

Joyoung 九阳

2023

Environmental, Social and
Governance (ESG) Report

Joyoung Co., Ltd.



Joyoung

CONTENTS

Joyoung 九阳

About the Report

Message from Chair

Key Performance

01

About Joyoung

17	Company Profile
18	Company Culture
19	Company Events
20	Honors
21	ESG Management

03

Innovation-led Product Responsibility Fulfilment

37	Continuous Innovation Drive
38	Intellectual Property Protection
39	Product Quality Optimization

05

Shared Responsibility and Synergistic Industry Development

53	Supplier Management
55	Common Progress of the Industry
56	Industry-University-Research Co-operation

07

Environmental Governance for Green Future

71	Environmental Management
75	Climate Change

Index of Indicators

Independent Assurance and
Statement of Opinion

Feature on Responsibility

Features 01: Space Science and Technology
Sparking the Kitchen Revolution

Features 02: Caring for Youth Health and Growth

02

Compliance Operation and Stable Development

27	Corporate Governance
29	Risk Management
30	Business Ethics
32	Information Security
33	Party Building

04

Be Customer-oriented and Fully Protect Customer Rights and Interests

45	Responsible Marketing
47	Considerate Customer Service

06

Employee Empowerment and Joint Growth

59	Employment
63	Training and Development
65	Health and Safety
67	Care for Employees

08

Giving Back to Society

79	Social Welfare
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Readers Feedback Form

About the Report

The Reporting Period

This Report is the fourth ESG report issued by Joyoung Co., Ltd. for stakeholders. The statements herein and the performance reported mainly cover the period from January 1, 2023 to December 31, 2023, and may involve previous years or reflect the policies or practices in 2024.

Source of Information

The information and data disclosed herein come from internal official documents, statistical reports and annual reports of Joyoung Co., Ltd. Financial data in the Report are in RMB. In case of any inconsistency with the financial statements, the latter shall prevail.

Compilation Basis

The Report is prepared with reference to the following standards:

- 2030 Sustainable Development Goals (SDGs) of the United Nations
- *Global Reporting Initiative Standards* (GRI Standards) of Global Sustainability Standards Board (GSSB)
- Sustainability Accounting Standards Board Standards (SASB Standards)
- China National Standard - *Guidance on Social Responsibility Reporting* (GB/T 36001-2015)
- *Guidance on Corporate Social Responsibility Reporting* issued by the Chinese Academy of Social Sciences (CASS-CSR 5.0)
- Shenzhen Stock Exchange *Self-Regulatory Guidelines No. 1 for Listed Companies - Standardized Operation of the Companies Listed on the Main Board*

Scope of the Report

The Report provides a comprehensive review on the environmental, social and governance impacts of Joyoung Co., Ltd. and its 13 subsidiaries, with typical cases presented relating to different subsidiaries.

Company Name

Joyoung Co., Ltd. (hereinafter referred to as "Joyoung" or "Company" or "we/us").

Report Approval

The Report was approved by the Board on March 27th, 2024.

Availability of the Report

The Report is provided in electronic form. You may log onto the Company's official website (<https://www.joyoung.com>) or cninfo (www.cninfo.com.cn) to read the electronic version of the Report. If you have any questions or suggestions about this Report, please email us at 002242@joyoung.com, or call 0571-81639093.

Message from Chair

Reflecting on 2023, in the face of a complex, severe, and challenging domestic and international environment, we experienced the impact of many unfavorable factors, such as K-shaped divergence in consumer demand, decline in sales in traditional channels, intensified competition in the industry and negative growth in the market size of the kitchen small appliances industry. The Company adheres to a customer-centric approach, retail-oriented strategy, and utilizes technological innovation as a means to continuously develop healthy household appliances to meet the needs of the people's aspirations for a better life. Together with consumers, investors, employees and all partners, we aim to create long-term social value and work together towards a better future of sustainable development.

Insisting on innovation and enhancing the quality of life with innovative technology, the Company consistently adheres to the brand concept of "Healthy and Enjoyable", striving to promote the development of brand rejuvenation, and brought its products into the lives of young people through a variety of original intelligent technologies. In 2023, the Company mainly focused on the Space Technology 2.0 series of products, and launched a number of new products, such as 0-coating non-stick rice cooker, quick & easy air fryer, and less noisy blender; In the field of cleaning appliances, the Company has gradually achieved a full range of anti-tangling features. Moreover, in mainstream products such as integrated washing and drying machines and integrated mopping and sweeping robots, innovative technologies including four-dimensional hot air fast drying and track roller brush floor washing have been implemented. These advancements truly realize comprehensive antimicrobial and deodorizing effects throughout the entire cleaning process. In 2023, the Company's R&D investment is RMB 388.91 million yuan. The Company will continue to explore technological innovation, improve the protection of intellectual property rights and the construction of digital operation platforms, aiming to enhance the influence of the Company's products and technologies, and continuously lead industry development.

Customer-first, aiming at satisfying consumer needs in all aspects. "User-centric, retail-oriented" is a principle that we consistently adhere to at Joyoung. This principle not only entails conducting in-depth user research but also manifests in product development and design that is driven by meeting user demands. We deeply integrate quality and safety standards into product manufacturing and supply chain collaboration. When working with channels and customers, we prioritize enhancing the user shopping experience. We are committed to providing dedicated after-sales service to every user. Leveraging our core competitive advantage of insight and swift response to consumer needs, we will continue to be driven by retail sales, comprehensively develop various emerging channels, and strive to become a leading enterprise in high-quality small household appliances.

Staying true to our original mission, fulfilling our social responsibilities. Joyoung has been committed to the development of innovative public welfare projects including "Joyoung Charity Kitchen" and "Food and Education Workshop", and has continued to support the development of public welfare undertakings such as youth nutrition and health, education and rural revitalization. By the end of 2023, the Company had established more than 1,484 Joyoung Charity Kitchen in more than 30 provinces (municipalities and autonomous regions) across China, providing campus catering services for over 2 million students cumulatively and improving the nutritional status of rural students. Meanwhile, the Company has established 254 Food and Education Workshops in 19 provinces (municipalities and autonomous regions), and innovatively carried out thematic activities such as "Food Education Teacher Training Camp" and "Space Restaurant Summer Camp for Food Education" to promote food education and help children and teenagers grow up healthily. In 2023, the Joyoung Foundation was awarded the highest grade of "5A social organization" on its first participation in the evaluation. From 2008 to 2023, the Company has cumulatively invested RMB 100 million yuan in public welfare. Adhering to the original intention, Joyoung will persistently create value for society, uphold compassion and goodwill, and give back to the community.

Green operation, building a sustainable future. The Company will continue to improve environmental management, strictly comply with environmental regulations on resource utilization and emission management, and strive to reduce the environmental impact of production and operations. By actively promoting the "Trade-in" service, Joyoung encourages consumers to recycle small home appliances of various brands through the Company. In return, Joyoung provides subsidies for consumers to purchase new products, actively promoting the concept of sustainable consumption. Additionally, Joyoung has established refurbishment factories to renovate returned products, promoting resource recycling and driving the development of a circular economy. We advocate green and low-carbon office and lifestyle, promote digitalization and paperless office, and actively adopt renewable energy. Joyoung is committed to making practical contributions to addressing global climate change and achieving the country's "dual-carbon" goals!

The year 2024 marks the 30th anniversary of Joyoung's founding. On this long road of entrepreneurship, the Company has always practiced the core corporate values of "people-oriented, teamwork, responsibility and health". It is because we stick to our original intention when facing various difficult choices and challenges, adhere to the brand genes of "innovation" and "health", and focus on the development of the main business of small household appliances, that we have earned the influence in the industry today. In the future, the Company will work hand in hand with all stakeholders to explore the sustainable development potential of the entire value chain and take a solid step forward for the sustainable development of the whole society.

Chair of Joyoung Co., Ltd.
Yang Ningning

Key Performance

Business Performance

Indicator ¹	Unit	2021	2022	2023
Operating Revenue	RMB 0'000	1,054,047	1,017,669	961,279
Total Tax Payment	RMB 0'000	34,288	50,563	36,881
Amassed Patents	Patents	10,129	11,648	13,181
Customer Complaint Handling Rate	%	100	100	100
Customer Satisfaction	%	96.5	97.4	97.9

Environmental Performance

Indicator	Unit	2021	2022	2023
Total Carbon Emissions	Tonne CO2e	8,630.58	9,143.75	8,269.49
Photovoltaic Power Generation	kWh	3,163,198	3,053,413	3,419,365
Electricity Consumption Intensity (10,000 Yuan Revenue Consumption)	kWh/ RMB 0'000	10.66	12.43	14.65
Water Consumption Intensity (10,000 Yuan Revenue Consumption)	t/ RMB 0'000	0.18	0.20	0.20

Social Performance

Indicator	Unit	2021	2022	2023
Total Number of Employees	Person	2,915	2,832	2,577
Percentage of Female Employees	%	35	37	37
Employee Training Coverage	%	100	100	100
Number of Employees Participating in Volunteer Activities	Person	409	382	516

¹For the indicator of income from continuing operations in 2023 and previous years, please refer to the relevant sections in the 2023 annual report.

Feature on Responsibility

SDGs Benchmark

2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 
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Features 01: Space Science and Technology Sparking the Kitchen Revolution

Space Kitchen

- ▶ Explore deeper in the space, and pursue better life on the earth. Looking back the research and development history of Joyoung's space kitchen, it was a journey that completed with devotion, hard work and breakthroughs in generations. Joyoung-made space kitchen finally arrived in the space together with the "Tianhe" core module of the space station in 2021 after thousands of attempts and tests, realizing the goal of equipping the space station with China-made space kitchen.

Joyoung has been the developer of the space kitchen for China's manned spaceflight program since 2014, embarking on the journey of assisting the country's manned space program with leading technology. As a great mission of China for high-tech development and space resource exploration, the manned spaceflight program is of great significance to the country and people. With a great sense of the national mission, Joyoung's research and development personnel has developed a range of kitchen appliances suitable for zero gravity and non-convective environments through independent technological innovation, enabling astronauts to eat and drink pleasantly in the outer space.

By the end of 2023, Joyoung had successfully developed a hot-air heating device, a drinking water dispenser, and an aerospace intelligent APP for the space kitchen. The hot-air heating device adopts 360° hot-air-circulation heating technology to solve the problems of slow, uneven heating and power limitation in a zero gravity and non-convective environment. It enables astronauts to only take 30 minutes to heat delicious dishes such as Fish-flavored Pork and Gongbao Chicken. The drinking water dispenser can purify water, inhibit bacteria, and heat water immediately, providing filtered and purified warm water for astronauts. The intelligent IoT control APP is used to control all kitchen appliances of the space station, freeing astronauts from burdensome operations.



hot-air heating device



drinking water dispenser

Space Technology Product Series

- ▶ In 2023, with Joyoung's brand mission of "embracing health with space technology", we continued our efforts in applying space technology to home kitchen in a bid to improve people's life. To this end, we focused on the research and development of new space technology products, bringing a significant innovation to people's kitchen and life.

Less Noisy Blender

- ▶ In 2023, we upgraded the less noisy blender by adopting the space technology & silent sound technology as well as the brushless variable-frequency motor BLDC, sharply lowering operation noise. Moreover, the blender body is made of a 4.6mm-thick soundproofing double-layer casing, with internal components installed in a flexible manner with a contactless mounting structure to insulate noise within the casing, realizing noise control from the source and reducing the overall noise of the blender to 37dB.



Surround Hot-air Circulation Air Fryer

- ▶ By adopting the hot-air circulation technology used in the space station, Joyoung surround hot-air circulation air fryer is able to thaw and heat food evenly and faster with 720° surround hot-air circulation. In addition, our patented 240°C far-infrared high-temperature technology can maintain the water retention rate of food above 72.1%.



0-coating Non-stick Rice Cooker

- ▶ Joyoung 0-coating non-stick rice cooker adopts precise hot-air temperature control technology used for the space products as well as the moist film technology, which can generate a moist film between rice and the inner pot through temperature difference. Empowered by these technologies, the inner pot of the rice cooker can achieve non-stick effects even without a coating, which is better for health and easier to clean.



Antibacterial Instant -heating Water Purifier

- ▶ With the space technology & swirling core technology, the purifier can effectively remove 150 kinds of harmful substance while heating water quickly. In addition, the space technology & zinc oxide technology can maintain a long-term antibacterial effect, with an antibacterial rate of 99.99%, elongating the service life of the filter to 6 years.



Features 02: Caring for Youth Health and Growth

Charity Kitchen

- ▶ The year 2023 saw the thirteenth anniversary of the "Joyoung Charity Kitchen" project. In the past thirteen years, Joyoung has made constant and determined efforts in rural revitalization and youth health. We have funded the construction of **1,484** Joyoung Charity Kitchens in more than 30 provinces (municipalities and autonomous regions) and 230 counties (cities and districts) across the country, securing campus catering services for over **2 million** students cumulatively.

In this year, in response to the country's policy, Joyoung Charity Kitchen took active actions to support students in rural areas with healthier diets, and we continued to bring warmth and love to rural schools in line with the core strategy of "covering all key areas and extending exemplary areas". In addition, we worked with partners to push forward the construction of professional, efficient and green electrified kitchens for rural schools, and help rural schools establish mechanisms for scientific and nutritious school meals, striving to fulfill the vision of "strong youth and strong China, wish the healthy and happy growth of the Chinese youth".

Driving Full Coverage of the "Charity Kitchen" Project

We are always committed to promoting the "Joyoung Charity Kitchen" project to all districts and counties, in a bid to support more schools with better kitchen and cooking conditions. At present, we are promoting full coverage of Charity Kitchen in 10 places, including Qixia in Shandong, Pingjiang in Hunan, Jinyun in Zhejiang and Huining in Gansu. In this year, we have expanded the coverage of Charity Kitchen in following places:

- ▶ **Qixia, Shandong Province**

In Qixia, Shandong Province, we provided kitchen equipment for two new kindergartens, optimized the energy structure there and provided additional equipment for the kitchens of three rural schools. We totally provided financial support to **29** schools in Qixia.

- ▶ **Pingjiang, Hunan Province**

By adopting the aid mode of "Design + Support in Equipment + Renovation by Local Power", we helped with the renovation of 8 schools in total in this year. Currently, we have implemented a total of **74** "Joyoung Charity Kitchen" projects in Pingjiang.

- ▶ **Huining, Gansu Province**

Joyoung Foundation and CICC Charity Foundation have jointly provided funding for the renovation of kitchen in **24** rural schools in Huining County, replacing the outdated coal, wood, and oil-burning equipment with cleaner and more efficient electrified equipment. Additionally, smoke exhaust systems were installed to further improve the kitchen environment in rural schools in Huining County, achieving full coverage of the kitchen renovation needs.

Collaboration to Revitalize Rural Education

In 2023, we actively collaborated with local authorities to carry out the "Joyoung Charity Kitchen" project based on local conditions. With the help of Ji Nan Science & Technology Bureau, we conducted field survey in a number of rural primary and secondary schools in Linxia Prefecture, Gansu Province. In this year, we pushed forward the kitchen renovation for 7 rural schools in this area. In 2023, in close collaboration with CICC Charity Foundation and other organizations, Joyoung Foundation advanced the upgrading of 30 Charity Kitchens in Huining and Wushan in Gansu Province, Yuexi in Anhui Province and Wangqing in Jilin Province, better satisfying the school meal needs of nearly 20,000 students.

