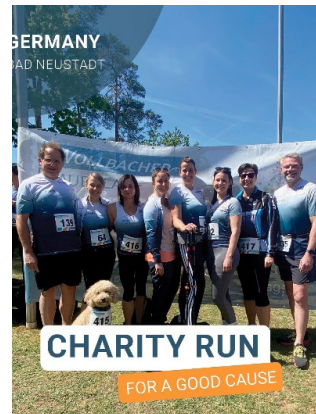


JOYSONQUIN's
purchase of
agricultural
products



Community support

As an integral part of local communities, Joyson Electronics proactively conducts community support activities aligned with the realities of its operating locations. For example, Joyson Preh organized employees and local community members to participate in running initiatives such as the "Frauenlauf Wollbach" Charity Run and the "Bad Neustadt" City Run, converting running distances into tangible donations; JOYSONQUIN joined a community anti-bullying campaign and sponsored items for elderly residents at a local care home in Mexico based on their wish lists; Joyson Safety Systems continues to host public art competitions and blood donation events while also focusing on improving local transportation conditions; Joyson Preh conducted blood donation activities as well. These diverse philanthropic efforts convey warmth and hope through small yet meaningful actions, continuously bringing compassion and momentum to communities across our operating locations, contributing to the development of harmonious and inclusive community ecosystems.



Joyson Preh's participation in the "Frauenlauf Wollbach" Charity Run



Joyson Preh's participation in the Bad Neustadt City Run



Joyson Preh's orchestra performance at a community party



Gifts presentation by JOYSONQUIN to elderly residents at a Local Care Home in Mexico

Case study 2025 Children's Day Public Art Competition

Following the first integration of its charitable initiatives with an art competition in 2023, Joyson Safety Systems held its third Children's Day charity art competition in 2025. The event attracted 86 children of employees from its operating locations in China, with online views of related content totaling 21,062. All submitted artworks were thoughtfully displayed in reading corners and leisure areas at the Asia headquarters, creating a warm and creative visual highlight. Meanwhile, Joyson Safety Systems continued to make donations on behalf of all participating children, providing 100 charitable art kits worth RMB10,000 through the China Foundation for Rural Development to support children in underdeveloped regions, helping them unleash their imagination and pursue their dreams.



Artworks created by employees' children



The "Yellow May" Road Safety Public Awareness Campaign conducted by Joyson Safety Systems South America in local communities



Joyson Safety Systems' blood
donation activity and Joyson Preh's
blood donation activity



Performance Indicators

Environmental Performance Indicators

Indicator ¹	Unit	2025 Data
Energy Consumption²		
Total Energy Consumption	MWh	731,537.58
Total Energy Intensity	MWh/million revenue	11.96
Direct Energy Consumption	MWh	155,849.22
Direct Energy Consumption Intensity	MWh/million revenue	2.55
Including: Natural Gas Consumption	MWh	88,567.92
Including: Liquefied Petroleum Gas (LPG) Consumption	MWh	51,292.02
Including: Fuel Oil Consumption	MWh	2,449.50
Including: Diesel Consumption	MWh	7,779.60
Including: Gasoline Consumption	MWh	5,556.76
Including: Biomass Consumption	MWh	203.41
Indirect Energy Consumption	MWh	575,688.35
Indirect Energy Consumption Intensity	MWh/million revenue	9.41
Including: Purchased Electricity Consumption (Non-renewable Electricity)	MWh	321,918.54
Including: Clean Electricity (Including: Purchased Renewable Electricity, Self-generated and Self-consumed Electricity from Self-built Distributed PV Systems)	MWh	244,401.96
Including: External Heating Consumption ³	MWh	9,153.26
Including: Purchased Cooling Consumption	MWh	214.60

Note 1: Unless otherwise specified, the environmental data in the table cover the majority of the Group's production subsidiaries, namely Joyson Preh, Joyson Safety Systems, Joynext and Senssun. The scope of environmental data has been expanded compared with that in 2024.