Case

Joyoung Charity Kitchen Helps with Rural Education in Guangxi



In October 2023, Joyoung Foundation donated RMB 3.5 million yuan to the Guangxi Hope Project, as a special fund to build 35 Joyoung Charity Kitchens in rural areas in Guangxi from 2022 to 2024, aiming to help revitalize rural education in Guangxi.

In 2022, a project team of Joyoung Foundation visited the kitchens of rural schools in Nanning, Liuzhou and other places in Guangxi together with Guangxi Youth Development Foundation, and developed school-specific aid plans based on each school's kitchen conditions and meal preparation needs. In 2023, the first batch of 13 pilot Joyoung Charity Kitchens started operation, greatly improving the meal preparation conditions of rural schools and providing safe and health meals to rural students.



Joyoung Charity Kitchen of Duxiu Primary School in Nanning, Guangxi Province

In 2023, a total of 127 public welfare kitchens were newly built, exceeding 27% of the annual construction target. Starting from 2021, Joyoung Foundation plans to donate no less than 110 million yuan for the "Joyoung Charity Kitchen" project over a period of 10 years. We also plan to select 100 schools in rural areas across the country every year and invest RMB 30,000 to 150,000 Yuan to each school. Moreover, we will provide support in design, utilities renovation, equipping and personnel training to build professional, green and efficient standardized kitchens, striving to improve schools' capabilities for meal preparation and safeguard youth growth.

Joyoung Food and Education Workshop

- ▶ In 2023, Joyoung Foundation went on with the project of Joyoung Food and Education Workshop. With a vision of "enabling every child to know how to live healthily in a whole life", we strive to build an educational space based on kitchen scenario, utilize cooking as an educational medium, and through labor education or nutrition and health education courses to promote traditional dietary culture, advocate for balanced eating habits, and convey knowledge about nutrition and health. As of 2023, we had built a total of **254** food and education workshops in 19 provinces (municipalities and autonomous regions).

Since the Ministry of Education released the *New Curriculum Standards for Compulsory Education* in 2022, emphasizing food education, all provinces have actively carried out the popularization and promotion of food and education workshops. In this year, in response to the national policy of food education, Joyoung continued to refine the standards for building Food and Education Workshop and enhance the capabilities of food education teachers in line with the core strategy of "responding to the national policy and pushing forward the publication of text books", and carried out a range of theme activities such as "Specialized Training Camp for Food Education Teachers" and "Summer Camp for Food Education".

Promoting Full Coverage of Food and Education Workshop and Unveiling the Mode of Multi-regional Joint Construction

▶ Hangzhou, Zhejiang Province

Joyoung has collaborated with the Education Bureau of Qiantang District of Hangzhou to pilot full coverage of Food and Education Workshop in Qiantang District, with a total of **54** Food and Education Workshops built in the primary and secondary schools in this district. We will collaborate with the Education Bureau to further establish a regional organization management mechanism, to promote education and research, school-level evaluation, and teacher training.

▶ Jinan, Shandong Province

In collaboration with the Jinan Education Bureau, Joyoung has promoted the implementation of the Three-Year Action Plan for Food Education of Jinan, and has built **9** model Food and Education Workshops in Jinan. In addition, Joyoung plans to build **30** Food and Education Workshops in the next three years, and finally form 100 demonstration schools of food education in the local area.

▶ Zhengzhou, Henan Province

Joyoung has promoted the establishment of Food and Education Workshops in **6** schools and set up the "Xing Zhi Xing Joyoung Food and Education Workshop Curriculum Teaching and Research Alliance", which is centered on cross-region, cross-phase, and cross-discipline teaching and research activities, aiming to promote the improvement of professionalism and business capacity of the teacher team.

Case

Inauguration of Joyoung Food and Education Workshop at Hangzhou children's welfare institute



In November 2023, the Joyoung Food Education Workshop was inaugurated and commenced classes at the Hangzhou Children's Welfare Institute. From washing and cutting pumpkins to kneading and steaming dough, the children joyfully followed the cooking teacher's guidance in making pumpkin cakes. Each step was learned with enthusiasm, filling the institute with continuous laughter.

Joyoung Food and Education Workshop always concerns about developing and implementing courses suitable for different children. In partnership with the Hangzhou Children's Welfare Institute, we established the Joyoung Food and Education Workshop as a public service classroom. This initiative aims to provide a chance for disadvantaged and disabled children to learn and practice baking, thereby improving their life skills, social skills, and subjective initiative, and helping them better integrate into the society with valuable skills.



Joyoung Food and Education Workshop

Launching Specialized Food Education Textbooks

Since the release of the *New Curriculum Standards for Compulsory Education*, through research, Joyoung innovatively proposed and planned a comprehensive set of Food Education textbooks covering primary grades 1-6 volumes, including student books and teacher books in six volumes. The textbook is scheduled to be released in 2024, with the aim of strengthening students' awareness of nutrition, understanding of balanced diets, and recognition of Chinese dietary culture.



Food Education Textbook

Conducting Food Education Teacher Empowerment Training

Strengthening the training of teachers is a crucial foundation for implementing Food and Education Workshops. Joyoung has conducted 8 rounds of online training of teachers since 2022, with over 700 teachers completing the program. The online courses primarily focus on disseminate of foundational Food Education knowledge, application of the knowledge taught, and training on nutrition and health knowledge. Meanwhile, two offline "Food Education Teacher Training Camps" have been organized, with over 160 food education teachers from schools across the country participating.

Case

First-ever specialized offline training camp for food education teachers launched in Hangzhou



In December 2023, the specialized training camp for Food Education teachers, organized by Joyoung Foundation, commenced at the Joyoung Creative Industrial Park in Hangzhou. A total of 125 frontline Food Education teachers from 54 schools in the Qiantang district gathered for the training, which focused on optimizing the teachers' skills through successful case analyses, hands-on workshops with kitchen appliances, and classroom exchanges about Food Education, aiming to enhance the current level of food education teaching. At the same time, more than 330 teachers from Qiantang District have completed 20 hours of online food education training courses, promoting comprehensive food education and improving the quality of food education teaching.



Joyoung Food Education Teacher Empowerment Training Participants

Summer Camp for Food Education Brand Event

Case

"Innovate for the Future-Space Restaurant" summer camp for food education brand event



In July 2023, Joyoung Foundation, in collaboration with the Hainan Youth Development Foundation and other organizations like "Food Vision for the Future", conducted a 7-day, 7-night Summer Camp for Food Education in Wenchang, Hainan. During the camp, students from all corners of the country completed the design for the 2050 "Space Dining Room", including the site selection, interior design, and menu planning. After the summer camp, parents provided feedback that their children had developed a stronger interest in scientific exploration. Improvements were also noted in areas such as health awareness, eating habits, and emotional management. Additionally, the children had cultivated an sustainable environmental consciousness.



Self-painted headshots of children

In 2023, a total of 54 new Food and Education Workshops were established, surpassing the target of 50 Food and Education Workshops set at the beginning of the year. With the implementation of the policies of "Healthy China" and "Labor Education" forced by the education authority, Joyoung Foundation and the schools will continue to explore the new mode of Food and Education Workshop, optimize the curriculum, upgrade teaching tools and train teachers to achieve the mission of "promoting food education and contributing to the health of children and youth".

01 About Joyoung



- Company Profile
- Company Culture
- Company Events
- Honors
- ESG Management



Company Profile



Joyoung Co., Ltd. was listed on the Shenzhen Stock Exchange in 2008 (002242.SZ). It is a modernized company dedicated to the R&D, production, and sales of small household appliances. In 1994, Joyoung invented the world's first fully automatic household soymilk maker. Over the past 30 years, Joyoung, as a leading brand of quality small household appliances, has been adhering to the core DNA of health and innovation, comprehensively promoting digital transformation, keeping being customer-centered and demand-oriented, and grasping the dual-engine of products and channels. Joyoung has been proactively fulfilling its social responsibilities. Since the establishment of the Joyoung Foundation, we have been focusing on building two major brand projects Charity Kitchen and Food and Education Workshop to ensure the healthy growth of teenagers.

Joyoung has always been practicing the brand concept of "Healthy and Enjoyable", empowering a better quality of life by space science and technology. At present, Joyoung mainly covers domains such as soymilk makers, high speed blenders, rice cookers, air fryers, water purifiers, electric steamers, water boiling kettles, noodle makers, floor scrubbers and other cooking utensils, cleaning appliances and personal care appliances. We have boasted hundreds of millions of household and kitchen products providing convenience for families.

Joyoung 九阳

Company Culture



Our Vision

Become a respected national brand representing self-developed innovation and a healthy lifestyle.

Our Brand Mission

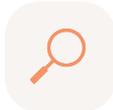
Joyoung starts from the wish of offering a cup of good soymilk and now it actively advocates a healthy eating plan for all our people. For years, Joyoung strives to provide unparalleled high-quality products and services, promote a healthy and quality lifestyle, spread Chinese food culture, and enable our people to enjoy a better and healthier life.

Core Values

People-oriented philosophy

Respect and care for employees, help them to grow, and recognize their contributions

Be proud of employees' achievements and progress, create a fair working environment for them, and adhere to the people-oriented philosophy.



Teamwork

Encourage teamwork

Encourage employees to consciously integrate into the team, rely on their team to achieve personal development, and develop an ability and habit of communicating and cooperating with their team.



Responsibility

Be a responsible enterprises and benefit society

Insist on being responsible to users, employees, partners and stakeholders, and require employees to be sincere, pragmatic and faithful to their promises.



Health

Choose health undertakings and make health products

Regard health as the core quality of our business; pursue simplicity, efficiency and standardization, provide employees with a healthy platform.



Company Events



In 2004 >

Sales of Joyoung soymilk machines exceeded 1 million units.

In 2010 >

Joyoung donated RMB 50 million Yuan to set up the "Joyoung Hope Fund" and launched the Joyoung Charity Kitchen project.

In 1994 >

Joyoung invented the world's first fully automatic household soymilk maker, making it easy for thousands of families to drink homemade cooked soymilk, creating a brand-new industry.

In 2008 >

Joyoung was successfully listed on the Shenzhen Stock Exchange (002242.SZ).

In 2014 >

Joyoung was officially engaged in the first space kitchen development project for China's space station.

In 2017 >

Joyoung acquired 51% shares of SharkNinja (China) and started the new development model involving not only kitchen appliances but also other household appliances.

In 2021 >

Together with the Tianhe core module, the first Joyoung-made "Space Kitchen" was installed in China's space station, offering healthy water and meals for astronauts.

In 2020 >

Joyoung achieved sales of RMB 10 billion Yuan.

In 2023 >

Joyoung launches Space Series 2.0 New Products, including 0-coating non-stick rice cooker, less noisy blender, and quick & easy air fryer.

Honors



○ National-level Industrial Design Center



○ National-level Manufacturing Industry Single Champion Product (High-Speed Soymilk Blender)



○ China Household Appliance Innovation Award: Most Influential Small Household Appliance Brand



○ Quanjing Best Institutional Communication Award & Best Small and Medium Investor Engagement Award



○ The First National New Cup ESG Golden Bull Award Top 100



○ Response Enterprise of the Occupational Health Promotion Action



○ Top 100 Manufacturing Enterprises in Hangzhou City



○ Top 100 Private Enterprises in Jinan City



ESG Management



Stakeholder communication

Joyoung values the suggestions of stakeholders. We have established a smooth communication mechanism and launched regular communication through various channels and methods, such as the official website, media platforms, meetings, reports, etc., to fully understand the key issues of concern to stakeholders and offer precise responses.

Stakeholders	Issues Concerned	Communication Channels
Shareholders	<ul style="list-style-type: none"> Operational compliance Stable performance growth Protection of shareholders Full disclosure of information Investor Relations Management Anti-corruption 	<ul style="list-style-type: none"> Standardized governance and prudent operation Strive to maintain high-quality development Comprehensive risk management Complete, accurate, and timely information disclosure Sincere and smooth communication with investors Zero tolerance for corruption and bribery
Government and Regulatory Agencies	<ul style="list-style-type: none"> Operational compliance Compliance with regulatory requirements Response to national development policies 	<ul style="list-style-type: none"> Compliance with laws and regulations Acceptation of regulatory inspections Actively implement and ensure proper execution
Customers & Distributors	<ul style="list-style-type: none"> High-quality products After-sale services Privacy protection 	<ul style="list-style-type: none"> Innovate and develop high-quality products through research and development. Provide high-quality and efficient customer service Strictly protect user information
Employees	<ul style="list-style-type: none"> Employment and rights protection Employee compensations and benefits Career development and training Employee safety and health Democratic communication 	<ul style="list-style-type: none"> Strictly protect the rights and interests of employees Sound salary system Smooth promotion channels Standardize management to ensure employees' health and well-being Abundant communication mechanism and channels
Suppliers	<ul style="list-style-type: none"> Supply chain management Honest and friendly cooperation 	<ul style="list-style-type: none"> Sunshine procurement and responsible procurement Supplier assessment
Industry	<ul style="list-style-type: none"> Innovative development 	<ul style="list-style-type: none"> Participation in industry exchanges Industry-university-research cooperation
Environment	<ul style="list-style-type: none"> Low-carbon operation Environmental protection action 	<ul style="list-style-type: none"> Environmental-friendly factory construction Waste treatment Green workplace
Communities and the Public	<ul style="list-style-type: none"> Social welfare Rural revitalization 	<ul style="list-style-type: none"> Public welfare donations Volunteer activities



Materiality Assessment

01 02 03 04 05 06 07 08 09 10 11 12

The Company regularly reviews material issues and conducts materiality assessments through the following steps to ensure that the assessment results reflect the Company's operations and stakeholders' concerns:

Identification

1

Identify issues that have significant impacts on both the Company and stakeholders based on domestic and international ESG disclosure standards, United Nations Sustainable Development Goals, stakeholder surveys, and the Company's business development plans.



Prioritization

2

Evaluate and prioritize the identified issues based on the double materiality concept, considering their importance to the Company and the impact on stakeholders.