Note 2: For the conversion of energy consumption to megawatt-hours (MWh), the methods and data we use mainly come from the Bundesamt für Wirtschaft und Ausfuhrkontrolle (Federal Office for Economic Affairs and Export Control of Germany) and General Rules for Calculation of The Comprehensive Energy Consumption (GB/T 2589-2020).

Note 3: Certain purchased heat is renewable heat.

Indicator ¹	Unit	2025 Data
Total Renewable Energy Consumption ⁴	MWh	248,089.73
Total Non-Renewable Energy Consumption	MWh	483,447.85
Greenhouse Gas Emissions⁵		
Total Greenhouse Gas (GHG) Emissions (Including Scope 1 and Scope 2, Location-Based)	tCO ₂ e	266,246.07
GHG Emission Intensity (Including Scope 1 and Scope 2, Location-Based)	tCO ₂ e/million revenue	4.35
Total Greenhouse Gas (GHG) Emissions (Including Scope 1 and Scope 2, Market-Based)	tCO ₂ e	206,002.93
GHG Emission Intensity (Including Scope 1 and Scope 2, Market-Based)	tCO ₂ e/million revenue	3.37
Scope 1 GHG Emissions	tCO ₂ e	45,087.64
Including: Stationary Combustion Emissions	tCO ₂ e	31,291.05
Including: Mobile Combustion Emissions	tCO ₂ e	3,243.92
Including: Industrial Process Emissions	tCO ₂ e	1,176.19
Including: Other Fugitive Emissions	tCO ₂ e	9,376.48
Scope 2 GHG Emissions (Location-Based)	tCO ₂ e	221,158.44
Including: Purchased Electricity (Location-Based)	tCO ₂ e	219,185.60
Including: Other Purchased Energy (Purchased Heat and Purchased Cooling)	tCO ₂ e	1,972.84
Scope 2 GHG Emissions (Market-Based)	tCO ₂ e	160,915.30
Including: Purchased Electricity (Market-Based)	tCO ₂ e	158,942.46

Note 4: Renewable energy includes purchased renewable electricity, self-generated and self-consumed electricity from self-built distributed PV systems, biomass, and renewable heat.

Note 5: Greenhouse gas (GHG) accounting is based on the GHG Protocol, and data is presented in carbon dioxide equivalent (CO₂e). Direct GHG emissions (Scope 1) mainly come from the consumption of fossil energy. The CO₂ emission factors refer to the emission factor guidelines issued by various countries or regions, including the International Energy Agency (IEA) Emission Factors 2024 and the Bundesamt für Wirtschaft und Ausfuhrkontrolle (Federal Office for Economic Affairs and Export Control of Germany). Indirect GHG emissions (Scope 2) mainly come from externally purchased electricity and refrigeration, with a market-based calculation method adopted. The CO₂ emission factors refer to the emission factor guidelines issued by various countries or regions or power supply enterprises, including the International Energy Agency (IEA) Emission Factors 2023 and the Announcement on the Release of the Carbon Dioxide Emission Factor of Electricity in 2023 issued by the Ministry of Ecology and Environment of the People's Republic of China.

Indicator ¹	Unit	2025 Data
Scope 3 GHG Emissions ⁶	tCO ₂ e	577,042.43
Category 1: Purchased Goods and Services	tCO ₂ e	558,108.77
Category 3: Fuel and Energy Related Activities	tCO ₂ e	1,676.41
Category 4: Upstream Transportation and Distribution	tCO ₂ e	2,634.32
Category 5: Waste Generated in Operations	tCO ₂ e	5,946.82
Category 6: Business Travel	tCO ₂ e	399.29
Category 7: Employee Commuting	tCO ₂ e	4,139.84
Category 8: Upstream Leased Assets	tCO ₂ e	34.78
Category 9: Downstream Transportation and Distribution	tCO ₂ e	4,102.20
Water Resource Utilization		
Water Withdrawal	m ³	2,836,562.83
Water Withdrawal Intensity	m ³ /million revenue	46.36
Including: Groundwater Withdrawal	m ³	403,020.50
Including: Surface Water Withdrawal	m ³	4,556.00
Including: Municipal Water Withdrawal	m ³	2,428,986.33
Water Discharge	m ³	2,425,474.55
Including: Discharge to Groundwater	m ³	0
Including: Discharge to Surface Water	m ³	199,346.40
Including: Discharge to Third Parties	m ³	2,226,128.15
Total Net Fresh Water Consumption	m ³	411,088.29
Water Consumption Intensity	m ³ /million revenue	6.72
Reclaimed Water Reuse Volume	m ³	30,770.00