Validation

3

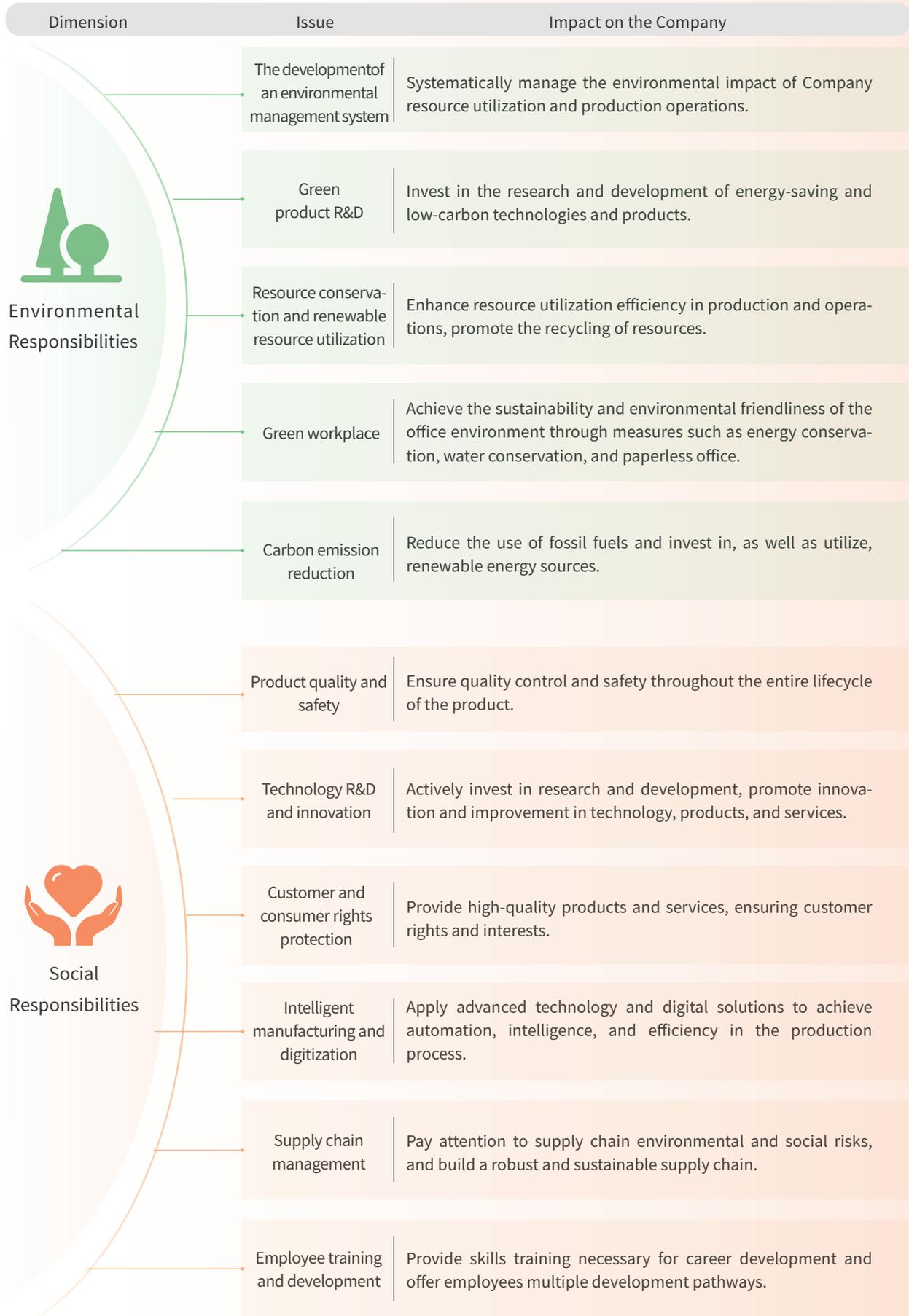
Validate the identified material issues by the Company's executives and external experts, adjusting form the final material issues.



In 2023, considering external regulations and policies as well as stakeholder concerns, the Company discussed and assessed material issues, and determined that the results still apply to the Company's operations, thus continuing with the 15 material issues from 2022. In the Report, we will provide responses and disclosures for each issue. The issues are as follows:



Dimension	Issue	Impact on the Company
<p>Governance Responsibilities</p>	Compliance operation	Strictly adhere to laws, regulations, policies, and industry standards, manage compliance issues and risks.
	Business ethics and anti-corruption	Prohibit acts of corruption, extortion, and embezzlement of public funds, refuse to provide or accept improper benefits, and adhere to the principle of fair trade.
	Intellectual property protection	Protect the intellectual property rights of the Company itself and others.
	Information security and privacy protection	Protect the privacy and data security of the Company, clients, and business partners.





02 Compliance Open and Stable Deve

- Corporate Governance
- Risk Management
- Business Ethics
- Information Security
- Party Building

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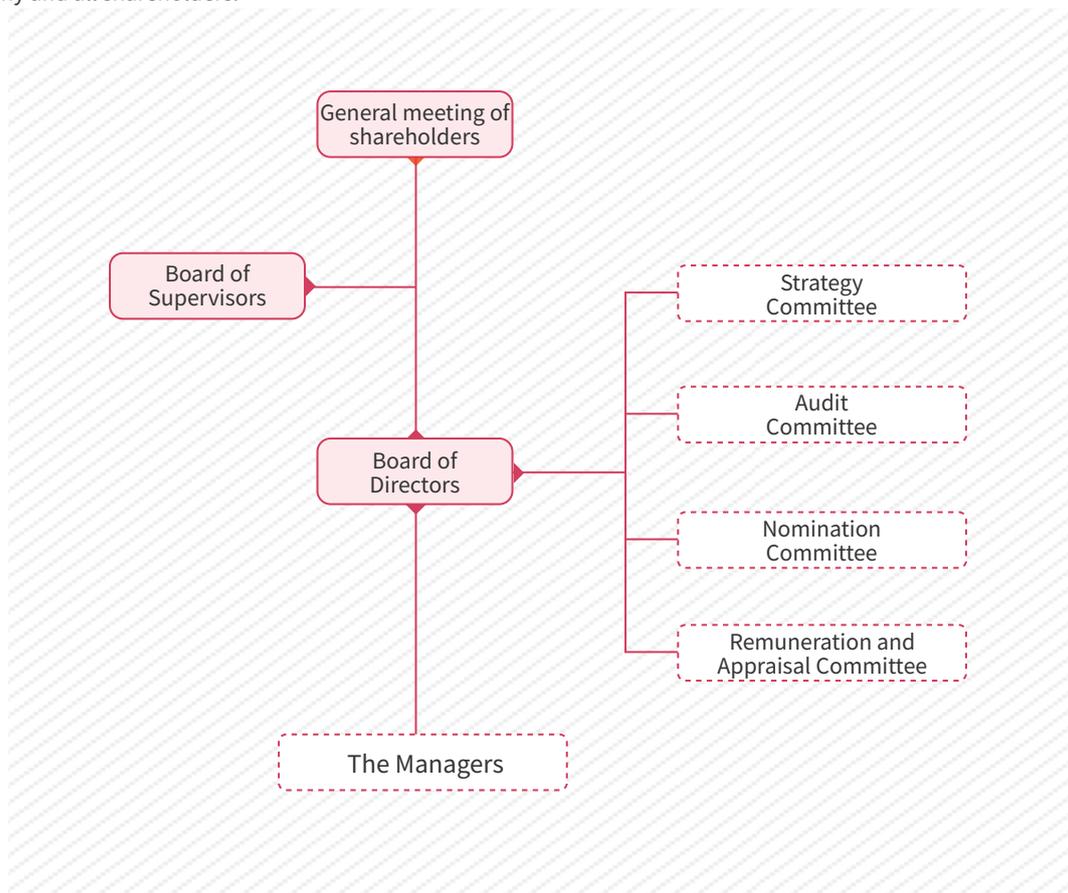
SDGs Benchmark



Corporate Governance



Joyoung continuously improves its corporate governance capacity and strictly abides by relevant laws and regulations such as *Company Law of the Peoples Republic of China*, *Securities Law of the People's Republic of China*, and *the Code of Corporate Governance for Listed Companies*, and has established a multi-level management system based on the Articles of Association, and an efficient governance structure consisting of the general meeting of shareholders, the board of directors, the board of supervisors and the managers. Joyoung clarifies the responsibilities and authorities of each level in terms of decision-making, supervision, and implementation, to optimize the standardized operation of the Company, and effectively safeguard the rights and interests of the Company and all shareholders.



Joyoung Governance Structure

General meeting of shareholders

The general meeting of shareholders is the highest authority of the Company, holding the voting right on material issues of the Company's operation. In 2023, the Company held a total of 3 general meetings of shareholders according to *Rules of Procedures for the General Meeting* and *Code of Conduct for Controlling Shareholders and Actual Controllers*, effectively guaranteeing the rights and interests of all shareholders.

In 2023 the Company held a total of **3** general meetings of shareholders

Board of Directors

Board of Directors is the standing decision-making body, which is responsible to the general meeting of shareholders, exercising the decision-making power by law. A Strategy Committee, an Audit Committee, a Remuneration and Appraisal Committee, and a Nomination Committee comprise the Board of Directors. In 2023, the Company's board of directors consisted of 6 directors, including 3 female directors, and held a total of 6 board meetings.

In 2023 the Company's board of directors consisted of **6** directors, including **3** female directors, and held a total of **6** board meetings

Board of Supervisors

The board of supervisors is the supervisory body of the Company and is responsible to the general meeting of shareholders for supervising the performance of the Company's directors and other senior managers in accordance with the law. In 2023, the board of supervisors of the Company consisted of 3 supervisors and held a total of 5 meetings of the board of supervisors.

In 2023 the board of supervisors of the Company consisted of **3** supervisors and held a total of **5** meetings of the board of supervisors

The Managers

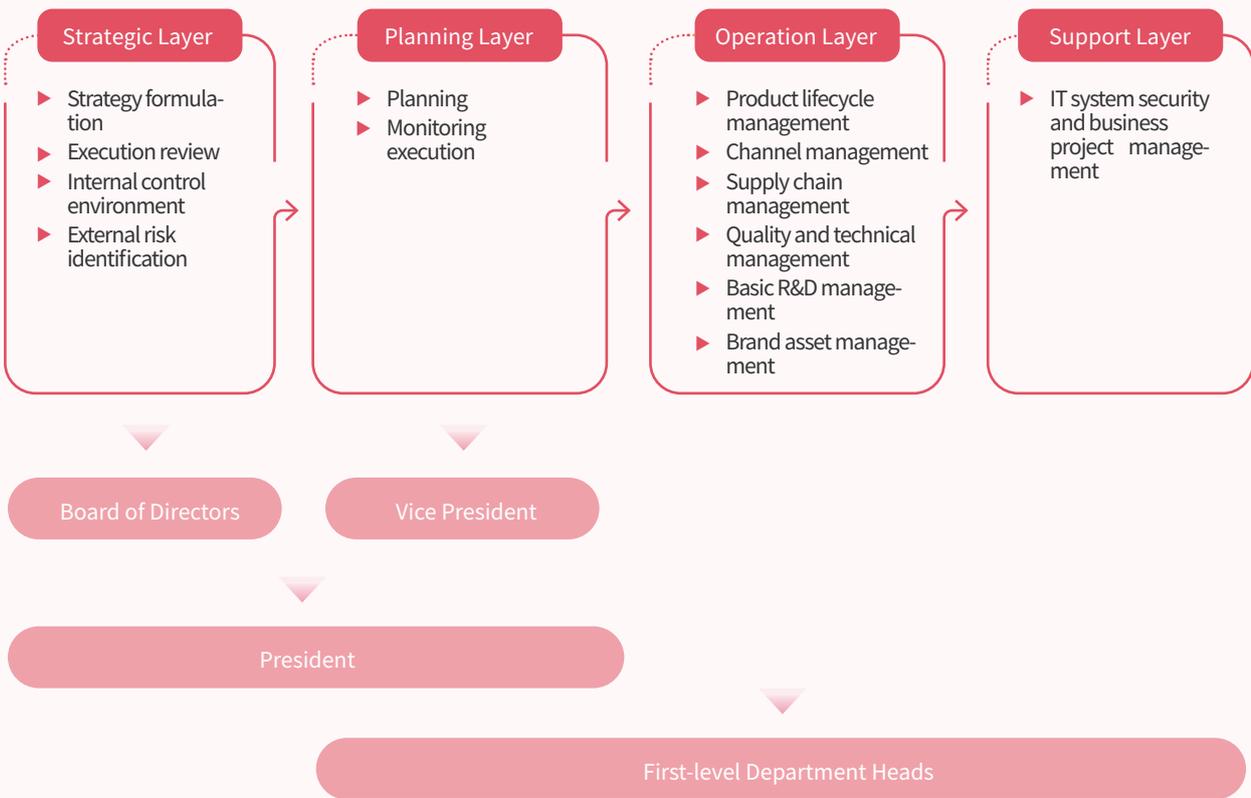
The managers are appointed by the board of directors and responsible for organizing and implementing matters resolved by the general meeting of shareholders and the board of directors, presiding over all business operations of the Company.

In 2023 The manager are appointed by the board of directors



Risk Management

Joyoung recognizes the importance of the Company's internal risk management and has formulated a *Comprehensive Risk Management System* and *Rules for the implementation of the comprehensive risk management system*, which divides risk management into Strategic Layer, Planning Layer, Operation Layer and Support Layer, and specifies the corresponding management personnel for each layer. The annual performance assessment of the President, Vice President, and first-level department heads will be linked to the risk management, with the aim of further optimizing the construction of the Company's risk management mechanism.



Risk Management Organization Framework

The Company conducts all-round risk control based on the seven major processes: risk identification, assessment, response, responsibility determination, implementation, review, and evaluation, meanwhile actively carries out special work of risk management related audits.

In 2023 the Company executed a total of **11** financial and management operational audits and **6** special audits on supervision and management, effectively promoting the Company's compliance development

Business Ethics

Joyoung strictly abides by *Criminal Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, and *Anti-Money Laundering Law of the People's Republic of China*, etc., and has formulated the *Anti-fraud Management System*, the *Audit and Supervision Management System*, and the *Complaints and Suggestions Management System*, which explicitly prohibit any behavior concerning embezzlement, bribe taking, unfair competition, fraud, and conflict of interest, endeavoring to create a clean operating environment. In 2023, the Company did not have any corruption, anti-unfair competition, anti-monopoly litigation cases, or other violations of business ethics.

Business Ethics Governance

We have established a comprehensive business ethics governance structure and mechanism to clarify the business ethics at all levels. The audit and supervision department of the Company is responsible for establishing and improving the anti-fraud management system, complaint reporting and investigation mechanism, receiving reports of fraud and proposing handling opinions. Meanwhile, the audit and supervision department accepts the supervision of the board of directors and guides each department in the work related to creating an anti-fraud corporate culture and environment. The remaining departments need to actively cooperate with the audit and supervision department and collaborate to improve the Company's business ethics governance.

01 Anti-Fraud

The audit and supervision department evaluates fraud leads and based on the results of the evaluation, establishes a special investigation team to assure the facts. Upon completion of the fraud investigation, the audit and supervision department issues an audit report to the human resources department. Upon receipt of the report, the human resources department issues an opinion on the handling of the personnel involved in the fraud and informs the audited organization of the result. The audited unit recovers the money from the personnel involved within 10 days of receiving the results. At the same time, the Legal Affairs Center conducts a judicial assessment of the facts of the violation and enters into the judicial process after the Company's approval, so as to pursue the legal responsibility of the relevant companies or personnel involved in the fraud.

02 Audit and Supervision

The audit and supervision department carries out regular internal audits and the problems revealed related to management, process and risk control will be notified to the audited department to deal with, and the audit and supervision department will supervise the timely rectification and continue to follow up on its effectiveness. Problems related to management malfeasance and dereliction of duty will be reported to the human resource department to determine the responsibility of the involved employees. Problems related to alleged corruption, misappropriation of the Company's assets and other crimes will be reported to the Legal Affairs Center to evaluate the evidence and pursue their legal responsibilities.

03 Complaints and Reporting

The Company sets up multi-channels to receive complaints and suggestions from the Company's employees, suppliers, distributors, consumers, etc. The channels include, but are not limited to:

Hotline: 18758173358 WeChat: joyoungtj Security Mail: jytj@joyoung.com Address: No. 760 Yin Hai Street, Xiasha Street, Hangzhou Economic and Technological Development Zone, Hangzhou, China (Postal Code: 310018) To Audit and Supervision Department

In 2023, we received a total of 404 complaints and reports, with a follow-up rate of 100%. The Company adopts a strict protection system for whistleblowers, prohibiting anyone from leaking whistleblower information without any authorization under any circumstances, or taking any form of retaliation against whistleblowers. Violators will be held accountable severely.

04 Suppliers Honesty Governance

In carrying out external cooperation, the Company requires its partners to comply with Joyoung's various compliance management systems and sign Honesty Cooperation Agreement and Commitment on the Code of Conduct for Partners of Joyoung Group, demonstrating zero tolerance for corruption and bribery.

Business Ethics Training

Joyoung highlights honesty and dedication. We conducted employee business ethics training this year, in an effort to promote standard professional conduct among employees and prevent the occurrence of any damage to the interests of the Company and shareholders.

In 2023

all employees of the Company participated in business ethics training, achieving a coverage rate of **100%**

Case

Honesty and compliance case interpretation training



In 2023, all departments of the Company carried out online and offline synchronized training on the interpretation of 2022 honesty and compliance cases. The training content covered the Company's ethical standards, the red lines of ethical behavior, the integrity work agreement, and specific case analyses related to violations of compliance requirements. Through case interpretations, the training helped employees gain a deeper understanding of regulations regarding anti-corruption, anti-bribery, and anti-monopoly measures, effectively enhancing their awareness of laws and regulations and improving their ability to identify such risks. The training also introduced employees to the channels for consulting on compliance behaviors, including the compliance consulting email, compliance consulting hotline, and "Honest Joyoung" public account. Employees were encouraged to proactively seek advice from professionals and receive guidance and support when facing ethical risks, further promoting the establishment of an ethical culture within the Company.



Honesty and Compliance Training - Case Analysis

Honesty Culture Publicity

Joyoung firmly believes that the building of an honesty culture is not an overnight task. The Company continues to integrate the concept of honesty into the daily work and life of employees, actively promotes the themed activity "Honest Joyoung". This activity was synchronized through the Company's WeChat platform, "Honest Joyoung" WeChat official account, Joyoung news bulletin, Joyoung culture circle forum, etc. A series of cartoons was posted in the corridors of the administrative hall, and the cartoon display racks were placed in the Creative Theatre. At the beginning of 2023, the cartoon series "Honest Joyoung" has been distributed in the form of desktop calendars to all department heads, marketing and purchasing personnel, distributors, suppliers, etc., aiming to create a fair, transparent, and trustworthy atmosphere of integrity.



Publicity Cartoon "Honest Joyoung"

Information Security



Based on the philosophy of "reducing information risks and ensuring stable development of the Company's business", Joyoung has formulated multiple internal regulations such as *Online Management Rules on Information System*, *Joyoung Information Security Policy*, *Rules on Information Security Incidents Management*, and *Rules on Personal Information Protection Management*, to further improve the Company's information security work and its stable and sustainable development. The Company successfully passed the ISO27001 information security management system certification and accepted and passed the supervision and audit by a third-party professional organization during the reporting period. Joyoung's intelligent home appliance platform system has obtained the Information System Security Level Protection Level 3 certification, the official website system and the distributor inventory management system of Joyoung have obtained the Information System Security Level Protection Level 2 certification.

In 2023 A total of **6** information security tests were conducted, no information security breaches have occurred



ISO27001 Certification



Personal information protection

- ▶ When collecting personal information, we notify users of the purpose, manner, scope, and rules of handling personal information to obtain their consent in advance
- ▶ When using the newly added features for the first time, every user is informed of the new services provided and the personal information involved through interactive interfaces (pop-ups, prompts, alert sounds, etc.)

Trade secret protection

- ▶ The Company's trade secrets are classified into top secret, confidential and secret based on the importance, and are managed hierarchically
- ▶ The Information Department shall conduct domain and cryptographic technology authentication for secret-related devices such as computers and mobile storage media. The Information Department is responsible for the maintenance of secret-related devices such as computers and mobile storage media. If the Department are unable to undertake maintenance in house, qualified external service providers should be selected for maintenance, with confidentiality measures implemented.
- ▶ The Research Institute and the R&D Department of each Business Unit (BU) are responsible for preparing the "Confidential Area List" to delineate the confidential area, require access control to be implemented and specify the persons authorized to enter the area

Information system deployment

- ▶ Before the system goes live, the project team needs to deploy the Company's unified Interactive Security Testing (IAST) agent in the system testing environment to conduct vulnerability scanning and submit the *System Information Registration Form* and the *System Development Specification - Self-Inspection Report* to the Security Assessment Team of the Information Department in accordance with the requirements of the project approval letter
- ▶ The Security Assessment Team will carry out a security assessment on the system, issue an assessment opinion and submit the *Security Assessment Report*
- ▶ If the system does not meet the security requirements and needs to be rectified, the Team will re-assess and test the rectification results of the project team and submit the *Rectification Test Report*

Information security precaution

- ▶ The data center dynamic environment monitoring system, core networks and security equipment are of high availability
- ▶ To support data recovery, conduct data backup in the data center in Qiantang, Hangzhou set up one data backup data center in Xiaoshan, Hangzhou and another in Jinan, Shandong to ensure data security with the three centres separately deployed in two cities, and select some business databases for recovery tests every month.

Party Building



Joyoung, upholding Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, has established a party building activity mechanism with "365" characteristics. Under the guidance of this mechanism, all employees learn and implement the spirit of the 20th CPC National Congress.

Three Mechanisms

- Establish a reward incentive mechanism
- Establish a performance evaluation mechanism
- Establish a responsibility implementation mechanism



Six Dimensions of Health

- | | |
|------------------|---------------------|
| Mechanism health | Life health |
| Mind health | Organization health |
| Physical health | Product health |



Five Commitments

- | | |
|---|---------------------------------------|
| Become a participant in company decision-making | Become a builder of company culture |
| Become an executor of company development | Become an opinion leader of employees |
| Become a driver of company innovation | |



Advocating "learning the thought to strengthen party spirit, and practicing the instructions to make new achievements", Joyoung Party Committee plays a leading role in party building. The committee actively selects and cultivates excellent talents to expand the ranks of party members, and carries out many themed activities on Party founding day and party member education to enhance the party organization construction.

In 2023 we held **12** party-themed education sessions, **12** branch party meetings and **4** party member training sessions

Case **"Keep the original mission in mind, inherit and pass on the revolutionary flame" themed Party activity** 

In July 2023, to further strengthen the Party members' commitment to their original aspiration, inherit the revolutionary spirit, and strive for excellence in their positions with a strong sense of Party discipline, Joyoung Party Branch, under the leadership of the General Branch Secretary of the Party, came to Jinan Battle Memorial Hall to carry out Party activity with the theme of "Keep the original mission in mind, inherit and pass on the revolutionary flame".

In front of the memorial hall, all party members solemnly swore to face the party flag. Under the guidance of the lecturer, the party members felt the spirit of Jinan Campaign, which is "love the party and the army, rely on the people, be brave and tenacious, and dare to win". Watching the intense scenes of the Battle of Jinan, the party members gained a deeper understanding of the patriotic sentiments and national sentiments of the Chinese communists.



Themed Party Activity



03 Innovation-led Responsibility

- Continuous Innovation Drive
- Intellectual Property Protection
- Product Quality Optimization

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Product
ulfilment



SDGs Benchmark



Continuous Innovation Drive



Continuous innovation and research and development is the foundation for Joyoung to build solid technical strength and achieve rapid growth. In this year, the Company updated and improved the *Joyoung Innovation Management System*, clarified the declaration process, scoring mechanism and reward setting of the Company's internal innovation proposals, aiming to encourage employees to make breakthroughs, carry out innovative exploration, accelerate the transformation of scientific and technological achievements, and inject scientific innovation vitality into Joyoung R&D.

Joyoung always positions innovation incentivation and innovation empowerment as an important strategic key to success. We hold activities such as "Joyoung Innovation Day" and "Product Innovation Competition" within the Company, aiming to unleash the innovation potential of employees, and encourage them to give full play to their advantages in the frontier field of technology and bring core driving force for Joyoung's scientific and technological progress. In addition, we also attach importance to the internal sharing of knowledge. Every month, we invite BU R&D experts to carry out the "Innovation Panel Experts Talk" sharing meeting to share the latest R&D trends, and update the content of the sharing meeting simultaneously on the Company's internal WeChat platform to promote the knowledge dissemination across departments.

In 2023

the total R&D investment of the Company amounted to RMB **388.91** million yuan
The Company has **705** R&D employees, accounting for **27.36** % of all employees



Product Innovation Competition



Innovation Panel Experts Talk

Case

Participating in the 2023 China Innovation Methods Competition and winning multiple honors

The Company has implemented TRIZ theory since 2013. After ten years of hard research and development, the coverage rate of TRIZ engineers in Joyoung R&D system has exceeded 90%, and the cumulative precipitation of TRIZ innovation projects is over 500. Since 2022, Joyoung has been participating in China Innovation Methods Competition and verify its own innovation achievements. In 2023, Joyoung formed 7 teams to participate in the China Innovation Methods Competition in Zhejiang Division, winning 1 first prize with the project of "Doing a good job in every meal of the People - Research and Application of 0-coating non-stick Technology based on TRIZ", and competed in the national final on behalf of Zhejiang Province, winning the third prize. Other teams also followed, winning 2 provincial second prizes, 2 third prizes and 2 winning prizes, returning home with a full load.

Intellectual Property Protection



Joyoung strictly abides by the applicable intellectual property laws and regulations in the place where it operates, such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*. The Company establishes a patent management system and operation mechanism with high-value patents at the core. We continue to improve the *Intellectual Property Management Rules* to clarify the procedures and regulations related to the application, protection and maintenance of patents, trademarks and copyrights. We implement intellectual property management through the intellectual property department, and at the BU level. The intellectual property department has a patent department Head who is responsible for overall management of the Company's patent applications and protection. In addition, there are patent supervisors and patent engineers in each product unit and research institute, who are responsible for handling patent applications and protection for their respective product lines.

To drive intellectual property publicity and education, Joyoung invited external experts to carry out off-line training to explain intellectual property related knowledge to employees. The Company also requires patent managers to provide special training on intellectual property for R&D personnel to improve business capabilities through internal communication.

In 2023

A total of **15** IP-related training sessions were held

Joyoung encourages employees to apply for patents, provides bonus incentive for patent applicants, carries out Outstanding Patent Reward for annual authorized patents, and gives corresponding awards of important awards.

In 2023

Joyoung filed **1,653** new patent applications

Invention Patent

186

Design Patent

198

Utility Model Patent

1,269

New Trademark Application

239

New Software Copyright Application

18

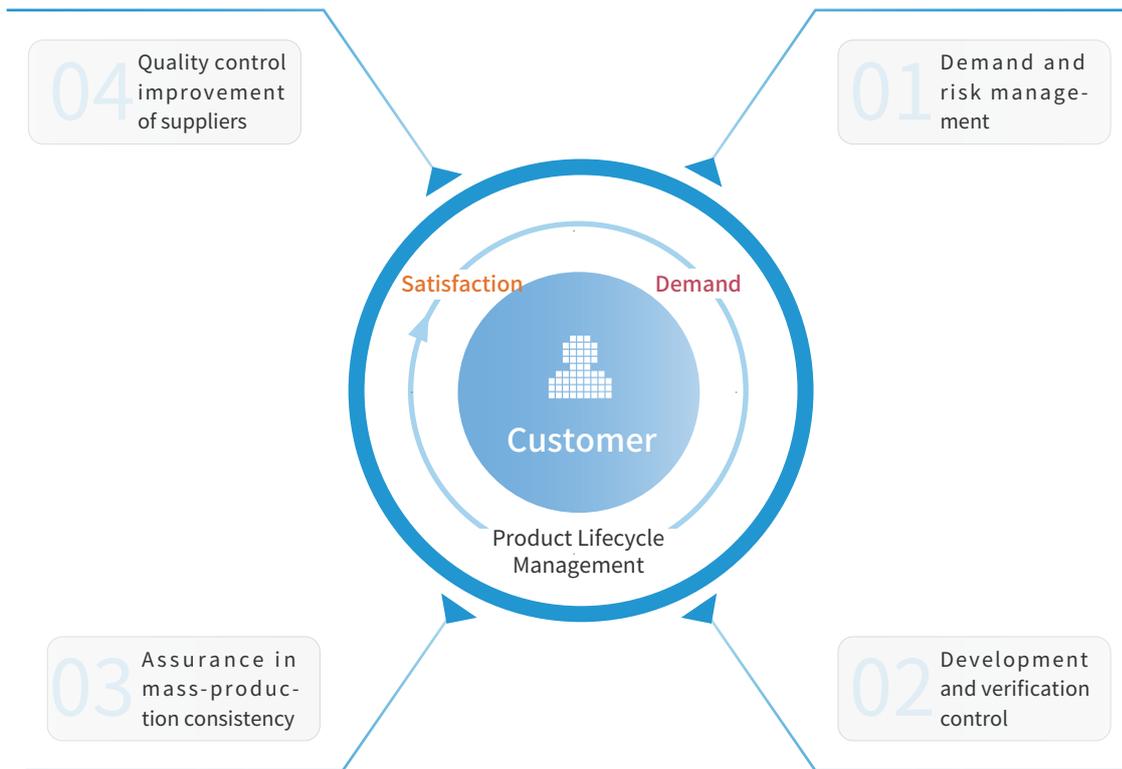
Product Quality Optimization

Quality Management and Control System

We carry out a quality management strategy of "one center, one chain and four key points". Which means, with customer-centered, we adopt a full lifecycle management approach, implement four core management key points, adhere to the product quality, and realize the transformation from customer demand to customer satisfaction.

The Company strictly abides by the *Product Quality Law of the People's Republic of China* and the *Standardization Law of the People's Republic of China*, and comprehensively formulates more than 10 policy documents, including the *Safety Management System for Food and Food-Related Products*, and the *Routine Inspection and Confirmation Inspection Control Procedure for Products*, to standardize the whole process of product quality management and effectively prevent quality risks.

Joyoung has successfully passed **ISO 9001** quality management system certification. All products of the Company have been tested for food contact safety in accordance with relevant national regulations and obtained test reports.



Joyoung Quality Management Philosophy



ISO 9001 Quality Management System Certification



Quality Management and Control Process

Joyoung are committed to product lifecycle quality management and control in an all-round way. We have established and regularly upgraded relevant internal control systems such as Product Development IPD Process and GTM Process Management System, implementing integrated product development (IPD) + Go-To-Market (GTM) procedures to enable comprehensive quality control throughout the product lifecycle. In addition to implementing quality control measures throughout the various stages of the product development lifecycle, the Company also establishes product recall management processes for products that have been launched. This ensures that the entire process from market introduction to end-of-life is conducted with high quality and standards, safeguarding the Company's reputation and brand image.

IPD procedure

IPD procedure adopts a matrix-based organizational structure to supervise the operation of a project and realize quality monitoring throughout the product development process. In the meantime, a technical expert committee (composed of senior experts of the Company and technical leaders of relevant departments) is established as a Company-level technical authority to coordinate related work, provide technical support for product BU, realize R&D resource sharing, and ensure the implementation of technology-driven product strategy.

GTM procedure

GTM procedure is interlocked with IPD procedure of product development to ensure that new products become popular on the market. The process standardizes the whole-process management of a product throughout its product life cycle, improves concrete management and operation methods, and builds a mechanism for the creation of billion-level-selling trending products.