Note 6: The statistics of other indirect GHG emissions (Scope 3) come from Joyson Preh, covering: purchased goods and services, fuel and energy-related activities, waste treatment, business travel (inter-company travel and hotel accommodation), and employee commuting, upstream leased assets, and downstream transportation and distribution. The scope has been expanded compared with that in 2024.

Indicator ¹	Unit	2025 Data
Water Withdrawal in Water-stressed Areas	m ³	499,984.59
Water Consumption in Water-stressed Areas	m ³	83,545.38
Packaging Material Procurement ⁷		
Total Procurement Volume of Packaging Materials Used	ton	22,345.74
Packaging Material Intensity	ton/million revenue	0.37
Wastewater Discharge		
Chemical Oxygen Demand (COD) Emissions	kg	107,192.58
Ammonia Nitrogen Emissions	kg	4,657.65
Suspended Solids Emissions	kg	25,014.71
Exhaust Gas Discharge		
Volatile Organic Compounds (VOCs) Emissions	kg	605,535.51
Particulate Matter (PM) Emissions	kg	28,570.96
Nitrogen Oxides (NOx) Emissions	kg	2,872.83
Sulfur Oxides (SOx) Emissions	kg	98.98
Waste		
Total Waste Generated	ton	58,669.84
Waste Generation Intensity	ton/million revenue	0.96
Total Hazardous Waste Generated	ton	5,297.27
Hazardous Waste Generation Intensity	ton/million revenue	0.09
Total Non-hazardous Waste Generated	ton	53,372.57
Non-hazardous Waste Generation Intensity	ton/million revenue	0.87
Waste Diverted from Disposal		
Total Waste Recycled/Reused	ton	43,203.97
Including: Total Amount of Hazardous Waste Recycled/Reused	ton	1,438.05
Including: Total Amount of Non-hazardous Waste Recycled/Reused	ton	41,765.92

Note 7: Packaging materials include plastics, metals, paper products, wooden pallets, and other materials.

Indicator ¹	Unit	2025 Data
Waste Sent for Disposal		
Total Waste Disposed	ton	15,465.87
Total Amount of Hazardous Waste Disposed	ton	3,859.22
Including: Total Hazardous Waste Disposed via Incineration with Energy Recovery	ton	1,902.75
Including: Total Hazardous Waste Disposed via Incineration without Energy Recovery	ton	107.68
Including: Total Hazardous Waste Disposed via Landfilling	ton	1,559.78
Including: Total Hazardous Waste Disposed via Other Methods	ton	289.01
Total Amount of Non-hazardous Waste Disposed	ton	11,606.65
Including: Total Non-hazardous Waste Disposed via Incineration with Energy Recovery	ton	4,416.75
Including: Total Non-hazardous Waste Disposed via Incineration without Energy Recovery	ton	1,165.48
Including: Total Non-hazardous Waste Disposed via Landfilling	ton	4,703.65
Including: Total Non-hazardous Waste Disposed via Other Methods	ton	1,320.77
Waste Incinerated with Energy Recovery	ton	6,319.50
Waste Incinerated without Energy Recovery	ton	1,273.16
Waste Landfilled	ton	6,263.43
Waste Otherwise Disposed	ton	1,609.78
Environmental Management		
Environmental Protection Investment Amount	Million RMB	62.05
Number of Major Environmental Non-compliance Incidents	-	0

Environmental Information of Subsidiaries Included in the 2025 List of Enterprises Required to Disclose Environmental Information in Accordance with Law

Company	Pollution Category	Key Pollutants	Annual Permitted Emissions (ton)	Annual Actual Emissions (ton)
Ningbo Preh Joyson Automotive Electronics Co., Ltd.	Exhaust Gas	VOCs	7.2982	4.6176
Ningbo Joyson Automotive Trim Technology Co., Ltd.	Wastewater	Chemical Oxygen Demand (COD)	7.817	2.572918
		Total Chromium	0.008	0.000629
		Hexavalent Chromium	0.002	0.00005483
		Total Nickel	0.001	0.000211
		Total Copper	0.013	0.000799
		Total Nitrogen (as N)	3.1038	0.1782
		Ammonia Nitrogen (NH ₃ -N)	1.5519	0.151035
Shanghai Lingang Joyson Safety Systems Co., Ltd.	Exhaust Gas	Particulate Matter (PM)	0.3519	0.15192
	Wastewater	VOCs	6.1238	5.05
		Chemical Oxygen Demand (COD)	4.979	3.3241
		Total Nitrogen (as N)	/	0.9718
		Ammonia Nitrogen (NH ₃ -N)	0.7075	0.4847

Environmental Facilities of Subsidiaries Included in the 2025 List of Enterprises Required to Disclose Environmental Information in Accordance with Law

Company	Pollution Category	Quantity (Units)	Treatment Process	Operation Status
Ningbo Preh Joyson Automotive Electronics Co., Ltd.	Exhaust Gas	1	Swirl Plate Scrubber - Dry Filtration - Molecular Sieve Adsorption & Desorption - Catalytic Combustion	Normal Operation
Ningbo Joyson Automotive Trim Technology Co., Ltd.	Exhaust Gas	5	Alkali Spraying, Activated Carbon Adsorption	Normal Operation
	Wastewater		Coagulation Sedimentation + Ion Exchange	Normal Operation
Shanghai Lingang Joyson Safety Systems Co., Ltd.	Exhaust Gas	1	Swirl Plate Scrubber - Dry Filtration - Molecular Sieve Adsorption & Desorption - Catalytic Combustion	Normal Operation
	Wastewater	1	Pretreatment in Sedimentation Tank - Centralized Pipeline Discharge	Normal Operation

Social Performance Indicators

Indicator	Unit	2025 Data
Occupational Health and Safety		
Lost Time Injury Rate (LTIR) per 200,000 Work Hours (Including Employees and Contractors)	/	0.24
Lost Time Injury Rate (LTIR) per 200,000 Work Hours (Employees)	/	0.28
Lost Time Injury Rate (LTIR) per 200,000 Work Hours (Contractors)	/	0.12
Lost Work Days Due to Work-Related Injuries (Including Employees and Contractors)	days	3,530
Number of Work-Related Fatalities ⁸ (Employees)	-	0
Number of Work-Related Fatalities (Contractors)	-	0
Fatal Work-Related Injury Incident Rate ⁹ (Including Employees and Contractors)	%	0
Employee Coverage Ratio for Work-Related Injury/Health Insurance	%	100
Coverage Rate of Production Sites Certified to ISO 45001 ¹⁰	%	72
Work-Related Injury Insurance Investment (Mainland China Only)	10,000 RMB	221.39
Investment in Safety Projects (Mainland China Only)	10,000 RMB	2,703.92
Work Safety Liability Insurance Investment (Mainland China Only)	10,000 RMB	5.71
Number of Employees Covered by Work Safety Liability Insurance (Mainland China Only)	-	399
Workforce Composition		
Total Number of Employees	-	44,142
Number of Employees by Employment Type		
Full-Time Employees	-	43,685
Part-Time Employees	-	457

Note 8: The number of work-related fatalities of employees was 0 in both 2024 and 2023.

Note 9: The fatal work-related injury incident rate was 0 in both 2024 and 2023.

Note 10: The coverage rate of production sites certified to ISO 45001 was 64% in 2024 and 63% in 2023.