Voluntary product recall management

To ensure timely recall management of defective products, the Company has set up a defective product expert group and a recall management group. The expert team is responsible for evaluating and analyzing the suspected recalled products, identifying whether there are defects, and reporting the identification results to the recall management team. The recall management group is responsible for product investigation and analysis at the Company level, and determines whether to carry out product recall according to the product appraisal results issued by the expert group.

The voluntary recall procedure of defective products is mainly divided into three stages: information collection, defective products recall and responsibility retrospect. At the same time, the Company has formulated countermeasures to prevent the recurrence of recall events. There is no defective products recall incident occurred in 2023.

Information collection



Defects investigation
Defects evaluation

Defective products recall



Voluntary recall

Responsibility retrospect



Seriously deal with employees who fail to perform their duties in product recall

Voluntary Recall Management for Defective Products

Quality Training

To enhance product quality, we offer employees a variety of product quality-related training. The training covers product knowledge, product legal regulations, knowledge accumulation quality records, and job guide-book training, aiming to help employees deeply understand the importance of product quality to customers and the Company, and encourage them to maintain the bottom line of product quality in their daily work.

In 2023

the Company carried out about **60** quality theme training sessions



Product Quality Training

04 Be Customer-oriented Fully Protect Customers



- Responsible Marketing
- Considerate Customer Service

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SDGs Benchmark



Responsible Marketing



Marketing Compliance

Joyoung strictly abides by the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant national laws and regulations, actively fulfils its commitment to compliance marketing, and strives to provide customers with a better service experience while fully safeguarding their rights to be informed. For online sales channels, the Company has formulated the *Commodity Detail Page Management System*, which requires that product promotional terms comply with relevant laws and regulations, ensures that product technical parameters, product materials and sizes on the commodity detail page are consistent with those of the physical item, and avoid any false or fraudulent information. For off-line sales channels, the Company carries out systematic communication training for sales staff in each store, requiring sales staff to convey product information to customers comprehensively and accurately, so as to help consumers make better consumption decisions.

Case

Special training on legal "Tips" for "Double 11"

With "Double 11" shopping promotion season approaching, to better carry out business activities on the Company's e-commerce platform, Joyoung launched a special training on e-commerce legal knowledge. In this training, the employees fully learned a number of laws and regulations including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Electronic Commerce Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China* and the *Price Law of the People's Republic of China*. The training also fully helped the employees understand how to carry out compliant advertising activities, playing a driving role in the maintenance of fair competition market order and the standardization of business environment.



Special training on legal "Tips" for "Double 11"

Distributor Management

As an earnest practitioner of responsible marketing, the Company works hand in hand with sales channel partners to promote distributor management and service. The Company and the distributor signed the *Commitment on the Code of Conduct for Partners of Joyoung Group* and the *Distribution Agreement*, which stipulates the commitment of consumer rights protection, advertising code of conduct and other compliance commitments that the distributor should abide by, ensure the rigour and standardized management of product publicity.

In addition, the Company also formulated the *2023 Marketing BU Distributors Grading Management System* and *2023 Channel Incentive Policy* to promote high-quality development of channel partners and provide high-quality services to customers.

2023 Marketing BU Distributors Grading Management System

Every year, the Company classifies and manages distributors based on different dimensions. If the distributor has a record of channel order penalties during the year, the level will be adjusted downward according to the *Distribution Agreement*. If the distributor violating the principle of business integrity or financially underperforming during the year will be downgraded to the lowest level and the grade will not be allowed to be adjusted within half a year.



2023 Channel Incentive Policy



In 2023, Joyoung launched 13 awards for distributors, including Dynamic Sales Growth Award, Operation Management Award, Excellent Shopping Guide Award, Excellent After-Sales Service Award, Champion Channel Award, New Channel Break-through Award, Product Structure Optimization Award and Target Achievement Award, and established rich and comprehensive incentive machine for these awards. This incentive policy aims to encourage distributors to promote the growth of retail performance, provide customers with better service, expand diversified marketing channels, and realize the common progress between the Company and distributors.



Considerate Customer Service



Joyoung is committed to building an after-sales service brand "Sunshine Service". We uphold "integrity, warmth, transparency, and happiness" as our core service principle. Through continuously improving the customer service management mechanism and enhancing the business capacity of the customer service team, we expect to provide better consumption experience for consumers.



Protect Customer Rights and Interests

The Company constantly develops and improves the customer service management frameworks. We have formulated and regularly updated internal management policies such as the *Process Specification for Application and Revision of Featured Service Policies for Joyoung Products*, the *Management Regulations on 'Replacement Instead of Repair' Service*, the *Management Regulations for Handling Quality Issues*, and the *Complaint Management Regulations*. With a sound service system and processes, the Company is committed to providing high-level professional services for customers and creating an excellent customer service brand.

Complaint Management

During this year, we adopted strict management standards for customer complaint handling and raised the requirement for service timeliness. The Company requires the Customer Service Department to dispatch complaints to the corresponding service outlets through the customer service system within 30 minutes of working hours after accepting customers' demands through each service channel. The system SMS/WeChat will remind the customer service director and outlets to receive and handle complaints in time.

The service outlet is required to implement 30-minutes acceptance and 100% callback for complaints, and ensure authentic communication and effective solution. The service outlet needs to reply with the handling opinions through the customer service system within 2 hours and follow up on the issue.

In 2023, 89 complaints about products and services were received, with a complaint handling rate of 100%.



Product Services

Joyoung provides customers with diversified product services, including regular services and value-added services, to meet their differentiated needs. Value-added services, such as trade-in, fulfil customers' demand while promoting the concept of sustainable consumption, encouraging consumers to dispose of their unwanted items in a more environmentally friendly way and reducing the waste of resources.



Regular services

- Strictly implementing the country's regulations on the return, replacement, maintenance of sold goods allowing the return of sold products for quality reasons within 7 days, the replacement of sold products for quality reasons within 15 days, and the free repair of old products for quality reasons within 1 year
- Lifetime free cleaning service at after-sales service outlets
- Free two-way mailing during the warranty period if the send repair service is needed



Value-added services

- Five-free services: free maintenance, cleaning, sanitizing, testing, water quality testing
- "Replacement instead of repair" service allowing the free replacement of a product with quality defects sold within 1 year and trade-in of an old product sold more than a year ago for a new one (5-Year Depreciation Principle)
- Extra-long warranty period for designated accessories, such as the 10-year free-replace period for Y951 motors
- Extra-long (over 1 year) warranty period for designated product, such as the 3-year free-repair period for 40N7





Enhance Customer Experience

Customer Demand Survey

Accurate insight into customer needs can help the Company better carry out new product research and development, complete the iterative upgrading of existing products, so as to enhance customer experience. The Customer Research Department of Joyoung finds out the real needs of customers by analyzing their feedback, with consideration given to previous research and experience. For example, in the testing stage of a certain product, the problem of unclear interaction interface design was directly found in the consumer interview, which pointed out the direction for the subsequent product development and adjustment. Through customer demand research, the Company strengthens the construction of its own weak links, and strives to provide customers with high-quality experience.

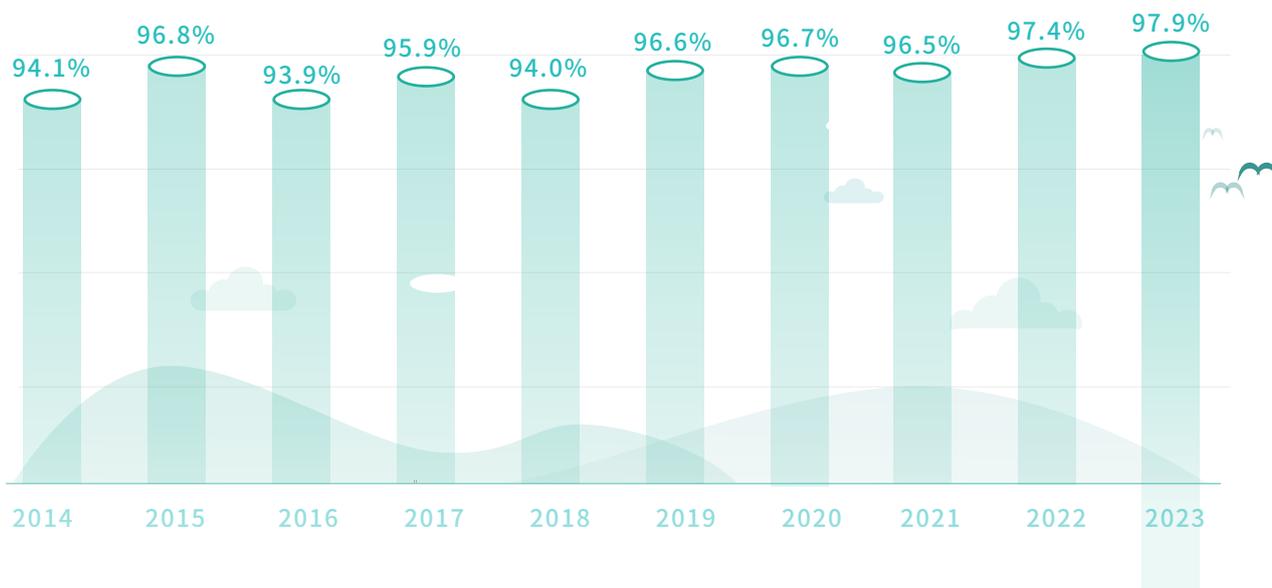
Customer Service Management

Joyoung has established a standardized and professional customer service team. We require more than 1,300 outlets to unify their staff image. Staff at these outlets have an average 5-year work experience, and are subject to star-level assessment management.

In addition, Joyoung provides customers with an omni-channel service model, including but not limited to off-line service outlets, AI intelligent customer service robots, Sunshine Service WeChat mini programs, Call Center professional, VIP service personnel, etc.

Customer Satisfaction Survey

The Company actively carries out customer satisfaction research. The customer satisfaction has been stable at about 95% in the past ten years, and has shown a trend of steady rise in the past three years, demonstrating that Joyoung's long-term high standard and strict customer service management mode has received customers' recognition.



Surveyed Service Satisfaction Rate from 2014 to 2023

Note: Satisfaction = overall satisfaction * 0.1 + satisfaction over maintenance at store * 0.4 + satisfaction over local service hotline * 0.3 + satisfaction over service policy * 0.2

Case

Joyoung Creative Industrial Park creates immersive industrial tourism experience

In 2023, Joyoung Creative Industrial Park was honored as a "National Industrial Tourism Demonstration Base" by the Ministry of Culture and Tourism. The park features a combination of "One Hall, Three Centers, and Twelve Scenic Spots," including the iconic Joyoung Brand Experience Center, high-quality industrial resources in the "Intelligent Manufacturing Center," "Administrative Center," and "Living Center," as well as twelve popular attractions. The Company has designed and developed four major tourism products, namely, parent-child experiences, business study tours, educational experiences, and personalized customizations, aiming to provide visitors with an integrated industrial tourism experience that combines sightseeing, experiential activities, and shopping. In the future, Joyoung will continually incorporate digital empowerment, upgrade diversified services, and strive to become a benchmark in industrial tourism, allowing tourists and consumers to enjoy convenient and delightful experiences in both visiting and shopping.



A background image showing a business meeting. Two people are seated at a table, looking at and pointing to various charts and documents. The scene is dimly lit, with a blue and purple color palette. The number '05' is prominently displayed in white on the left side of the image.

05 Shared Respons and Synergistic

- Supplier Management
- Common Progress of the Industry
- Industry-University-Research Cooperation

ibility Industry Development



SDGs Benchmark



Supplier Management



A stable and effective supply chain is crucial to the continuous and stable supply of high-quality products to consumers. Therefore, Joyoung has formulated a range of internal policies such as the *Supplier Introduction Management System*, *Supplier Management System Based on Grading*, *Supplier Quality Management Standard*, *Supplier Performance Management System*, *Supplier Quality Star-level Certification Management System*, *Policy of Lean Supplier Management Based on Star-level Certification*. The purpose is to find and develop high-quality suppliers and standardize supplier management and performance assessment, thus optimizing the supplier pool and jointly building a resilient, reliable and sustainable supply chain.



Supplier Access

Joyoung actively seeks to cooperate with suppliers that have high quality standards and are environmentally and socially responsible. We uphold the principle of fairness and equality when selecting suppliers. In the phase of access, we identify and manage the environmental and social risks of potential suppliers, and require them to comply with national laws and regulations and obtain the authoritative certification.

Core suppliers are required to obtain ISO 9001 quality management system certification, suppliers of food-grade components are required to pass either FDA Food Safety Certification or IECQ QC 080000 Hazardous Substance Process Management System Certification. Suppliers that cause environmental pollution through their production and operational activities are required to obtain ISO 14001 certification. Meanwhile, suppliers are required to provide government certification documents such as environmental assessment reports, pollutant discharge permits and fire inspection and approval permits. Only suppliers that have passed the necessary qualification assessment can proceed to the subsequent evaluation.

We comprehensively evaluate potential suppliers from three dimensions: quality, technology, and business, and make the selections on the basis of merit. Before cooperating, suppliers are required to abide by the *Supplier Code of Conduct*, and sign the *Statement on Social and Environmental Responsibilities and the Honesty Cooperation Agreement*, so that we can carry out business cooperation in a responsible manner.

In 2023, no violations relating to environmental and social issues were found in the supplier access inspection of Joyoung

Code of Conduct for Suppliers

The Company requires suppliers to abide by the Company's *Supplier Code of Conduct*, which clearly specifies provisions on anti-discrimination, anti-harassment, prohibition of child labor and forced labor, health and safety, environmental protection and other issues, to ensure a reliable and responsible supply chain.

Procurement Integrity Management

The Company has incorporated clauses of the *Integrity Cooperation Agreement* into the purchase and sale contracts it signed with its suppliers. The Company implements a zero-tolerance policy for corruption and bribery in any form.

Supplier Management Measures

Indicator	2023(Unit: Supplier)
Total number of suppliers	385
Tier-one Suppliers	134
Key tier-one suppliers	37
Key tier-one suppliers in Mainland China (excluding Hong Kong, Macau, and Taiwan)	37
Key tier-one suppliers in Hong Kong, Macau, Taiwan of China and other countries and regions	0



Supplier Assessment

The Company assesses its suppliers through various methods. According to the assessment results, we divide suppliers into four levels: A, B, C and D. We adjust procurement measures accordingly and take appropriate measures for incentives or penalties. In the assessment, suppliers are rated with stars, the suppliers that fail to comply with relevant regulations and show little willingness to improve will be terminated, and suppliers that show a willingness to improve will be encouraged. In addition, the Company carries out supplier sampling and unannounced inspections from time to time to ensure the problem can be timely identified and rectified.

In 2023, the Company conducted **2** supplier audits, covering **29** suppliers, and found no violations related to environmental and social issues.

Graded Supplier Management

- Grade A: Prioritized procurement. Further cooperation expected.
- Grade B: Cooperation will be maintained, with instructions provided to support its better development.
- Grade C: Rectifications are required, and semi-annual review is expected.
- Grade D: Disqualified for the annual appraisal of outstanding suppliers. Rejected for bidding for a certain period of time or permanently.