Indicator	Unit	2025 Data
Number of Employees by Gender		
Male	-	24,285
Female	-	19,857
Number of Employees by Age Group		
Aged 50 and Above	-	8,724
Aged 40-49	-	11,959
Aged 30-39	-	13,316
Aged Below 30	-	10,143
Number of Employees by Job Level		
General Staff	-	42,900
Middle Management Staff	-	982
Senior Management Staff	-	260
Number of Employees by Educational Background		
Master's Degree and Above	-	3,293
Bachelor's Degree	-	8,359
Associate Degree	-	9,382
Below Associate Degree	-	23,108
Number of Employees by Region		
EMEA (Europe, Middle East, Africa)	-	18,442
Asia	-	11,981
Americas (Including North America and South America)	-	13,719

Indicator	Unit	2025 Data
Number of Employees by Professional Role		
Production Staff	-	35,259
Sales Staff	-	446
Technical Staff	-	5,895
Financial Staff	-	744
Administrative Staff	-	1,406
Other Staff	-	392
Workforce Turnover		
Overall Employee Turnover Rate	%	25.32
Employee Turnover Data by Gender		
Female Employee Turnover Rate	%	27.25
Male Employee Turnover Rate	%	23.74
Employee Turnover Data by Age Group		
Turnover Rate of Employees Aged Below 30	%	46.99
Turnover Rate of Employees Aged 30-39	%	22.98
Turnover Rate of Employees Aged 40-49	%	16.39
Turnover Rate of Employees Aged 50 and Above	%	15.94
Employee Turnover Data by Region		
Employee Turnover Rate in EMEA (Europe, Middle East, Africa)	%	14.09
Employee Turnover Rate in Asia	%	21.45
Employee Turnover Rate in the Americas (Including North America and South America)	%	43.80

Indicator	Unit	2025 Data
Employee Training Data		
Employee Training Investment Amount	Million RMB	23.94
Proportion of Trained Employees		
Proportion of Employees Receiving Training	%	96.60
Employee Training Data by Gender		
Female Employees	%	96.22
Male Employees	%	96.92
Employee Training Data by Job Level		
General Staff	%	95.79
Middle Management Staff	%	96.64
Senior Management Staff	%	93.08
Employee Training Hours Data		
Average Training Hours per Employee	Hours per Person	12.81
Training Hours by Gender		
Average Training Hours per Female Employee	Hours per Person	11.93
Average Training Hours per Male Employee	Hours per Person	13.53
Training Hours by Job Level		
Average Training Hours per General Staff Member	Hours per Person	12.53
Average Training Hours per Middle Management Staff Member	Hours per Person	23.06
Average Training Hours per Senior Management Staff Member	Hours per Person	20.56

Assurance Statement

SGS

ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN NINGBO JOYSON ELECTRONIC CORP.'S 2025 SUSTAINABILITY REPORT

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Ningbo Joyson Electronic Corp. (hereinafter referred to as Joyson Electronics) to conduct an independent assurance of the 2025 sustainability report (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Joyson Electronics's Stakeholders.

RESPONSIBILITIES
The sustainability information in the 2025 sustainability report and its presentation are the responsibility of Joyson Electronics's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the 2025 sustainability report.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of performance information in the 2025 sustainability report and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by Hong Kong Exchanges and Clearing Limited (HKEX)
Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

SGS

SUSTAINABILITY PERFORMANCE INFORMATION

Assurance has been performed on the materiality assessment process and the accuracy and reliability of sustainability performance information included in the 2025 sustainability report of Joyson Electronics. The key performance data are as follows:

Environmental Performance	- Total non-renewable energy consumption - Total renewable energy consumption - Total Waste Recycled/Reused - Total Waste Disposed - Waste Landfilled - Waste incinerated with energy recovery - Waste incinerated without energy recovery - Waste otherwise disposed - Water withdrawal - Water discharge - Total net fresh water consumption
Social Performance	- Number of Work-Related Fatalities (Employees) - Number of Work-Related Fatalities (Contractors) - Lost Time Injury Rate (LTIR) per 200,000 Work Hours (Employees) - Lost Time Injury Rate (LTIR) per 200,000 Work Hours (Contractors)
Governance Performance	- Total Number of Unique Suppliers - Number of Unique Significant Suppliers - Number of Unique Significant Suppliers Supported with Development Measures - Number of unique significant suppliers assessed via desk assessments/on-site assessments - Number of Unique Significant Suppliers Assessed with Substantial Actual/Potential Negative Impacts - Number of Unique Significant Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plan - Number of Unique Significant Suppliers with Substantial Actual/Potential Negative Impacts That were Terminated