Supplier Star-rating

Annual quality star ratings are conducted for suppliers and categorized the suppliers into below three stars, three-star, four-star, and five-star levels. If suppliers who were rated below three stars fail to make improvements, they will see a reduction in their cooperation priority by the Company. Suppliers rated at three stars and above will enjoy corresponding preferential cooperation policies.



Supplier Communication and Empowerment

Joyoung regards communication with suppliers as an important supplier management approach. We have provided suppliers with a communication platform for mutual learning and improvement. The Company organizes the quality meetings, supplier conferences and training sessions every year. This helps achieve efficient supplier management and provides a solid guarantee for win-win cooperation. Moreover, we focus on mutual benefit with our suppliers. We carry out technology research and development with excellent suppliers and share the results together, and also introduce high-quality manufacturing capabilities from suppliers to empower our own production system to achieve the common growth.

In 2023, we launched a supplier capability enhancement program to improve our suppliers' manufacturing, quality testing, planning and delivery capabilities. For manufacturing, we focus on suppliers' process optimization and equipment efficiency enhancement, and propose the configuration plan for tooling and equipment. For quality testing, we strive to improve the testing ability of suppliers, and are committed to standard benchmarking, core supplier quality improvement and model supplier cultivation. For planning capability enhancement, we focus on improving the machine suppliers' planning and material control capabilities, and consolidate the implementation of the planning form and the plan of projected monthly demand to support the scheduling of the efficient production.

Indicators	Unit	2023
Total number of supplier trainings	Training	100
Number of suppliers trained	Supplier	35

Common Progress of the Industry



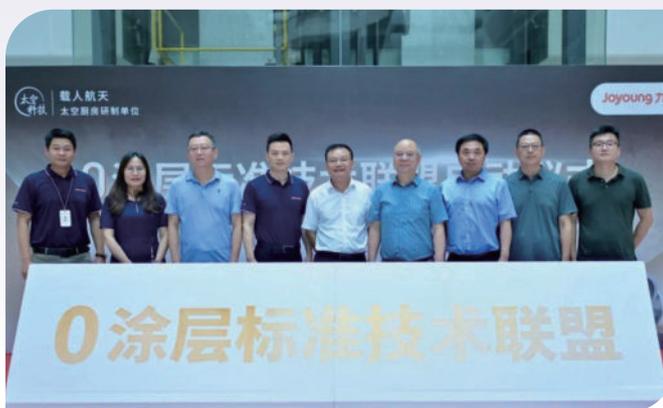
Joyoung actively promotes cooperation across industries. With innovation-driven and integration-empowered as our core philosophy, we are dedicated to showcasing our leadership responsibility in technological research and development. Working together with our industry partners, we are committed to making continuous progress in product quality and standardization. Through strengthened collaboration, we aim to achieve technology, resource, and market sharing, collectively creating higher-quality products to meet consumer demands and drive the development of the entire industry.

Case

Joyoung led the establishment of "0-Coating Standard Technology Alliance" to promote the industry development



In July 2023, Joyoung, in collaboration with six industry institutions including China Household Electric Appliance Research Institute, established the first "0-coating standard technology alliance", and released the *White Paper on 0-Coating Rice Cooker Industry Development*. Joyoung owns a number of patented 0-coating rice cooker technologies and has won a number of technical awards, such as the Patent Cultivation of 0-Coating Rice Cooker Award and the China Household Appliances Innovation Award. As the leading organization of the alliance, Joyoung took the lead in formulating the group standard for "Rice Cooker with 0-Coating Inner Pot" and jointly launched the "0-Coating Rice Cooker" certification with China Household Electric Appliance Research Institute. Joyoung also became the first company to obtain certification for its 0-coating rice cooker products. In the future, Joyoung will also focus on the field of 0-coating kitchen appliances, collaborating closely with industry partners to facilitate the robust and sustainable advancement of the industry.



Industry-University-Research Cooperation



Joyoung maintains close contact and interaction with universities and research institutions in the long term. Based on the practice bases established, we actively support the development of innovative practical education, internship and learning in universities, and invite university teachers and students to participate in our creative projects for internship and scientific research. Guided by the principle of "conducting multi-level, multi-channel, multi-form cooperation and achieving practical results", the Company and the universities give full play to their strengths, learn from each other, and cultivate high-quality innovative and entrepreneurial talents to achieve common progress and development.

By the end of 2023, the Company had cooperated with renowned institutions such as Zhejiang University, Southeast University, China Jiliang University, Zhejiang University of Technology, Ningbo Institute of Materials Technology & Engineering, Hefei Institute of Physics Technology & Engineering, China Electronics Standardization Institute, Zhejiang Institute of Science and Technology Information Science and Technology Search (Evaluation) Center, Zhejiang Fangyuan Test Group to jointly apply for provincial-level key research and development projects. These collaborations have facilitated exchanges on cutting-edge technologies, regular internship matching, and explore future research directions.



Three-year joint research on high-performance biomaterials by Joyoung, Ningbo Institute of Materials Technology and Engineering, and Zhejiang University of Technology



The Research Institute of Hengdian Group DMEGC visited Joyoung and initiated cooperations



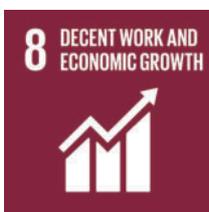
06 Employee Empo and Joint Growth

- Employment
- Training and Development
- Health and Safety
- Care for Employees

Powerment

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SDGs Benchmark



Employment



Joyoung always regards employees as the cornerstone of the Company's sustainable development, respects and attaches importance to the basic rights and interests of all employees. We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations. We focus on the growth and development of each employee, continuously creating a fair, just, diverse, and inclusive working environment, in order to share development and co-create the future with our employees.



Equality and Diversity

The Company strictly prohibits the employment of child labor and forced labor, actively creating an equal and diverse workplace environment. We ensure equal pay for equal work between male and female employees, guaranteeing that all employees are not subject to differential treatment based on personal backgrounds such as religion, gender, age, disability, etc. We also prohibit any form of discrimination, insults, and harassment, ensuring that all employees have equal opportunities in employment, training, promotion, and other aspects. During the Reporting Period, the Company did not have any incidents of employing child labor or forced labor.

The Company continued to implement the *Law of the People's Republic of China on the Protection of Disabled Persons* and other laws and regulations. We make proper arrangements for the employment of disabled individuals, ensuring equal participation of disabled employees in work and various company activities.

As the end of 2023, the Company employed **37** persons with disabilities, including **29** males and **8** females



Fair Recruitment

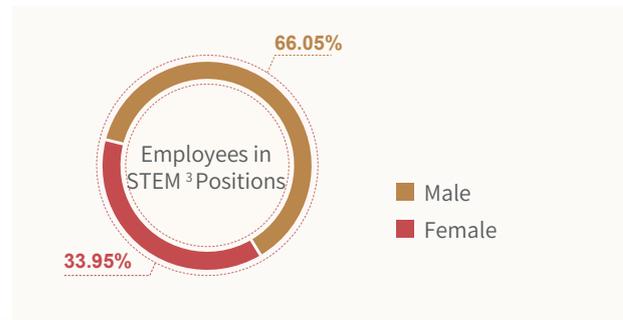
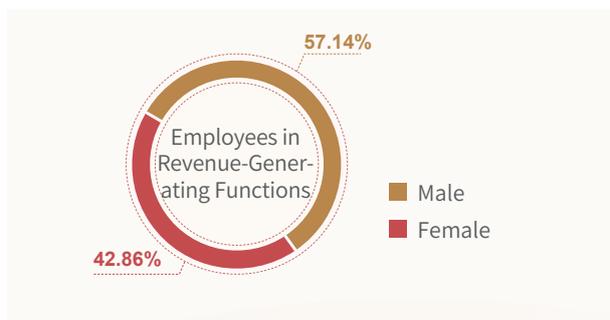
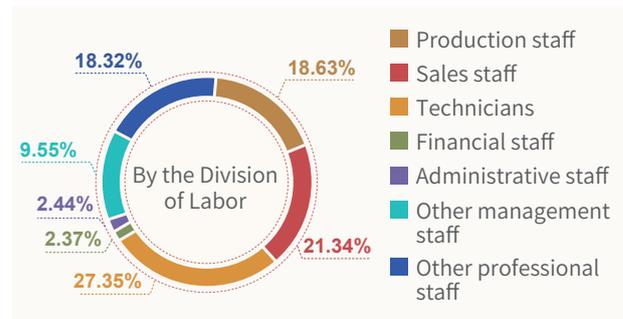
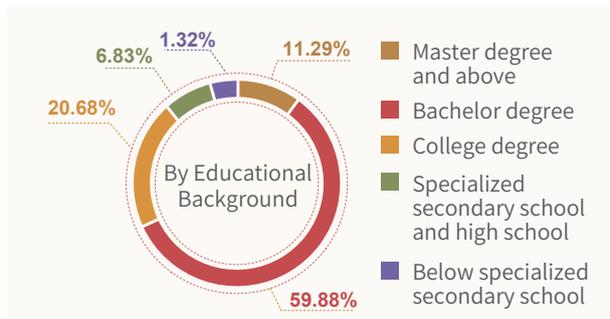
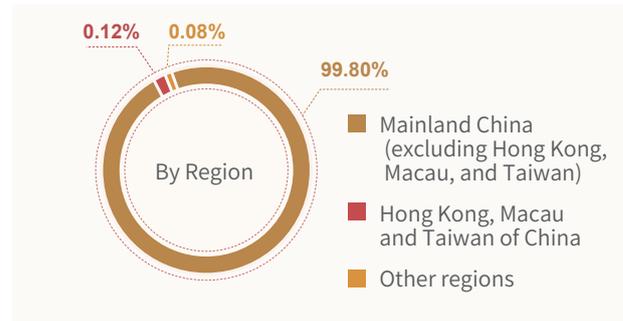
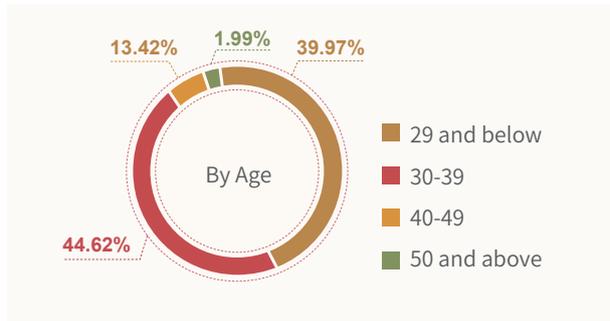
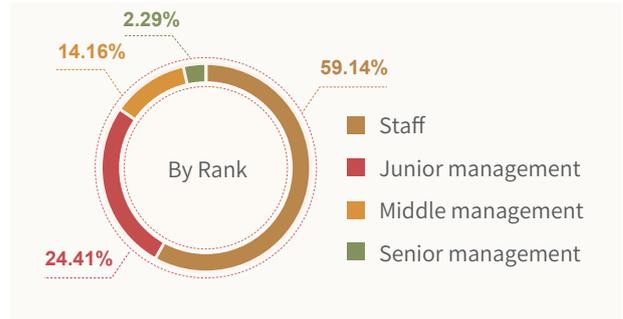
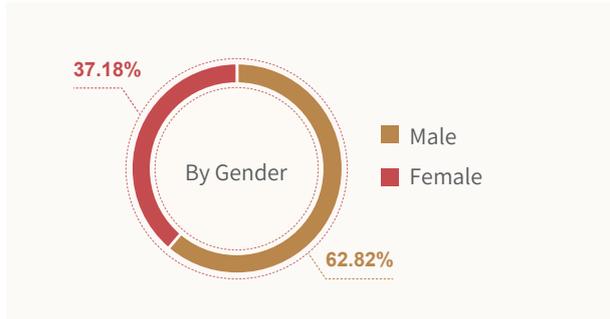
We believe that high-quality talent is a major driving force for the development of the Company. Therefore, the Company places great importance on attracting high-quality talent and mainly posts job vacancies through various channels, including the Company's official website, official WeChat account, third-party recruitment platforms, and offline job fairs. Meanwhile, we actively carry out school-enterprise cooperation with major universities, cultivate talents in universities via J Project² that assigns internal executives as professional mentors, creating a comprehensive internal training mechanism.

² J Project refers to Joyoung's campus recruitment program.

2023 Joyoung Employee Figures

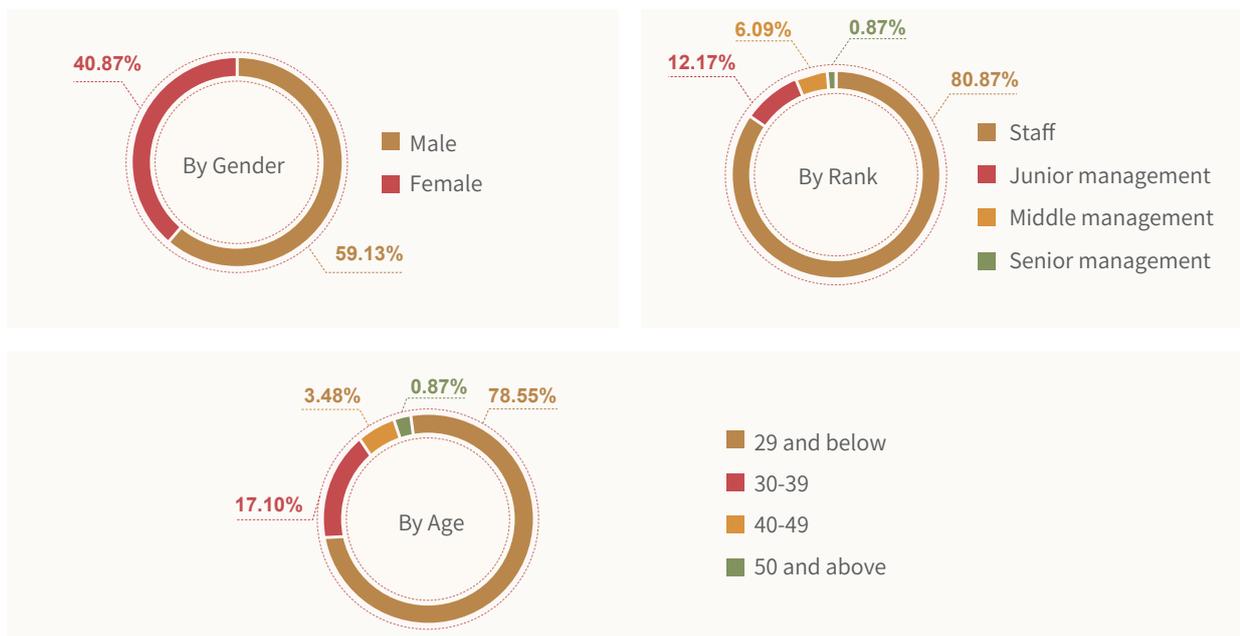


Total number of employees: **2,577**



³ STEM stands for Science, Technology, Engineering, and Mathematics. STEM professionals refer to individuals working in positions that involve the application of knowledge related to science, technology, engineering, or mathematics.

Composition of New Employees



Compensations and Benefits

The Company has established *Remuneration Management Rules* to ensure a compensation system that combines internal fairness and market competitiveness, and also ensures that employee salaries are above the local minimum wage. A salary structure has been implemented, consisting of basic salaries, allowances, and incentive bonuses, among other components, to share the Company's development achievements with employees. Meanwhile, to convey the corporate culture and values, and to show its care for employees, Joyoung has formulated the *Benefits Management Rules*. In addition to statutory basic welfare benefits, Joyoung provides employees with benefits for festivals, company shuttle for commuting, education sponsorship plans and other special benefits, which effectively enhance the sense of belonging and cohesion of employees.



Basic Benefits

- Six types of insurance and one fund (endowment insurance, unemployment insurance, employment injury insurance, maternity insurance, medical insurance, supplementary commercial insurance, and housing provident fund)
- The legitimate right to leave (statutory holidays, sick leave, marriage leave, funeral leave, and maternity leave for female employees, etc.)
- Physical examination for all employees
- High-temperature subsidy

Special Benefits

- Six types of care visits paid to employees on their special days and special occasions (birthday/marriage/maternity/illness/accident/funeral care)
- Education sponsorship given to an employee who acquires a higher degree or professional certificate
- Benefits given for festivals and holidays
- Allowance and subsidies: meal subsidies or free lunch
- Company dormitories and shuttles

 **Democratic Management**

Focusing on the voices of employees, we firmly hold that listening to the opinions of front-line employees is essential for our development. The Company convened workers' conference to hear their suggestions on the Company's development planning, production and operation, employee rights and interests, and other related issues. The Company has formulated the *Management Procedures for the Handling and Feedback of Opinions, Suggestions, Appeals and Feedback of Employees* to learn about employees' needs in a timely manner, thereby making the communication with employees more efficient.

- In 2023** **116** Joyoung employees were represented by an independent workers' union and covered by collective bargaining agreements (CBAs)
- 116** Joyoung employees attended the 2023 Joyoung workers' conference



The 6th Workers' Conference of Joyoung

Training and Development



Employee development is the key to our continuous growth. To meet the career development needs of diversified employees, the Company provides two development channels for employees: the management channel and the professional channel. We have also formulated policies such as the *Performance Management Rules* and the *Employee Career Development Channel Management Rules*, which provide employees with clear performance appraisal standards, promotion procedures and career planning.

Besides, the Company recognizes the importance of enhancing employees' professional skills, and organizes various internal training sessions for employees both online and offline, to enable employees to grow with the Company.

In 2023

a total of **2,577** employees received training throughout the year, with an average of **78** training hours per person and a training coverage rate of **100%**. Through multi-level training, employees can realize self-improvement, continuously promoting the Company's sustainable development.

Case

Special Training Camp - Cultivate Outstanding Potential Managers



As a training program for Joyoung's potential managers, the Special Training Camp has been launched since May 2022, and has systematically empowered fields such as culture, strategy, product, marketing, organizational capacity, and leadership. In 2023, we continued our efforts in finance and customers insights training. By applying methodologies and tools through practical business projects, we continuously enhance the user thinking, business awareness, and management skills of the 51 participants.

In graduation season, the camp members integrated what they had learned and participated in group defenses around topics on actual business. After comprehensive review by senior managers, 43 of them graduated, becoming outstanding reserve talents for managers and providing a strong support for the Company's future development.



Special Training Camp - Cultivate Outstanding Potential Managers

Case Training Camp for New Managers



To help new managers to better adapt to their leadership roles, the 2023 Joyoung Training Camp for New Manager focuses on two major pillars, namely "reshaping management perception and philosophy" and "realizing team performance target". The training lasted for 7 months, and systematically covered many areas such as role conversion, trust building, delegation, coaching feedback, effective incentive, performance evaluation, talent appointment, and integrated various methods including flipped teaching, live Q&A, scenario-based practices, and case studies to help the camp members comprehensively improve their management abilities.

In addition to input of theories, the camp also emphasizes the output of management practice. In response to the common problems encountered by new managers, such as "low completion of tasks assigned to subordinates" and "it's hard to deal with Gen Z employees", 41 new managers combined classroom knowledge and practical experience, and explored a number of solutions that were supported by many industry cases, accumulating a batch of valuable management lessons for Joyoung.



Training Camp for New Managers

Case Online Learning Platform - Xiaoyang School



As Joyoung's online learning platform, Xiaoyang School has always been popular among employees for its convenient operation, user-friendly points redemption activities and abundant high-quality courses. In 2023, a lot of efforts were put into the course development of Xiaoyang School. In line with current hotspots and business needs, Xiaoyang School newly developed over 300 premium courses, with a total of 12 series and over 1,300 courses established, covering R&D, management, psychology, efficient office practices, structured thinking, communication and expression, and other domains. These courses have received widespread praise from employees. During the Reporting Period, 100% of employees have logged in for learning, with an average of 50 learning hours per person in Xiaoyang School, fostering a strong culture of a learning organization and forming a strong learning atmosphere within the Company.



Online Learning Platform - Xiaoyang School

Health and Safety



Occupational Health and Safety Management System

As for the occupational health and safety management, the Company adheres to the principle of "pursuing people-oriented harmonious management, realizing risk reduction, and guaranteeing safety and health". We always put the protection of employees' life, health and safety in the first place. We strictly abide by the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations. Meanwhile, we have established a sound work safety management system, and formulated internal policies such as the *Environmental Factors and Hazardous Sources Control Procedures*, the *Fire Management Rules*, the *Safety Education and Training Management Rules*, to protect employees' occupational health and work safety. Joyoung has obtained the ISO 45001 occupational health and safety management system certification, and on this basis, further upgraded its occupational health and safety management system.



Health and Safety Measures

The Company systematically implements measures for ensuring operational environment safety and employee health and safety, aiming to minimize safety hazards and protect the lives of employees.



Safety Inspection

The Company's security brigade conducts monthly inspections and confirmation of fire-fighting equipment and also intensifies the inspection and daily patrol efforts in key areas related to potential hazards. Each department conducts monthly inspections of departmental organization, tidiness, cleaning, sanitizing, safety, and discipline (6S). Specific modules, such as the chemical warehouse, are inspected and confirmed daily by the responsible department.



Hazard Identification

The Company organizes all departments to identify and evaluate the hazard sources every year. The departments identify hazard sources in their own business activities and take corresponding control measures. In case of any changes in a department's activities or places, the department is required to conduct hazard identification and evaluation accordingly.



Emergency Drills

The Company carries out fire emergency drills twice a year to ensure a calm response and orderly evacuation when a real fire occurs. Meanwhile, for possible emergencies such as chemical leakage and electric shock, relevant departments organize corresponding emergency drills.



Related Party Management

The Company's external construction party, contractor and other related parties are required to sign a safety responsibility commitment letter, receive safety education before construction, and conduct safety inspections during construction. Relevant approval procedures are required to be in place to manage special operations such as fire-related work and excavation work.



Special Equipment Management

The Company conducts regular inspection, and periodic maintenance and verification of special equipment to ensure their effective operation.



Three-Level Safety Education and Training

New employees are required to attend the three-level safety education and training during the probationary period (i.e., the Company level, department level, and position level). The training covers the Company's safety rules, hazard sources, the use of labor protective equipment, and fire escape.

In 2023, the Company had no work-related fatalities. There were 6 cases of work-related injuries, and 39 lost workdays due to work-related injuries

Case Fire Evacuation Drill



To enhance employees' fire safety awareness and fire accident response ability. On August 27, 2023, a fire evacuation drill was carried out in the Joyoung Creative Industrial Park in Hangzhou. A total of 1,235 employees participated in the drill, which mainly included evacuation, fire-fighting and rescue, casualty treatment, fire extinguishing experience. This drill aimed at guiding employees to be familiar with the evacuation routes and helped them master the use of fire-fighting equipment, so as to further safeguard employees' life safety.



Fire Evacuation Drill



Prevention and Control of Occupational Diseases

Joyoung attaches great importance to the prevention and control of occupational diseases, and protects the health of its employees through the prevention and control with regard to employees themselves and the operating environment. On the one hand, the Company requires personnel joining positions with high risk of occupational diseases to sign a letter of notification before joining the Company, informing employees of the various hazardous situations that may arise, and guaranteeing the employees' right to be fully informed. Such employees are required to take physical examinations for occupational diseases before, during and upon the departure from duty. We also establish occupational health records of employees to track changes in their health status. We require employees engaged in positions with occupational hazards such as noise to wear earplugs and other personal protective equipment (PPE) before entering the workplace to protect against occupational diseases.

Regarding the work environment aspect, the Company carries out hazardous source identification and synchronized monitoring of harmful factors in each workplace every year to ensure a high level of safety in the operating environment.

Employees wear PPE such as earplugs during the production and testing processes



By the end of the Reporting Period, the number of occupational disease cases in the Company had been **0**, and the medical examination coverage rate had been **100%**

Care for Employees



Joyoung is committed to providing employees with a vibrant working environment, aiming to make every employee feel cared for and supported by the Company. We take the initiative to respond to employees' demands in terms of their daily life and physical and mental health. We also provide diversified cultural and sports activities and care projects for our employees, and are committed to giving them a sense of belonging and happiness in the workplace.



Basketball Competition in 2023



Billiards Competition in 2023

Case

Joyoung "Love Apartments"



To alleviate the growing pressure on contemporary couples to buy houses, the Company provides "Love Apartments" service for dual-income families where the husband and wife are both Joyoung employees and have not yet purchased a house in Hangzhou, Haining or Jiaxing. In addition, the Company has renovated 10 dormitories into cozy homes suitable for couples, providing maximum convenience for Joyoung's employee couples. Meanwhile, the Company also offers regular dormitories and employee apartments for employees, truly fostering a sense of belonging in the workplace.



Joyoung "Love Apartments"



Case

Joyoung "Mommy Cabins"



Joyoung has long emphasized the care of female employees. In order to meet the needs of nursing mothers for privacy, we built "Mommy Cabins" in Hangzhou and Jinan campuses to provide safe, comfortable and convenient spaces for breastfeeding female employees. "Mommy Cabins" have all kinds of supporting facilities including hand-washing stations, refrigerators, sofas, water purifier, and sterilization cabinet to solve the practical problems encountered by female employees returning to the workplace after giving birth, in order to effectively create a family-friendly workplace.



Joyoung "Mommy Cabin"



07 Environmental for Green Future

- Environmental Management
- Climate Change

Governance

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SDGs Benchmark



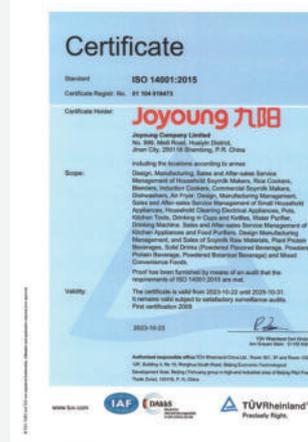
Environmental Management



Committed to building a positive, healthy, high value-added, green and environmentally-friendly household appliance brand, Joyoung strives to integrate the concept of environmental protection into every aspect of production and operation. Joyoung strictly complies with various laws and regulations 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 *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*. We have established a sound environmental management system, and are ISO 14001 certified, which is externally reviewed by a third-party company every three years.

In 2023, the Company did not get involved in any violation of environmental protection laws and regulations or pollution accident disputes, and it did not receive any administrative penalty for violating environmental protection laws and regulations.

ISO 14001 Environment Management System Certification



Resource Use Management

The Company has established the *Energy Resources Management Rules* and other internal policies to regulate the management of energy and resource use. Departments are required to choose environmentally friendly and energy-efficient products whenever possible when selecting resources. Regular internal news announcements are made to promote environmentally friendly office practices. The Company conducts daily inspections of energy usage in each department, regularly reporting on energy wastage. Adhering to the principle of energy conservation, the Company continuously improves energy resource management to minimize negative environmental impacts.

Information System Development

- Promoting online, paperless business processing, and encouraging online communication to minimize paper consumption

Resource Management Optimization

- Strictly control air conditioning temperature
- Using energy-saving lighting equipment
- Phasing out the old water pumps of high water consumption
- Turning off office equipment such as computers during non-office hours

Green Office Management

- Prohibiting use of high-power electrical office equipment for any purpose other than work
- Promoting double-sided and black and white printing, and prioritizing electrocommunication and online workflows
- Reducing subscription of unnecessary newspaper to reduce paper waste
- Sorting garbage with separate bins for recycling purposes at workplace

Joyoung actively explores the opportunities to optimize the energy structure and utilize renewable and clean energy. The Company has equipped its factories and offices with photovoltaic power generation equipment, which has greatly reduced the Company's dependence on purchased electricity and embodied the Company's dedication to address the challenge of climate change and contributing to the achievement China's dual carbon goals (the national goal of reaching peak carbon emissions before 2030 and that of achieving carbon neutrality before 2060).

In 2023 the total photovoltaic power generation in Hangzhou amounted to **3,419,365 kWh**

Among them

Joyoung consumed

2,847,145 kWh of electricity

The remaining

572,220 kWh of electricity is fed into the grid

The self-consumption ratio reached

83 %



Photovoltaic Power Generation Equipment on Factories and Offices Roofs in Hangzhou Campus

Indicator	Unit	2022	2023
Gasoline consumption	Liter	53,368.14	44,782.70
Natural gas consumption	Cubic meters	59,203.00	60,259.00
Total direct energy consumption	GJ	3,969.16	3,753.84
Purchased electricity	kWh	12,653,572.00	14,081,935.00
Green Power On-sit Consumption	kWh	2,735,413.00	2,847,145.00
Purchased electricity per unit of revenue	kWh/RMB 0'000	12.43	14.65

Energy Consumption Statistics in 2022 and 2023

Indicator	Unit	2022	2023
Water consumption	Metric ton	203,834.00	189,908.00
Water consumption per unit of revenue	Metric ton/RMB 0'000	0.20	0.20

Water Consumption Statistics in 2022 and 2023



Environmental Impact Management

Joyoung has established a rigid waste management system through the formulation and implementation of *Solid Waste Management Rules*, in which each department is responsible for the management of solid waste, from generation to collection. Hazardous waste is entrusted to qualified companies for disposal.

In addition, Joyoung has developed corresponding regulations for waste management, taking into account the Company's office operations. These regulations provide clear guidelines for waste classification. We placed sorted waste recycle bins for recyclable waste, kitchen waste, and other waste in areas such as employee work bays and pantries. Meanwhile, Joyoung regularly carries out training and advocacy to promote waste recycling in office and advocate green business.

Based on the *Hazardous Chemicals Management Rules*, we strictly regulate the procurement, transportation, use and disposal of hazardous chemicals and other harmful substances, and clarify the supervision, management, record-keeping, and reporting responsibilities of employees in all departments and at all levels. We make every effort to minimize the environmental pollution of hazardous chemicals by adsorbing the volatile organic compounds generated during the use of hazardous chemicals through activated carbon and sprinklers. Meanwhile, we inspect the storage area weekly, conduct the overall inspection on a regular basis and engage a third-party organization in regular exhaust gas testing. Any problems found in inspections are corrected in a timely manner. All responsible departments have established emergency plans for leakage, overflow, equipment failure, etc., and organize employees to conduct drills regularly according to the plans.

Case **Refurbishment factory for recycling of resources**

The Company has established refurbishment factory to refurbish returned products. Among the returned products collected by the Company, approximately 80% still hold value for reconditioning. The factories replace damaged components in the returned products and subject the refurbished products to strict quality and performance inspections before reintroducing them into the inventory for resale. This promotes resource recycling and reduces the negative environmental impact.