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at #99 QingYi Road, High-tech Zone, Ningbo City, Zhejiang Province, China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Joyson Electronics and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the 2025 sustainability report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

SGS

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Joyson Electronics, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Joyson Electronics's 2025 sustainability report.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Joyson Electronics's 2025 sustainability report, has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY HKEX

The assurance team concludes that the Joyson Electronics's 2025 sustainability report, has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by HKEX.

ADHERENCE TO GUIDELINES NO. 14 OF SHANGHAI STOCK EXCHANGE FOR SELF-REGULATION OF LISTED COMPANIES—SUSTAINABILITY REPORT (TRIAL)

The assurance team concludes that the Joyson Electronics's 2025 sustainability report, has been prepared in accordance with the requirements of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial).

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Apr. 14th, 2026
WWW.SGS.COM



CN26/00002587

Greenhouse Gas Verification Statement

Statement of Conformity CN26/00002472

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

Ningbo Joyson Electronic Corp.

Business address: No. 99, Qingyi Road, High-tech Zone, Ningbo City, Zhejiang Province,
P.R. China
Organization boundary: Detail organization boundary information has been listed in Annex,
for multi-site statement
has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions
45,087.63 tonnes of CO₂e

Indirect Emissions
221,158.44 (Location-based) 160,915.40 (Market-based) tonnes of CO₂e

Total Emissions Quantified
266,246.07 (Location-based) 206,002.93 (Market-based) tonnes of CO₂e

The specific categories of indirect greenhouse gas emissions are detailed in the
appendix of this statement, which is an integral part of this statement



Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 26 Mar. 2026

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appearance of this document is unlawful.
Several statements have been issued for this scope, this is main statement
Page 1 of 17

SGS

SGS has been contracted by Ningbo Joyson Electronic Corp. (hereinafter referred to as "CLIENT"),
for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3:2019

as provided by Ningbo Joyson Electronic Corp. (hereinafter referred to as "RESPONSIBLE
PARTY"), in the Greenhouse Gas (GHG) Assertion in the form of GHG Report covering GHG
emissions of the period 01 Jan. 2025 to 31 Dec. 2025 (hereinafter referred to as "REPORT
PERIOD").

Roles and responsibilities
The management of the RESPONSIBLE PARTY is responsible for the organization's GHG
information system, the development and maintenance of records and reporting procedures in
accordance with that system, including the calculation and determination of GHG emissions
information and the reported GHG emissions.
It is SGS's responsibility to express an independent GHG verification opinion on the GHG
statement as provided by the RESPONSIBLE PARTY for the REPORT PERIOD.

According to ISO 14064-3:2019, SGS has conducted a third-party verification of the provided GHG
statement by RESPONSIBLE PARTY against the requirements of
ISO 14064-1:2018 in the period 02-03 Mar. 05 Mar. 09-10 Mar. 2026. The verification is based on
the verification scope, objectives and criteria as agreed between the CLIENT and SGS on 03 Mar.
2026.

Level of Assurance
The level of assurance agreed is that of Reasonable assurance.

Scope
The CLIENT has commissioned an independent verification by SGS in according to
ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in
conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined
below. The data and information supporting the GHG statement is historical in nature.

This engagement covers verification of emission from anthropogenic sources of greenhouse gases
included within the organization's boundary:

- The organizational boundary is established following Financial control approach
- Location/boundary of the activities; detail boundary information has been listed in Annex
- Physical infrastructure, activities, technologies and processes: Manufacturing of
automotive parts
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG
inventory and report of the RESPONSIBLE PARTY
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
- GHG information for the following period was verified: 01 Jan. 2025 to 31 Dec. 2025
- GWP adopted: IPCC 6 Assessment Report.
- Intended user of the verification statement: Clients, the public, etc

Objective
The purposes of this verification exercise are, by review of objective evidence, to independently
review:

- Whether the GHG emissions are as declared by the organization's GHG statement

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Note: The Greenhouse Gas Verification Statement disclosed in this Report includes only partial key information.



- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

Materiality

The materiality required of the verification is considered by SGS to 5%, based on the needs of the intended user of the GHG statement.

Verification approach

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions.

We plan and perform our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the REPORT PERIOD are fairly stated.

We conduct our verification with regard to the GHG statement of GHG Report of the RESPONSIBLE PARTY which includes assessment of GHG information system and reporting plan/protocol. This assessment includes the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, are consistently and appropriately applied.

Verification opinion conclusion

The RESPONSIBLE PARTY provided the GHG statement based on the requirements of ISO 14064-1:2018 that total emission 266,246.07 (Location-based) 206,002.93 (Market-based) tonnes of CO₂e in the organization boundary for the REPORT PERIOD.

The verification opinion as below is issued by SGS after an independent verification for RESPONSIBLE PARTY's GHG statement base on agreed Reasonable assurance:

☒ Unmodified

The GHG statement submitted by RESPONSIBLE PARTY is prepared in accordance with ISO 14064-1:2018 on GHG quantification and reporting, is a fair representation materially, the GHG data and information in statement are explicit and supported by adequacy and appropriate evidence.

☐ Modified

The GHG statement submitted by RESPONSIBLE PARTY has no material misstatement, however has some deficiencies which will prevent the issuance of unmodified verification opinion.

☐ Adverse opinion

The GHG statement submitted by RESPONSIBLE PARTY:

- has no material misstatement or
- there is insufficient or inappropriate evidence to support an unmodified or modified opinion.

☐ Disclaiming the issuance of an opinion

It is unable to obtain sufficient and appropriate objective evidence to form an opinion as to whether the GHG statement submitted is presented fairly in accordance with



Appendix B Greenhouse Gas Emissions Inventory (ISO14064-1:2018)

Greenhouse Gas Emissions Inventory (ISO14064-1:2018)		
Organization name	Ningbo Joyson Electronic Corp.	
Organizational boundary	Please refer to Appendix A for the list of organizational boundaries	
Reporting period	2025.01.01-2025.12.31	
Report boundary		Greenhouse gas emissions (Unit: tonnes of CO ₂ e)
Category		
Direct GHG emissions	Category 1 direct GHG emissions	45,087.63
Indirect GHG emissions	Category 2 indirect GHG emissions from imported energy	221,158.44 (Location-based) 160,915.40 (Market-based)
	Category 3 indirect GHG emissions from transportation	/
	Category 4 indirect GHG emissions from products used by organization	/
	Category 5 indirect GHG emissions associated with the use of products from the organization	/
	Category 6 indirect GHG emissions from other sources	/

Greenhouse Gas Emissions Inventory (GHG protocol)		
Organization name	Ningbo Joyson Electronic Corp.	
Organizational boundary	Please refer to Appendix A for the list of organizational boundaries	
Reporting period	2025.01.01-2025.12.31	
Operational boundaries		Greenhouse gas emissions (Unit: tonnes of CO ₂ e)
Category		
Scope1 direct GHG emissions		45,087.63
Scope2 indirect GHG emissions from imported energy		221,158.44 (Location-based) 160,915.40 (Market-based)
Scope3 other indirect GHG emissions	Category1-Purchased goods and services	/
	Category2-Capital goods	/
	Category3-Fuel and energy-related activities (not included in scope1 and scope2)	/
	Category4-Upstream transportation and distribution	/
	Category5-Waste generated in operations	/
	Category6-Business travel	/
	Category7-Employee commuting	/
	Category8-Upstream leased assets	/
	Category9-Downstream transportation and distribution	/
	Category10-Processing of sold products	/
	Category11-Use of sold products	/
	Category12-End-of-life treatment of sold products	/
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