Indicator	Unit	2022	2023
Total hazardous waste ⁴	Metric ton	1.23	3.98
Hazardous waste per unit of revenue	Kg/ RMB 0'000	0.001	0.004
Total non-hazardous waste ⁵	Metric ton	541.38	2,232.76
Non-hazardous waste per unit of revenue	Kg/ RMB 0'000	0.53	2.32
Methylbenzene	Metric ton	/	500.00
Diethyl ether	Metric ton	/	71.00
Wastewater	Cubic meters	189,231.00	151,926.40

Emissions Statistics in 2022 and 2023



⁴Increased handling of printed circuit boards in 2023 resulted in an increase in the weight of hazardous waste produced.

⁵Increased disposal of returned machinery and accessories from Shangyu warehouse in 2023 resulted in an increase in the weight of non-hazardous waste produced.

Climate Change



Joyoung has always attached great importance to the impact of climate change on its operations and has incorporated climate change-related risks into its enterprise risk management framework. We actively respond to operational risks that may arise from extreme weather events and natural disasters. We have referenced the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate change risks and opportunities and plan effective response measures.

Climate change risks		Description	Response
Physical risks	Acute risks: extreme weather such as drought, floods and typhoons.	<ul style="list-style-type: none"> • Damage factories, office buildings and equipment, resulting in loss of assets; • Cause injuries to employees; • Disrupt supply chain continuity and stability. 	<ul style="list-style-type: none"> • Formulate emergency response plans for natural disasters, and constantly improve the emergency response mechanism for natural disasters; • Actively identify possible asset damage and purchase necessary insurance to cover potential risks.
	Chronic risks: sustained high temperature, sea level rise, etc.	<ul style="list-style-type: none"> • Increases the Company's need for cooling-related investments, which in turn increases operating costs; • During heat seasons, employees may face heat-related health risks that could impact operational efficiency, as they may be unable to work outdoors for long hours. 	<ul style="list-style-type: none"> • Integrate climate risk into our risk management and strategic planning; • Adopt more energy-efficient refrigeration equipment to reduce energy consumption and operating costs; • Scientifically arrange production plans and carefully deploy production organization to improve operational efficiency and ensure that employees can work effectively during heat seasons.
Transition risks	Policy and legal risks	<ul style="list-style-type: none"> • Stricter policies and regulations to mitigate climate change and increase compliance efforts for business operations may increase related litigation or claims; • Emission allowances and carbon pricing regulations may affect the production costs of upstream raw materials, which in turn leads to higher procurement costs for the Company. 	<ul style="list-style-type: none"> • Closely track changes in environmental laws, regulations, and policies at home and abroad and respond to them in a timely manner; • Promote energy saving and emission reduction in the Company's operations as well as green procurement.
	Technology risks	<ul style="list-style-type: none"> • The Company needs to transition to low-emission technologies and invest in energy-saving and emission-reducing technologies. However, there is uncertainty regarding the return on investment in these technologies, requiring careful evaluation and management; • Failure to timely identify and adopt low-carbon technologies may cause the Company to fall behind its industry peers in terms of low-carbon transformation. 	<ul style="list-style-type: none"> • Continue to research and apply low-carbon technology, and actively carry out industry cooperation; • Optimize the mechanism of attracting, cultivating and retaining technical talents, and enhance the Company's R&D capability.
	Market risks	<ul style="list-style-type: none"> • Failure to adequately meet consumer demand for green and low-carbon products.; • The frequency of extreme weather has a negative impact on supply chain stability, resulting in higher raw material costs. 	<ul style="list-style-type: none"> • Actively develop green and low-carbon products to meet consumer demand; • Promote green procurement and work with suppliers to explore low-carbon solutions.
	Reputation risks	<ul style="list-style-type: none"> • Stakeholders expect the Company to set and meet energy efficiency targets and mitigate climate change. Failure to effectively respond to stakeholder expectations may affect the Company's reputation. 	<ul style="list-style-type: none"> • Establish a regular communication mechanism to actively respond to the concerns of stakeholders; • Enhance the Company's sustainability and proactive response to climate change.

Climate change opportunities		Response
Market	<ul style="list-style-type: none"> The market demand for green and low-carbon products has increased. 	<ul style="list-style-type: none"> Continue to invest in low-carbon technology R&D, develop more innovative green and low-carbon products, and constantly improve the technological capabilities and product competitiveness.
Technology	<ul style="list-style-type: none"> Research and develop green and low-carbon materials and technologies; Expand the Company's intellectual property reserve. 	
Resource efficiency	<ul style="list-style-type: none"> Use more energy-efficient production and office equipment, buildings and technology. 	<ul style="list-style-type: none"> Actively explore the application of new technologies, equipment, and processes to improve resource efficiency and achieve cost reduction and efficiency improvement.
Climate resilience	<ul style="list-style-type: none"> Develop or participate in renewable energy projects. 	<ul style="list-style-type: none"> The cost of renewable energy, such as solar and wind power, is expected to keep declining in the future, and the active development of renewable energy projects or the procurement of renewable energy can reduce the costs associated with energy use in the medium to long term.

Indicator	Unit	2022	2023
Scope 1 GHG emissions ⁶	tCO ₂ e	241.96	238.56
Scope 2 GHG emissions	tCO ₂ e	8,901.79	8,030.93
Total GHG emissions (Scopes 1 and 2)	tCO ₂ e	9,143.75	8,269.49
GHG emissions per unit of revenue (Scopes 1 and 2)	tCO ₂ e/RMB 0'000	0.009	0.009

GHG Emissions Statistics in 2022 and 2023

⁶ GHG are calculated according to the standards and emission factors of the General Rules for Calculation of the Comprehensive Energy Consumption (GB2589-2020) and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Non-Industrial Enterprises (Trial). The emission factor of purchased electricity refers to the average grid electricity emission factor of the Notice on the Management of Corporate GHG Emissions Reporting in Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.

08 Giving Back to Society

- Social Welfare



SDGs Benchmark



Social Welfare

The "Joyoung Foundation" was initiated and established by Joyoung and its founders, with the core value of "uniting the power of kindness and creating a healthy and better life". Based on Joyoung's business strengths, the Foundation carries out public welfare events closely related to social issues such as health advocacy, nutrition, and well-being. The Foundation has also built two core brands, "Joyoung Charity Kitchen" and "Joyoung Food and Education Workshop", to promote the healthy development of young people.

In 2023

Joyoung Foundation was rated as a "**5A Social Organization**", the highest rating for social organizations, in its first evaluation

From 2008 to 2023 the Company has cumulatively invested over **100 million yuan** in public welfare

The total number of employees participating in volunteer activities

516

The total duration of volunteer service

3,980 hours

Average duration of volunteer service per person

7.7 hours

Since 2022, Joyoung Foundation has launched a project called "Living in the Sunshine". Through this project, the Company offered support for uncared-for children and socially scattered orphans to improve their self-protection and social interaction abilities through education assistance and accompanying, so as to promote social harmony and progress.

At present, the project has covered 10 counties across 4 cities, including Lishui, Quzhou, and Taizhou in Zhejiang Province, providing financial support for a total of **158** students



Case

Living in the Sunshine - Chinese New Year special events for underprivileged children



In 2023, Joyoung Foundation launched "Living in the Sunshine - Wish Fulfilment Activity" campaign which encourages underprivileged children to express their wishes. In collaboration with Joyoung's philanthropic partners, the foundation endeavors to fulfill these wishes, thereby safeguarding the children's happy growth.

During the activity, 103 underprivileged children from Lishui, Quzhou and Taizhou, and other areas in Zhejiang Province made wishes. During the Spring Festival period, with the coordinated assistance of Joyoung Foundation's philanthropic partners across the country, the New Year gifts for children are continuously delivered to their hands, allowing them to feel the warmth of kindness during the cold winter season.



Chinese New Year Special Events for the Underprivileged Children

Case

Gathering for the Hangzhou Asian Games - A summer travel study



In the summer vacation of 2023, Joyoung Foundation worked with Zhejiang Women and Children's Foundation to implement the "Gathering for the Hangzhou Asian Games – A Summer Travel Study in 2023, Themed on Living in the Sunshine" project. Joyoung invited 20 children from Sanmen, Jiangshan and Pingyang, which are among the 26 counties in the mountainous regions of Zhejiang Province, to come to Hangzhou for a travel study.

The children visited Hefang Street Historical and Cultural Block during the first stop of the travel study to relive the historical memories of Hangzhou. During their second stop, the children travelled to West Lake to visit famous sights that depicted in ancient poems and experience the history, culture, and scenery. During the third stop, the children visited the robotics laboratory of Zhejiang University and learned the most cutting-edge scientific and technological knowledge. During the fourth stop, the children visited the WESNLI Silk Industry Museum and the Zhejiang Swire Coca-Cola Museum, understanding the fusion of Chinese and Western cultures. Finally, the children visited the Qiantang Roller Sports Centre, the roller skating venue for the Hangzhou Asian Games, and experienced the charm of sportsmanship.

This activity combined travel and learning perfectly, and the children expanded their horizons while enriching their knowledge.



Gathering for the Hangzhou Asian Games - A Summer Travel Study

Index of Indicators

Contents		SDGs	GRI Standards	CASS-5.0
About the Report			2-2,2-3	P1.1,P1.2,P1.3,G3.7
Message from Chair			2-22	P2.1,P2.2,A1
Key Performance			2-14,2-29	G2.1,G3.2,G3.5,G3.6,A2
Feature on Responsibility	Features 01: Space Science and Technology Sparking the Kitchen Revolution	 		V2.2,V2.4
	Features 02: Caring for Youth Health and Growth	  		V1.2,V1.3,V3.4,V3.5
About Joyoung	Company Profile		2-1,2-6	P4.1,P4.3
	Company Culture			P4.2
	Company Events			
	Honors			
	ESG Management		2-29,3-1,3-2	G3.5,G3.6
Compliance Operation and Stable Development	Corporate Governance		2-9,2-12,2-13, 2-23,2-24	G1.1,G1.2,G1.3,G1.10
	Risk Management			
	Business Ethics		205-2,418-1	G1.4,G1.5,G1.6,G1.7, G1.8,G1.9
	Information Security		2-27	S4.6
	Party Building			
Innovation-led Product Responsibility Fulfilment	Continuous Innovation Drive			V2.1,V2.3
	Intellectual Property Protection		2-23,2-24,417-1	
	Product Quality Optimization		2-27	S4.1

Contents		SDGs	GRI Standards	CASS-5.0
Be Customer-oriented and Fully Protect Customer Rights and Interests	Responsible Marketing			S4.3
	Considerate Customer Service		418-1	S4.1,S4.5,S4.7,S4.8
Shared Responsibility and Synergistic Industry Development	Supplier Management		2-27,308-1,408-1,409-1,414-1	S5.1,S5.2,S5.3
	Common Progress of the Industry			V2.8
	Industry-University-Research Cooperation			
Employee Empowerment and Joint Growth	Employment		2-19,2-23,2-24,2-26,201-3,401-1,401-2,401-3,405-1	S1.1,S1.2,S1.3,S1.4,S1.5,S1.6,S1.7
				
	Training and Development		404-1,404-2	S2.1,S2.2,S2.4
			403-1,403-2,403-3,403-5,403-6,403-7,403-8,403-9,403-10	S3.1,S3.2,S3.4,S3.5,S3.6,S3.7,S3.11,S3.12
	Care for Employees		401-2	S1.10
Environmental Governance for Green Future	Environmental Management		302-1,302-3,302-4,302-5,306-3	E1.1,E1.6,E1.9,E2.1,E2.2,E2.3,E2.5,E2.12,E2.14,E3.6,E3.7,E3.8,E3.9
				
	Climate Change		201-2,305-1,305-2,305-4	E5.2,E5.3,E5.5,E5.6,E5.7
Giving Back to Society	Social Welfare	    	203-2	V1.2,V1.3,V1.4,V3.4,V3.5,V3.6,V3.7,
Index of Indicators				P1.1,P1.2,P1.3,G3.7,A4
Independent Assurance and Statement of Opinion			2-5	A3
Readers Feedback Form				A5

Independent Assurance and Statement of Opinion

Independent Verification Statement



To the management and stakeholders of Joyoung,

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as "TÜV SÜD") has been engaged by Joyoung Co., Ltd. (hereinafter referred to as "Joyoung" or "the Company") to perform an independent third-party verification on *Joyoung Co., Ltd. 2023 Environmental, Social and Governance (ESG) Report* (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Joyoung and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Joyoung and provided to TÜV SÜD. The scope of verification is limited to the given information. Joyoung shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by Joyoung during the reporting period from 1st January 2023 to 31st December 2023, including environmental, social, and governance information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
No.760 Yinhai Street, Xiasha Street, Hangzhou Economic and Technological Development Zone, Zhejiang Province

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Joyoung and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of Joyoung's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 1st January 2023 are beyond the scope of this verification.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the environmental, social, and governmental and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:



Independent Verification Statement

- AA1000AS v3, Type 1 Engagement and Moderate Level of Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report

In order to perform adequate verification in accordance with the contract and provide limited verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Joyoung; sampling verification on key performance information;
- Special interview with the representative of Joyoung’s Chairman, CEO and management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in Joyoung’s report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity	Joyoung fully identifies the organisation’s internal and external stakeholders, such as shareholders, government and regulatory agencies, customers, employees, suppliers, industry, environment, community and the public, and establishes a stakeholder communication mechanism in order to collect the real demands of stakeholders on a regular basis.
Materiality	Joyoung identifies the expectations and demands of its stakeholders through a communication mechanism with them. Based on the process of identification, ranking and validation, substantive issues to be disclosed were identified and prioritised through a dual materiality analysis. The overall content of the report is material, but there is still potential for improvement in the disclosure of topics such as reducing carbon emissions.
Responsiveness	Focusing on topics of interest to stakeholders, Joyoung clearly discloses its management methods and performance on substantive topics such as Compliance with regulations, carbon emission reduction, technology R&D and innovation, employee training and development, and supply chain management. At the same time, it establishes a variety of stakeholder communication mechanisms to fully respond to the demands and expectations of stakeholders.
Impact	Joyoung has established a communication mechanism with its stakeholders and has been communicating with them on a regular basis through a variety of ways and means. Through a dual-materiality assessment of substantive issues, Joyoung has clarified the disclosure focus of its sustainability efforts and monitored, measured and be accountable for its impact on the broader ecosystem.

Recommendations on Continuous Improvement

ID: 252713 Revision: 0 - released Effective: 25 Aug 2023

Independent Verification Statement



- It is recommended that companies disclose Scope 3 GHG emissions in future reports to enhance the material topic disclosure.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD 's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Joyoung are two entities independent of each other and both TÜV SÜD and Joyoung and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch



TÜV SÜD Sustainability Authorized Signatory Officer

Mar. 20th, 2024

Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

Readers Feedback Form

Dear reader,

Delighted to make your acquaintance.

Thank you for taking time out of your busy schedule to read the 2023 Joyoung Co., Ltd. Environmental, Social and Governance (ESG) Report. To provide you as well as other stakeholders with more valuable information, and to facilitate the Company's progress in ESG management, we sincerely look forward to your comments and suggestions.

Multiple-Choice Questions (Please tick ✓ where appropriate)

1. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

2. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

3. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

4. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

5. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

6. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

7. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

8. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

9. What is your overall assessment of this Report?

- Very good Good Average Poor Very poor

10. Open Question

Do you have any comments and suggestions on the fulfilment by Joyoung Co., Ltd. of its environmental, social and governance responsibilities and on this Report?

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